

Bureau of Economic Analysis

Survey of Current Business

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Special in this issue

55. Manufacturing Earnings in BEA Component Economic Areas, 1996

Among BEA component economic areas (CEA's), the CEA's with the highest average manufacturing earnings per job are those that have a greater proportion of manufacturing jobs, have a large, well-educated workforce, and have higher concentrations of industry clustering. The results from a regression analysis show that industry mix is the most important factor associated with average manufacturing earnings per job and that the education level of the workforce and the extent of industry clustering are also significant.

Regular features

1. Business Situation

U.S. economic activity picked up in the third quarter of 1998: Real GDP increased 3.3 percent after increasing 1.8 percent in the second quarter. The price index for gross domestic purchases increased 0.5 percent after increasing 0.4 percent.

6. Motor Vehicles, Model Year 1998

In model year 1998, sales of motor vehicles increased to 15.7 million units from 15.4 million units in model year 1997. The increase was more than accounted for by another strong increase in sales of new trucks, which reached a record 7.6 million units. Sales of new cars declined for the fourth consecutive year.

13. Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income: New Estimates for 1996 and Revised Estimates for 1982--95

BEA's measure of personal income and the IRS measure of adjusted gross income are reconciled through a series of adjustments for definitional differences between the two measures. This year's reconciliation reflects the recent annual revision of the NIPA's, including the redefinition of dividend payments and the incorporation of revised IRS tabulations of capital gains distributions.

20. Gross Product by Industry, 1995--97

The estimates of gross product by industry for 1995--96 have been revised to incorporate the results of this year's annual revision of the NIPA's and newly available source data, and new estimates for 1997 have been prepared. In 1997, durable goods manufacturing and services were the largest contributors to the 3.9-percent increase in real GDP; finance, insurance, and real estate and services were the largest contributors to the 1.9-percent increase in the GDP price index.

41. Reconciliation of the U.S.-Canadian Current Account, 1996 and 1997

For both 1996 and 1997, the reconciliation of the U.S.-Canadian current account results in a U.S. current-account deficit with Canada that is larger than the deficit shown in the U.S. published accounts. The annual reconciliation shows how the current-account estimates would appear if both countries used the same definitions, methodologies, and data sources.

66. Personal Income by State and Region, Second Quarter 1998

Personal income in the Nation increased \$78.0 billion, or 1.1 percent, in the second quarter of 1998. By region, the largest increase was in the Southeast, which accounted for 22 percent of the growth. By State, the fastest growth in personal income was in Nevada, Arizona, South Carolina, Utah, and Vermont. The slowest growth was in South Dakota, Hawaii, New Jersey, and Michigan.

Reports and statistical presentations

D-1. BEA Current and Historical Data

B U S I N E S S S I T U A T I O N

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

ECONOMIC GROWTH accelerated in the third quarter of 1998, according to the "advance" estimates of the national income and product accounts (NIPAs), as real gross domestic product (GDP) increased 3.3 percent after increasing 1.8 percent in the second quarter (chart 1 and table 1).¹ Prices increased at about the same rate as in the second quarter; for example, the price index for gross domestic purchases increased 0.5 percent after increasing 0.4 percent. Real dispos-

able personal income (DPI) increased 2.6 percent, the same as in the second quarter, and the personal saving rate (current-dollar saving as a percentage of current-dollar disposable personal income) continued its downtrend, decreasing to 0.1 percent from 0.4 percent.

The acceleration in real GDP growth from 1.8 percent to 3.3 percent was more than accounted for by inventory investment. Inventory stocks increased \$57.2 billion in the third quarter after increasing \$38.2 billion in the second; in the first quarter, stocks had increased \$91.4 billion. This pattern of inventory investment added 0.96 percentage point to the third-quarter change

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates unless otherwise specified. Quarter-to-quarter dollar changes are differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data. Real estimates are calculated using a chain-type Fisher formula with annual weights and are expressed both as index numbers (1992=100) and as chained (1992) dollars. Price indexes (1992=100) also are calculated using a chain-type Fisher formula.

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

[Seasonally adjusted at annual rates]

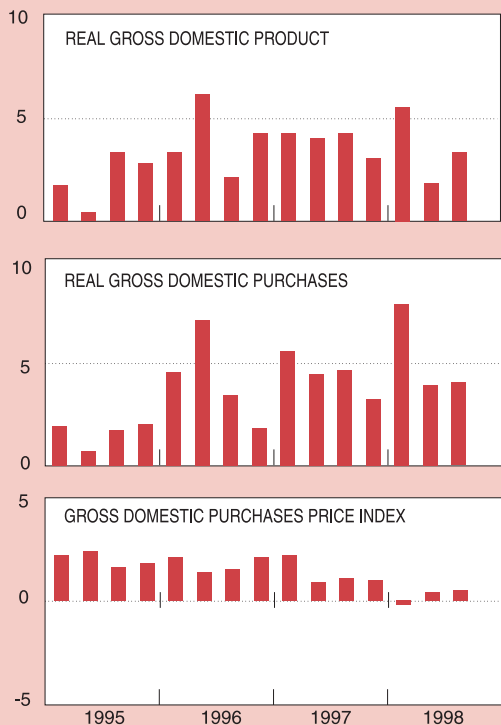
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997		1998	
		1998	1997	1998			IV	I	II
	III	IV	I	II	III	IV	I	II	III
Gross domestic product	7,559.5	53.4	100.1	33.9	60.9	3.0	5.5	1.8	3.3
Less: Exports of goods and services	965.0	10.7	-6.9	-19.8	-7.1	4.4	-2.8	-7.7	-2.9
Plus: Imports of goods and services	1,227.5	17.3	42.6	26.9	10.2	6.3	15.7	9.3	3.4
Equals: Gross domestic purchases	7,794.5	59.0	142.8	73.7	75.9	3.2	7.8	3.9	4.0
Less: Change in business inventories	57.2	15.5	24.9	-53.2	19.0	.....	.....	.....	.....
Nonfarm	49.2	18.7	23.2	-56.0	19.3	.....	.....	.....	.....
Farm	8.5	-3.6	1.6	3.4	-2	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	7,734.1	44.1	120.1	124.2	57.7	2.4	6.6	6.7	3.0
Personal consumption expenditures	5,179.3	34.0	74.1	75.1	49.1	2.8	6.1	6.1	3.9
Durable goods	729.4	5.2	25.5	19.1	0	3.1	15.8	11.2	0
Nondurable goods	1,549.6	-1.4	26.9	19.7	8.7	-4	7.4	5.3	2.3
Services	2,905.4	29.4	24.5	37.5	38.6	4.3	3.5	5.4	5.5
Gross private domestic fixed investment	1,267.8	10.2	55.4	39.2	3.7	3.6	20.4	13.4	1.2
Nonresidential fixed investment	958.1	4.0	45.7	28.5	-2.3	1.8	22.2	12.8	-1.0
Structures	198.6	.5	-2.6	-1.2	-3.3	.9	-4.9	-2.3	-6.5
Producers' durable equipment	773.3	3.8	52.4	32.5	2.0	2.2	34.3	18.8	1.1
Residential investment	314.3	5.6	10.6	10.6	5.2	8.2	15.6	15.0	6.8
Government consumption expenditures and gross investment	1,299.4	.3	-6.2	11.8	4.6	.1	-1.9	3.7	1.4
Federal	452.1	-2.4	-10.4	8.0	-2.0	-2.1	-8.8	7.3	-1.7
National defense	303.4	-1.5	-15.4	7.0	3.1	-2.0	-18.5	9.9	4.2
Nondefense	148.1	-9	4.6	1.0	-4.8	-2.3	13.1	2.6	-12.1
State and local	847.5	2.8	4.2	3.8	6.6	1.3	2.1	1.8	3.2
Addendum: Final sales of domestic product	7,499.2	38.5	77.7	83.9	42.8	2.1	4.3	4.6	2.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are in NIPA table 8.1.

CHART 1

Selected Measures: Change From Preceding Quarter

Percent



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

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

in real GDP after subtracting 2.66 percentage points from the second-quarter change. Real final sales of domestic product—GDP less change in business inventories—decelerated to a 2.3-percent increase, following a 4.6-percent increase.

The largest contributors to the 3.3-percent third-quarter increase in real GDP were personal consumption expenditures (PCE) and inventory investment.² PCE increased 3.9 percent and con-

tributed 2.64 percentage points to GDP growth; purchases of services and of nondurable goods rose.³ The 0.96-percentage-point contribution

but the composition of GDP was affected. (The USEC performed commercial nuclear enrichment activities.) Proceeds of the sale totaled \$3.1 billion (current dollars), \$1.5 billion of which was treated as a sale of financial assets and, consequently, was excluded from GDP. The remaining \$1.6 billion (\$6.4 billion at an annual rate) was the market value of uranium inventories and machinery and equipment. The inventory portion was deducted from government consumption expenditures and added to the change in business inventories; the machinery and equipment portion was deducted from government gross investment and was added to gross private domestic fixed investment.

3. NIPA table 8.2 shows the contributions of the major components of GDP to the quarter-to-quarter percent change in real GDP.

2. The level of GDP was not affected by the privatization in late July of the United States Enrichment Corporation (USEC) by the Federal Government,

Third-Quarter 1998 Advance GDP Estimate: Source Data and Assumptions

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

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

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

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

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

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

Government consumption expenditures and gross investment: Department of Defense outlays (3), other Federal outlays (3), State and local construction put in place (2), and State and local employment (3);

GDP prices: Consumer Price Index (3), Producer Price Index (3), U.S. Import and Export Price Indexes (3), and values and quantities of petroleum imports (2).

BEA made assumptions for source data that were not available. Table A shows the assumptions for key series; a more comprehensive listing of assumptions is available on the Department of Commerce's Economic Bulletin Board or from BEA.

Table A.—Summary of Major Data Assumptions for Advance Estimates, 1998:III

[Billions of dollars, seasonally adjusted at annual rates]

	1998					
	April	May	June	July	August	September ¹
Fixed investment:						
Nonresidential structures:						
Buildings, utilities, and farm:						
Value of new nonresidential construction put in place	169.4	166.3	169.6	165.2	164.3	164.6
Producers' durable equipment:						
Manufacturers' shipments of complete civilian aircraft	41.0	43.1	44.4	52.4	42.0	45.8
Residential structures:						
Value of new residential construction put in place:						
1-unit structures	182.1	181.4	185.0	188.2	188.4	190.7
2-or-more-unit structures	24.8	22.9	23.0	23.5	22.3	22.5
Change in business inventories, nonfarm:						
Change in inventories for manufacturing and trade (except nonmerchandise wholesalers) for industries other than motor vehicles and equipment in trade	36.6	23.9	44.3	20.4	35.2	26.9
Net exports: ²						
Exports of goods:						
U.S. exports of goods, balance-of-payments basis	664.0	656.6	657.2	645.9	644.4	668.7
Excluding nonmonetary gold	660.5	652.2	652.4	643.2	637.8	662.1
Imports of goods:						
U.S. imports of goods, balance-of-payments basis	920.0	927.6	903.6	898.3	922.8	928.3
Excluding nonmonetary gold	914.8	922.0	897.9	893.1	913.6	920.9
Net exports of goods (exports less imports)	-256.0	-271.0	-246.4	-252.4	-278.4	-259.6
Excluding nonmonetary gold	-254.3	-269.8	-245.5	-249.9	-275.8	-258.8
Government consumption expenditures and gross investment:						
State and local:						
Structures:						
Value of new construction put in place	132.3	126.0	132.9	131.6	133.9	132.7

1. Assumed.

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

by inventory investment largely reflected a sharp reduction in the pace of inventory liquidation in the motor vehicle industry. (Though inventory investment in the motor vehicle industry boosted third-quarter GDP, total motor vehicle output decreased, restraining GDP; inventory investment and output were both affected by a strike in the industry.) Residential investment and government spending also contributed to the third-quarter increase in real GDP. The increase in real GDP was damped by an increase in imports and by decreases in exports and in nonresidential fixed investment.

Motor vehicles.—Real motor vehicle output decreased 6.0 percent in the third quarter after decreasing 11.2 percent in the second; both decreases partly reflected the strike at a motor vehicle manufacturer from June 5 to July 29. Truck output accounted for the third-quarter decrease; auto output increased after three consecutive decreases (table 2).

Final sales of motor vehicles to domestic purchasers decreased 23.0 percent after increasing 22.9 percent.⁴ Purchases by consumers, by businesses, and by governments all turned down.

Consumer purchases turned down sharply even though the factors frequently considered in analyses of consumer spending were only a little less

favorable than in the second quarter. As mentioned earlier, real disposable personal income increased 2.6 percent, the same as in the second quarter. The Index of Consumer Sentiment (prepared by the University of Michigan Survey Research Center) decreased but remained high. The unemployment rate increased from 4.4 percent to 4.6 percent. In addition, motor vehicle manufacturers continued to offer attractive sales-incentive programs, and interest rates on new-car loans changed little.

Exports and imports of motor vehicles both decreased substantially more than in the second quarter.

Motor vehicle inventories decreased \$3.7 billion after decreasing \$22.6 billion; in the first quarter, they had increased \$2.6 billion. For new domestic autos, the inventory-sales ratio (calculated from units data) increased to 2.3 at the end of the third quarter from 1.9 at the end of the second; the traditional industry target is 2.4.

Prices

The price index for gross domestic purchases, which measures the prices of the goods and services purchased by U.S. residents, increased 0.5 percent in the third quarter after increasing 0.4 percent in the second (table 3). The price index for gross domestic purchases less food and energy

Table 2.—Motor Vehicle Output, Sales, and Inventories

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	1998	1997	1998			1997	1998		
	III	IV	I	II	III	IV	I	II	III
Output	256.7	9.6	-6.2	-7.8	-4.0	15.2	-8.6	-11.2	-6.0
Autos	115.3	-7	-5.7	-9.7	8.4	-2.2	-17.5	-29.2	35.2
Trucks	140.9	10.2	-4	1.8	-12.4	31.9	-1.0	4.8	-28.5
Less: Exports	21.0	.8	-1	-9	-5.1	13.1	-2.3	-12.2	-58.3
Autos	12.8	0	.1	-8	-2.1	-.3	.6	-17.0	-45.9
Trucks	8.2	.8	-2	-1	-3.0	35.2	-6.2	-5.2	-71.3
Plus: Imports	79.4	-3.3	6.4	-1.1	-3.6	-15.5	37.5	-4.9	-16.4
Autos	66.7	-2.2	6.1	.8	-4.0	-12.8	44.7	4.8	-20.7
Trucks	12.6	-1.1	.3	-1.9	.3	-26.5	7.5	-43.3	12.0
Equals: Gross domestic purchases	315.0	5.5	.5	-8.1	-2.7	7.0	.6	-9.5	-3.3
Autos	169.1	-2.8	.4	-8.1	6.4	-6.5	1.0	-17.7	16.7
Trucks	145.6	8.2	.1	0	-9.0	24.6	.1	.1	-21.5
Less: Change in business inventories	-3.7	9.5	-7.7	-25.2	18.9	.....	.....	.....	.....
Autos	2.6	3.7	-4.3	-12.2	14.9	.....	.....	.....	.....
Trucks	-6.0	5.5	-3.4	-12.7	4.2	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	318.7	-4.2	8.2	17.1	-21.5	-5.1	10.8	22.9	-23.0
Autos	166.6	-6.4	4.6	3.8	-8.1	-14.2	11.5	9.2	-17.3
Trucks	151.8	2.3	3.5	13.3	-13.4	6.4	10.0	39.7	-28.7
Addenda:									
Personal consumption expenditures	189.8	-1.7	3.6	9.1	-9.2	-3.5	7.9	20.5	-17.2
Producers' durable equipment	122.4	-6	5.4	6.3	-9.8	-1.9	19.1	21.3	-26.4
Gross government investment	7.6	-1.9	-7	1.9	-2.9	-53.5	-24.4	121.8	-72.4

NOTE.—See note to table 1 for an explanation of chained (1992) dollars. Truck output includes motor vehicle output, auto and truck output, and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.4, 8.5, and 8.7.

increased 0.6 percent, about the same as in the second quarter (chart 2).

PCE prices increased 1.0 percent after increasing 0.9 percent. PCE energy prices decreased 5.8 percent after decreasing 7.5 percent, as prices of gasoline and oil decreased less than in the second quarter. PCE food prices increased 2.8 percent after increasing 1.3 percent, partly reflecting step-ups in the prices of poultry and of processed dairy products. Prices of PCE less food and energy increased 1.0 percent after increasing 1.3 percent; prices of furniture and household equipment decreased more than in the second quarter, and prices of housing increased less than in the second quarter.

Prices of nonresidential fixed investment decreased 3.6 percent after decreasing 3.1 percent. Prices of structures increased 0.7 percent after increasing 3.1 percent. Prices of producers' durable equipment decreased 5.1 percent, about the same as in the second quarter; prices of computers and peripheral equipment decreased about the same as in the second quarter, prices of industrial equipment slowed, and prices of transportation equipment turned up. Prices of private residential investment increased 2.3 percent after increasing 1.7 percent.

Prices of government consumption expenditures and gross investment increased 1.1 percent

after increasing 0.8 percent. Prices paid by the Federal Government increased 0.1 percent after no change; nondense prices were unchanged after decreasing, and national defense prices increased about as much as in the second quarter. Prices paid by State and local governments increased 1.6 percent after increasing 1.2 percent.

The GDP price index, which measures the prices of goods and services produced in the United States, increased 0.8 percent after increasing 0.9 percent. This index, unlike the index for gross domestic purchases, includes the prices of exports and excludes the prices of imports. Export prices decreased 2.9 percent after decreasing 1.8 percent; prices of industrial supplies and materials and prices of nonautomotive capital goods decreased more than in the second quarter. Import prices decreased 4.8 percent after decreasing 4.5 percent; prices of foods, feeds, and beverages, of industrial supplies and materials, and of autos decreased more than in the second quarter, but prices of petroleum products and of nonautomotive consumer goods decreased less than in the second quarter.

Personal income

Current-dollar DPI increased 3.6 percent after increasing 3.5 percent. The personal saving rate decreased to 0.1 percent from 0.4 percent, reflecting a larger increase in personal outlays than in DPI (chart 3). The third-quarter saving rate was the lowest since the quarterly series began in 1946. (Personal saving and the saving rate need not be greater than zero; negative personal

Table 3.—Price Indexes

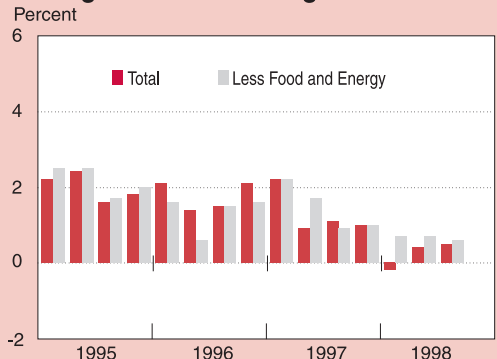
[Percent change at annual rates; based on seasonally adjusted index numbers (1992=100)]

	1997		1998	
	IV	I	II	III
Gross domestic product	1.1	0.9	0.9	0.8
Less: Exports of goods and services	-1.6	-3.4	-1.8	-2.9
Plus: Imports of goods and services	-2.3	-10.4	-4.5	-4.8
Equals: Gross domestic purchases	1.0	-2	.4	.5
Less: Change in business inventories				
Equals: Final sales to domestic purchasers	1.0	-1	.5	.5
Personal consumption expenditures	1.1	0	.9	1.0
Food	1.2	1.1	1.3	2.8
Energy	2.3	-20.2	-7.5	-5.8
Personal consumption expenditures less food and energy	1.0	1.1	1.3	1.0
Private nonresidential fixed investment	-1.6	-3.0	-3.1	-3.6
Structures	3.3	2.7	3.1	.7
Producers' durable equipment	-3.3	-5.0	-5.2	-5.1
Private residential investment	2.4	0	1.7	2.3
Government consumption expenditures and gross investment	2.2	1.1	.8	1.1
Federal	1.4	2.7	0	.1
National defense	1.2	2.9	.3	.2
Nondefense	1.8	2.2	-6	0
State and local	2.7	.2	1.2	1.6
Addendum: Gross domestic purchases less food and energy	1.0	.7	.7	.6

NOTE.—Percent changes in major aggregates are in NIPA table 8.1. Index number levels are in tables 7.1, 7.2, and 7.4.

CHART 2

Gross Domestic Purchases Prices: Change From Preceding Quarter



Note.—Percent change at annual rate from preceding quarter; based on seasonally adjusted index numbers (1992=100).

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saving, or dissaving, may occur when outlays are financed by borrowing, by selling investments or other assets, or by using savings from previous periods.)

Personal income increased \$73.7 billion in the third quarter after increasing \$78.0 billion in the second (table 4). In both quarters, the increase was mainly accounted for by wage and salary disbursements, which increased \$57.8 billion after increasing \$55.7 billion. Private wages and salaries increased \$51.1 billion after increasing \$49.4 billion. In both quarters, about two-thirds of the increase was accounted for by service industries, and the remaining third was accounted for by distributive industries; manufacturing decreased slightly after increasing slightly. Government

wages and salaries increased \$6.6 billion, about the same as in the second quarter.

Transfer payments increased \$6.4 billion after increasing \$6.8 billion.

Personal interest income increased \$4.6 billion after increasing \$6.0 billion. Proprietors' income increased \$3.2 billion after increasing \$7.5 billion; most of the slowdown was accounted for by a downturn in farm proprietors' income, as crop prices decreased more than in the second quarter and livestock prices decreased after increasing.

Personal contributions for social insurance, which is subtracted in the calculation of personal income, increased \$4.3 billion, about the same as in the second quarter.


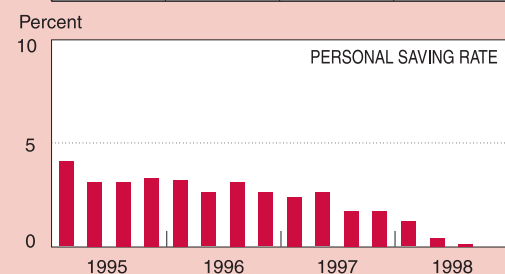
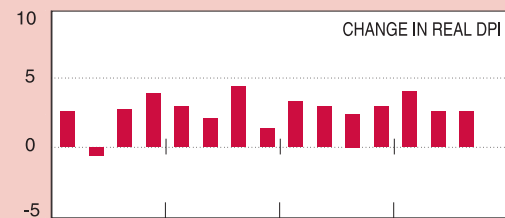
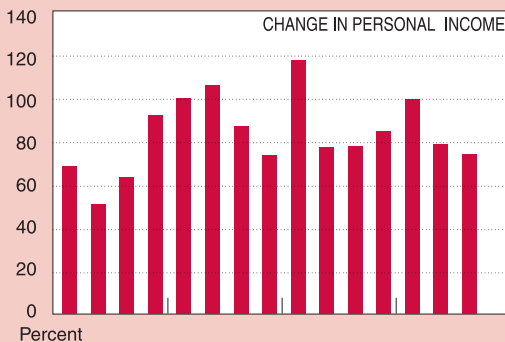
Personal tax and nontax payments increased \$20.3 billion after increasing \$26.1 billion. The slowdown was primarily accounted for by a downturn in estate and gift tax collections. 

CHART 3

Selected Personal Income and Saving Measures

Billions \$



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

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Table 4.—Personal Income and Its Disposition

[Billions of dollars; seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	1998	1997		1998		
		III	IV	I	II	III
Wage and salary disbursements	4,175.4	74.4	72.0	55.7	57.8	
Private industries	3,482.9	69.5	64.0	49.4	51.1	
Goods-producing industries	1,026.8	24.3	15.3	4.2	3.6	
Manufacturing	750.3	19.0	9.1	.4	-.5	
Distributive industries	946.0	18.2	14.4	13.3	13.8	
Service industries	1,510.1	27.0	34.3	31.9	33.7	
Government	692.4	4.7	8.1	6.3	6.6	
Other labor income	408.3	3.4	5.8	2.9	2.6	
Proprietors' income with IVA and CCAAdj	574.9	1.5	6.2	7.5	3.2	
Farm	24.2	-4.9	-4.0	.3	-3.5	
Nonfarm	550.7	6.4	10.2	7.2	6.7	
Rental income of persons with CCAAdj	163.6	.2	-.5	2.7	2.6	
Personal dividend income	263.0	.9	.3	.5	.9	
Personal interest income	767.6	2.5	4.0	6.0	4.6	
Transfer payments to persons	1,152.2	6.5	18.5	6.8	6.4	
Less: Personal contributions for social insurance	349.4	5.4	7.3	4.2	4.3	
Personal income	7,155.6	84.0	99.0	78.0	73.7	
Less: Personal tax and nontax payments	1,113.2	26.5	41.3	26.1	20.3	
Equals: Disposable personal income	6,042.4	57.6	57.7	51.8	53.5	
Less: Personal outlays	6,036.4	57.9	82.8	99.3	73.1	
Equals: Personal saving	5.9	-.3	-25.2	-47.4	-19.7	
Addenda: Special factors in personal income:						
In wages and salaries:						
Federal Government and Postal Service pay adjustments, including "buyouts"	4.0	0	3.5	.1	0	
Strike in the motor vehicle industry	-2.5	0	0	-1.2	-1.3	
In personal tax and nontax payments:						
Recent tax law changes	-45.1	0	-7.9	-.5	-.6	

NOTE.—Most dollar levels are in NIPA table 2.1.
IVA Inventory valuation adjustment
CCAAdj Capital consumption adjustment

B U S I N E S S S I T U A T I O N

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ECONOMIC GROWTH accelerated in the third quarter of 1998, according to the "advance" estimates of the national income and product accounts (NIPAs), as real gross domestic product (GDP) increased 3.3 percent after increasing 1.8 percent in the second quarter (chart 1 and table 1).¹ Prices increased at about the same rate as in the second quarter; for example, the price index for gross domestic purchases increased 0.5 percent after increasing 0.4 percent. Real dispos-

able personal income (DPI) increased 2.6 percent, the same as in the second quarter, and the personal saving rate (current-dollar saving as a percentage of current-dollar disposable personal income) continued its downtrend, decreasing to 0.1 percent from 0.4 percent.

The acceleration in real GDP growth from 1.8 percent to 3.3 percent was more than accounted for by inventory investment. Inventory stocks increased \$57.2 billion in the third quarter after increasing \$38.2 billion in the second; in the first quarter, stocks had increased \$91.4 billion. This pattern of inventory investment added 0.96 percentage point to the third-quarter change

1. Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates unless otherwise specified. Quarter-to-quarter dollar changes are differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data. Real estimates are calculated using a chain-type Fisher formula with annual weights and are expressed both as index numbers (1992=100) and as chained (1992) dollars. Price indexes (1992=100) also are calculated using a chain-type Fisher formula.

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

[Seasonally adjusted at annual rates]

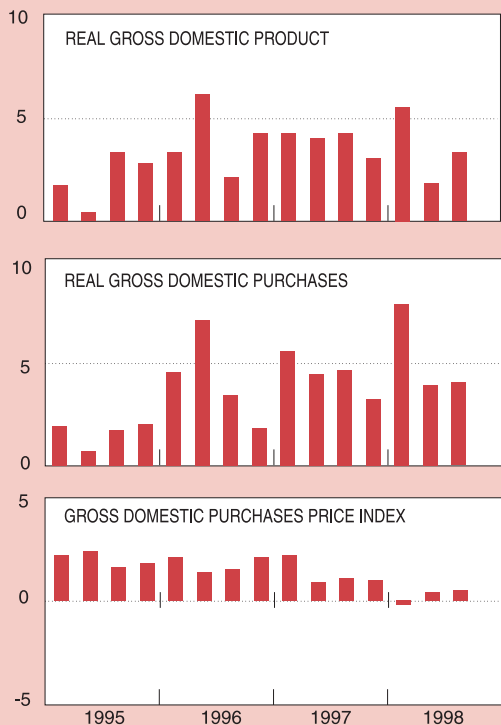
	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1997			
		1998	1997	1998			1998		
	III	IV	I	II	III	IV	I	II	III
Gross domestic product	7,559.5	53.4	100.1	33.9	60.9	3.0	5.5	1.8	3.3
Less: Exports of goods and services	965.0	10.7	-6.9	-19.8	-7.1	4.4	-2.8	-7.7	-2.9
Plus: Imports of goods and services	1,227.5	17.3	42.6	26.9	10.2	6.3	15.7	9.3	3.4
Equals: Gross domestic purchases	7,794.5	59.0	142.8	73.7	75.9	3.2	7.8	3.9	4.0
Less: Change in business inventories	57.2	15.5	24.9	-53.2	19.0	.....	.....	.....	.....
Nonfarm	49.2	18.7	23.2	-56.0	19.3	.....	.....	.....	.....
Farm	8.5	-3.6	1.6	3.4	-2	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	7,734.1	44.1	120.1	124.2	57.7	2.4	6.6	6.7	3.0
Personal consumption expenditures	5,179.3	34.0	74.1	75.1	49.1	2.8	6.1	6.1	3.9
Durable goods	729.4	5.2	25.5	19.1	0	3.1	15.8	11.2	0
Nondurable goods	1,549.6	-1.4	26.9	19.7	8.7	-4	7.4	5.3	2.3
Services	2,905.4	29.4	24.5	37.5	38.6	4.3	3.5	5.4	5.5
Gross private domestic fixed investment	1,267.8	10.2	55.4	39.2	3.7	3.6	20.4	13.4	1.2
Nonresidential fixed investment	958.1	4.0	45.7	28.5	-2.3	1.8	22.2	12.8	-1.0
Structures	198.6	.5	-2.6	-1.2	-3.3	.9	-4.9	-2.3	-6.5
Producers' durable equipment	773.3	3.8	52.4	32.5	2.0	2.2	34.3	18.8	1.1
Residential investment	314.3	5.6	10.6	10.6	5.2	8.2	15.6	15.0	6.8
Government consumption expenditures and gross investment	1,299.4	.3	-6.2	11.8	4.6	.1	-1.9	3.7	1.4
Federal	452.1	-2.4	-10.4	8.0	-2.0	-2.1	-8.8	7.3	-1.7
National defense	303.4	-1.5	-15.4	7.0	3.1	-2.0	-18.5	9.9	4.2
Nondefense	148.1	-9	4.6	1.0	-4.8	-2.3	13.1	2.6	-12.1
State and local	847.5	2.8	4.2	3.8	6.6	1.3	2.1	1.8	3.2
Addendum: Final sales of domestic product	7,499.2	38.5	77.7	83.9	42.8	2.1	4.3	4.6	2.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates usually are not additive. Chained (1992) dollar levels and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are in NIPA table 8.1.

CHART 1

Selected Measures: Change From Preceding Quarter

Percent



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

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in real GDP after subtracting 2.66 percentage points from the second-quarter change. Real final sales of domestic product—GDP less change in business inventories—decelerated to a 2.3-percent increase, following a 4.6-percent increase.

The largest contributors to the 3.3-percent third-quarter increase in real GDP were personal consumption expenditures (PCE) and inventory investment.² PCE increased 3.9 percent and con-

tributed 2.64 percentage points to GDP growth; purchases of services and of nondurable goods rose.³ The 0.96-percentage-point contribution

but the composition of GDP was affected. (The USEC performed commercial nuclear enrichment activities.) Proceeds of the sale totaled \$3.1 billion (current dollars), \$1.5 billion of which was treated as a sale of financial assets and, consequently, was excluded from GDP. The remaining \$1.6 billion (\$6.4 billion at an annual rate) was the market value of uranium inventories and machinery and equipment. The inventory portion was deducted from government consumption expenditures and added to the change in business inventories; the machinery and equipment portion was deducted from government gross investment and was added to gross private domestic fixed investment.

3. NIPA table 8.2 shows the contributions of the major components of GDP to the quarter-to-quarter percent change in real GDP.

2. The level of GDP was not affected by the privatization in late July of the United States Enrichment Corporation (USEC) by the Federal Government,

Third-Quarter 1998 Advance GDP Estimate: Source Data and Assumptions

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

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

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

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

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

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

Government consumption expenditures and gross investment: Department of Defense outlays (3), other Federal outlays (3), State and local construction put in place (2), and State and local employment (3);

GDP prices: Consumer Price Index (3), Producer Price Index (3), U.S. Import and Export Price Indexes (3), and values and quantities of petroleum imports (2).

BEA made assumptions for source data that were not available. Table A shows the assumptions for key series; a more comprehensive listing of assumptions is available on the Department of Commerce's Economic Bulletin Board or from BEA.

Table A.—Summary of Major Data Assumptions for Advance Estimates, 1998:III

[Billions of dollars, seasonally adjusted at annual rates]

	1998					
	April	May	June	July	August	September ¹
Fixed investment:						
Nonresidential structures:						
Buildings, utilities, and farm:						
Value of new nonresidential construction put in place	169.4	166.3	169.6	165.2	164.3	164.6
Producers' durable equipment:						
Manufacturers' shipments of complete civilian aircraft	41.0	43.1	44.4	52.4	42.0	45.8
Residential structures:						
Value of new residential construction put in place:						
1-unit structures	182.1	181.4	185.0	188.2	188.4	190.7
2-or-more-unit structures	24.8	22.9	23.0	23.5	22.3	22.5
Change in business inventories, nonfarm:						
Change in inventories for manufacturing and trade (except nonmerchant wholesalers) for industries other than motor vehicles and equipment in trade	36.6	23.9	44.3	20.4	35.2	26.9
Net exports: ²						
Exports of goods:						
U.S. exports of goods, balance-of-payments basis	664.0	656.6	657.2	645.9	644.4	668.7
Excluding nonmonetary gold	660.5	652.2	652.4	643.2	637.8	662.1
Imports of goods:						
U.S. imports of goods, balance-of-payments basis	920.0	927.6	903.6	898.3	922.8	928.3
Excluding nonmonetary gold	914.8	922.0	897.9	893.1	913.6	920.9
Net exports of goods (exports less imports)	-256.0	-271.0	-246.4	-252.4	-278.4	-259.6
Excluding nonmonetary gold	-254.3	-269.8	-245.5	-249.9	-275.8	-258.8
Government consumption expenditures and gross investment:						
State and local:						
Structures:						
Value of new construction put in place	132.3	126.0	132.9	131.6	133.9	132.7

1. Assumed.

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

by inventory investment largely reflected a sharp reduction in the pace of inventory liquidation in the motor vehicle industry. (Though inventory investment in the motor vehicle industry boosted third-quarter GDP, total motor vehicle output decreased, restraining GDP; inventory investment and output were both affected by a strike in the industry.) Residential investment and government spending also contributed to the third-quarter increase in real GDP. The increase in real GDP was damped by an increase in imports and by decreases in exports and in nonresidential fixed investment.

Motor vehicles.—Real motor vehicle output decreased 6.0 percent in the third quarter after decreasing 11.2 percent in the second; both decreases partly reflected the strike at a motor vehicle manufacturer from June 5 to July 29. Truck output accounted for the third-quarter decrease; auto output increased after three consecutive decreases (table 2).

Final sales of motor vehicles to domestic purchasers decreased 23.0 percent after increasing 22.9 percent.⁴ Purchases by consumers, by businesses, and by governments all turned down.

Consumer purchases turned down sharply even though the factors frequently considered in analyses of consumer spending were only a little less

favorable than in the second quarter. As mentioned earlier, real disposable personal income increased 2.6 percent, the same as in the second quarter. The Index of Consumer Sentiment (prepared by the University of Michigan Survey Research Center) decreased but remained high. The unemployment rate increased from 4.4 percent to 4.6 percent. In addition, motor vehicle manufacturers continued to offer attractive sales-incentive programs, and interest rates on new-car loans changed little.

Exports and imports of motor vehicles both decreased substantially more than in the second quarter.

Motor vehicle inventories decreased \$3.7 billion after decreasing \$22.6 billion; in the first quarter, they had increased \$2.6 billion. For new domestic autos, the inventory-sales ratio (calculated from units data) increased to 2.3 at the end of the third quarter from 1.9 at the end of the second; the traditional industry target is 2.4.

Prices

The price index for gross domestic purchases, which measures the prices of the goods and services purchased by U.S. residents, increased 0.5 percent in the third quarter after increasing 0.4 percent in the second (table 3). The price index for gross domestic purchases less food and energy

Table 2.—Motor Vehicle Output, Sales, and Inventories

[Seasonally adjusted at annual rates]

	Billions of chained (1992) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter							
	1998	1997	1998			1997	1998		
	III	IV	I	II	III	IV	I	II	III
Output	256.7	9.6	-6.2	-7.8	-4.0	15.2	-8.6	-11.2	-6.0
Autos	115.3	-7	-5.7	-9.7	8.4	-2.2	-17.5	-29.2	35.2
Trucks	140.9	10.2	-4	1.8	-12.4	31.9	-1.0	4.8	-28.5
Less: Exports	21.0	.8	-1	-9	-5.1	13.1	-2.3	-12.2	-58.3
Autos	12.8	0	.1	-8	-2.1	-.3	.6	-17.0	-45.9
Trucks	8.2	.8	-2	-1	-3.0	35.2	-6.2	-5.2	-71.3
Plus: Imports	79.4	-3.3	6.4	-1.1	-3.6	-15.5	37.5	-4.9	-16.4
Autos	66.7	-2.2	6.1	.8	-4.0	-12.8	44.7	4.8	-20.7
Trucks	12.6	-1.1	.3	-1.9	.3	-26.5	7.5	-43.3	12.0
Equals: Gross domestic purchases	315.0	5.5	.5	-8.1	-2.7	7.0	.6	-9.5	-3.3
Autos	169.1	-2.8	.4	-8.1	6.4	-6.5	1.0	-17.7	16.7
Trucks	145.6	8.2	.1	0	-9.0	24.6	.1	.1	-21.5
Less: Change in business inventories	-3.7	9.5	-7.7	-25.2	18.9				
Autos	2.6	3.7	-4.3	-12.2	14.9				
Trucks	-6.0	5.5	-3.4	-12.7	4.2				
Equals: Final sales to domestic purchasers	318.7	-4.2	8.2	17.1	-21.5	-5.1	10.8	22.9	-23.0
Autos	166.6	-6.4	4.6	3.8	-8.1	-14.2	11.5	9.2	-17.3
Trucks	151.8	2.3	3.5	13.3	-13.4	6.4	10.0	39.7	-28.7
Addenda:									
Personal consumption expenditures	189.8	-1.7	3.6	9.1	-9.2	-3.5	7.9	20.5	-17.2
Producers' durable equipment	122.4	-6	5.4	6.3	-9.8	-1.9	19.1	21.3	-26.4
Gross government investment	7.6	-1.9	-7	1.9	-2.9	-53.5	-24.4	121.8	-72.4

NOTE.—See note to table 1 for an explanation of chained (1992) dollars. Truck output includes motor vehicle output, auto and truck output, and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.4, 8.5, and 8.7.

increased 0.6 percent, about the same as in the second quarter (chart 2).

PCE prices increased 1.0 percent after increasing 0.9 percent. PCE energy prices decreased 5.8 percent after decreasing 7.5 percent, as prices of gasoline and oil decreased less than in the second quarter. PCE food prices increased 2.8 percent after increasing 1.3 percent, partly reflecting step-ups in the prices of poultry and of processed dairy products. Prices of PCE less food and energy increased 1.0 percent after increasing 1.3 percent; prices of furniture and household equipment decreased more than in the second quarter, and prices of housing increased less than in the second quarter.

Prices of nonresidential fixed investment decreased 3.6 percent after decreasing 3.1 percent. Prices of structures increased 0.7 percent after increasing 3.1 percent. Prices of producers' durable equipment decreased 5.1 percent, about the same as in the second quarter; prices of computers and peripheral equipment decreased about the same as in the second quarter, prices of industrial equipment slowed, and prices of transportation equipment turned up. Prices of private residential investment increased 2.3 percent after increasing 1.7 percent.

Prices of government consumption expenditures and gross investment increased 1.1 percent

after increasing 0.8 percent. Prices paid by the Federal Government increased 0.1 percent after no change; nondense prices were unchanged after decreasing, and national defense prices increased about as much as in the second quarter. Prices paid by State and local governments increased 1.6 percent after increasing 1.2 percent.

The GDP price index, which measures the prices of goods and services produced in the United States, increased 0.8 percent after increasing 0.9 percent. This index, unlike the index for gross domestic purchases, includes the prices of exports and excludes the prices of imports. Export prices decreased 2.9 percent after decreasing 1.8 percent; prices of industrial supplies and materials and prices of nonautomotive capital goods decreased more than in the second quarter. Import prices decreased 4.8 percent after decreasing 4.5 percent; prices of foods, feeds, and beverages, of industrial supplies and materials, and of autos decreased more than in the second quarter, but prices of petroleum products and of nonautomotive consumer goods decreased less than in the second quarter.

Personal income

Current-dollar DPI increased 3.6 percent after increasing 3.5 percent. The personal saving rate decreased to 0.1 percent from 0.4 percent, reflecting a larger increase in personal outlays than in DPI (chart 3). The third-quarter saving rate was the lowest since the quarterly series began in 1946. (Personal saving and the saving rate need not be greater than zero; negative personal

Table 3.—Price Indexes

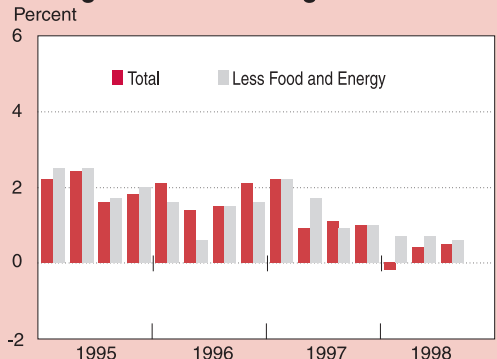
[Percent change at annual rates; based on seasonally adjusted index numbers (1992=100)]

	1997		1998	
	IV	I	II	III
Gross domestic product	1.1	0.9	0.9	0.8
Less: Exports of goods and services	-1.6	-3.4	-1.8	-2.9
Plus: Imports of goods and services	-2.3	-10.4	-4.5	-4.8
Equals: Gross domestic purchases	1.0	-2	.4	.5
Less: Change in business inventories				
Equals: Final sales to domestic purchasers	1.0	-1	.5	.5
Personal consumption expenditures	1.1	0	.9	1.0
Food	1.2	1.1	1.3	2.8
Energy	2.3	-20.2	-7.5	-5.8
Personal consumption expenditures less food and energy	1.0	1.1	1.3	1.0
Private nonresidential fixed investment	-1.6	-3.0	-3.1	-3.6
Structures	3.3	2.7	3.1	.7
Producers' durable equipment	-3.3	-5.0	-5.2	-5.1
Private residential investment	2.4	0	1.7	2.3
Government consumption expenditures and gross investment	2.2	1.1	.8	1.1
Federal	1.4	2.7	0	.1
National defense	1.2	2.9	.3	.2
Nondefense	1.8	2.2	-6	0
State and local	2.7	.2	1.2	1.6
Addendum: Gross domestic purchases less food and energy	1.0	.7	.7	.6

NOTE.—Percent changes in major aggregates are in NIPA table 8.1. Index number levels are in tables 7.1, 7.2, and 7.4.

CHART 2

Gross Domestic Purchases Prices: Change From Preceding Quarter



Note.—Percent change at annual rate from preceding quarter; based on seasonally adjusted index numbers (1992=100).

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saving, or dissaving, may occur when outlays are financed by borrowing, by selling investments or other assets, or by using savings from previous periods.)

Personal income increased \$73.7 billion in the third quarter after increasing \$78.0 billion in the second (table 4). In both quarters, the increase was mainly accounted for by wage and salary disbursements, which increased \$57.8 billion after increasing \$55.7 billion. Private wages and salaries increased \$51.1 billion after increasing \$49.4 billion. In both quarters, about two-thirds of the increase was accounted for by service industries, and the remaining third was accounted for by distributive industries; manufacturing decreased slightly after increasing slightly. Government

wages and salaries increased \$6.6 billion, about the same as in the second quarter.

Transfer payments increased \$6.4 billion after increasing \$6.8 billion.

Personal interest income increased \$4.6 billion after increasing \$6.0 billion. Proprietors' income increased \$3.2 billion after increasing \$7.5 billion; most of the slowdown was accounted for by a downturn in farm proprietors' income, as crop prices decreased more than in the second quarter and livestock prices decreased after increasing.

Personal contributions for social insurance, which is subtracted in the calculation of personal income, increased \$4.3 billion, about the same as in the second quarter.


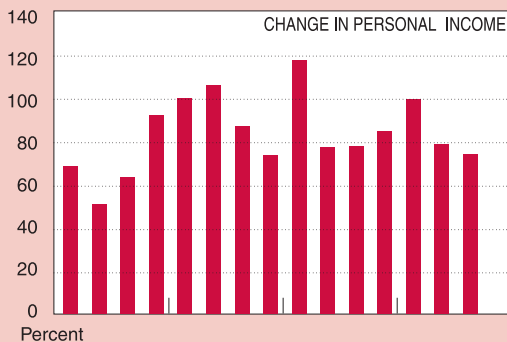
Personal tax and nontax payments increased \$20.3 billion after increasing \$26.1 billion. The slowdown was primarily accounted for by a downturn in estate and gift tax collections. 

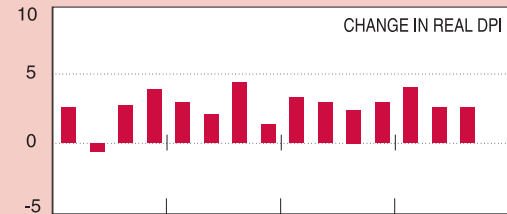
CHART 3

Selected Personal Income and Saving Measures

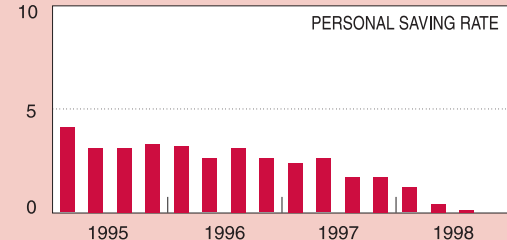
Billions \$



Percent



Percent



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

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Table 4.—Personal Income and Its Disposition

[Billions of dollars; seasonally adjusted at annual rates]

	Level	Change from preceding quarter				
	1998	1997		1998		
		III	IV	I	II	III
Wage and salary disbursements	4,175.4	74.4	72.0	55.7	57.8	
Private industries	3,482.9	69.5	64.0	49.4	51.1	
Goods-producing industries	1,026.8	24.3	15.3	4.2	3.6	
Manufacturing	750.3	19.0	9.1	.4	-.5	
Distributive industries	946.0	18.2	14.4	13.3	13.8	
Service industries	1,510.1	27.0	34.3	31.9	33.7	
Government	692.4	4.7	8.1	6.3	6.6	
Other labor income	408.3	3.4	5.8	2.9	2.6	
Proprietors' income with IVA and CCAAdj	574.9	1.5	6.2	7.5	3.2	
Farm	24.2	-4.9	-4.0	.3	-3.5	
Nonfarm	550.7	6.4	10.2	7.2	6.7	
Rental income of persons with CCAAdj	163.6	.2	-.5	2.7	2.6	
Personal dividend income	263.0	.9	.3	.5	.9	
Personal interest income	767.6	2.5	4.0	6.0	4.6	
Transfer payments to persons	1,152.2	6.5	18.5	6.8	6.4	
Less: Personal contributions for social insurance	349.4	5.4	7.3	4.2	4.3	
Personal income	7,155.6	84.0	99.0	78.0	73.7	
Less: Personal tax and nontax payments	1,113.2	26.5	41.3	26.1	20.3	
Equals: Disposable personal income	6,042.4	57.6	57.7	51.8	53.5	
Less: Personal outlays	6,036.4	57.9	82.8	99.3	73.1	
Equals: Personal saving	5.9	-.3	-25.2	-47.4	-19.7	
Addenda: Special factors in personal income:						
In wages and salaries:						
Federal Government and Postal Service pay adjustments, including "buyouts"	4.0	0	3.5	.1	0	
Strike in the motor vehicle industry	-2.5	0	0	-1.2	-1.3	
In personal tax and nontax payments:						
Recent tax law changes	-45.1	0	-7.9	-.5	-.6	

NOTE.—Most dollar levels are in NIPA table 2.1.
IVA Inventory valuation adjustment
CCAAdj Capital consumption adjustment

Motor Vehicles, Model Year 1998

By Ralph W. Morris

SALES OF new motor vehicles in the United States totaled 15.7 million units in model year 1998 (chart 1).¹ This level of sales was the highest in the current economic expansion, which began in 1991. Sales increased 2.2 percent in model

year 1998 after decreasing 0.5 percent in model year 1997. Sales of domestic trucks and sales of both imported cars and trucks increased; sales of domestic cars decreased (table 1).²

The share of total sales of new motor vehicles that is accounted for by trucks increased to 48.7 percent in 1998 from 46.2 percent in 1997. This share has increased every year since 1991, when

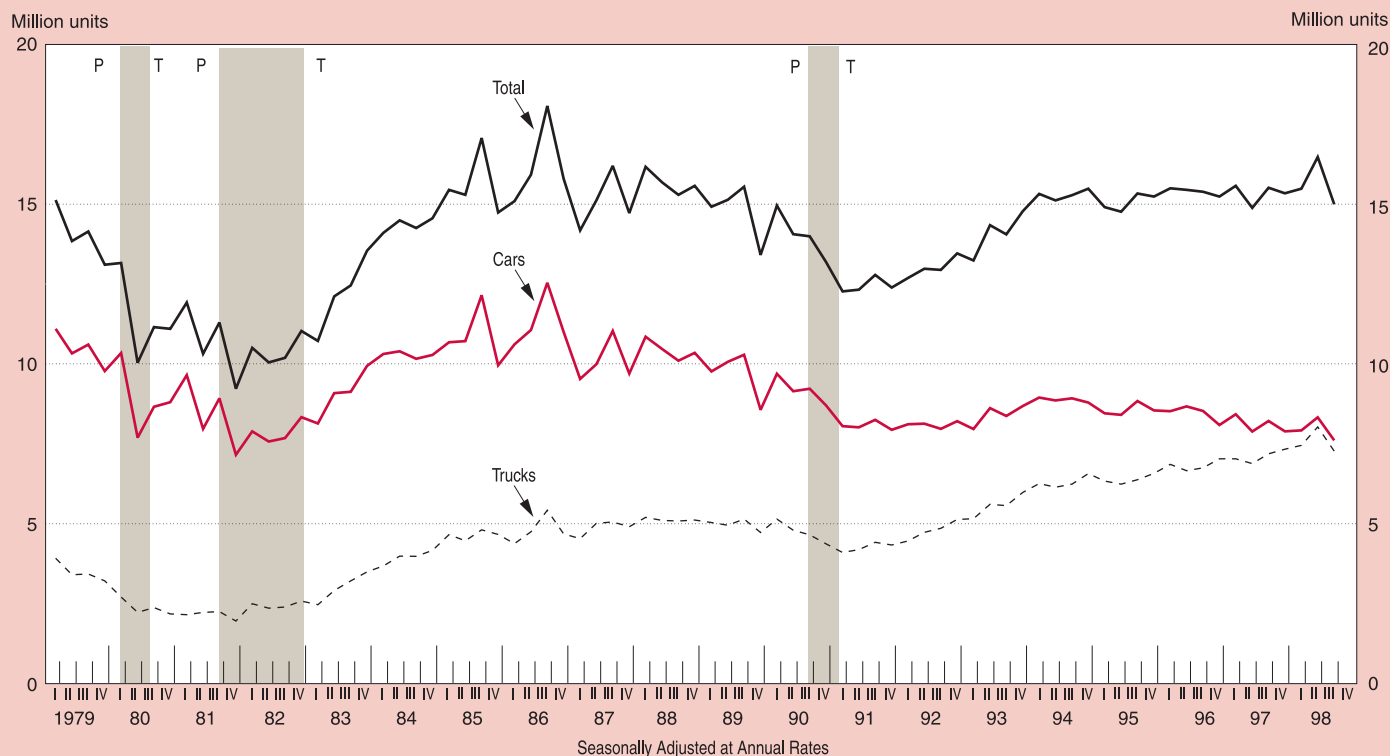
1. The data on unit sales, inventories, and production in this article are mainly from *Ward's Automotive Reports* and the American Automobile Manufacturers Association, Inc., and the data on prices are mainly from the Bureau of Economic Analysis (BEA). These data underlie the estimates of auto and truck output in the national income and product accounts. The quarterly data for domestic and imported cars and light trucks are seasonally adjusted by BEA using seasonal factors from the Federal Reserve Board.

For this article, the model year is defined as beginning on October 1 and ending on the following September 30. Thus, model year 1998 covers the fourth calendar quarter of 1997 and the first, second, and third calendar quarters of 1998. All years mentioned in this article are model years unless otherwise stated.

2. Sales of domestic vehicles consist of the sales in the United States of domestic-nameplate vehicles and "transplant" vehicles manufactured in North America—that is, in Canada, the United States, and Mexico. Domestic-nameplate vehicles are manufactured at factories owned by U.S. companies, and transplant vehicles are manufactured at factories owned by foreign companies. Sales of imported vehicles consist of vehicles manufactured outside North America and sold in the United States.

CHART 1

New Motor Vehicle Sales



Note.— Peak (P) indicates the end of business cycle expansion and the beginning of recession (shaded area). Trough (T) indicates the end of business cycle recession and the beginning of expansion. Business cycle peaks and troughs designated by the National Bureau of Economic Research, Inc.

Data: American Automobile Manufacturers Association, Inc. and *Ward's Automotive Reports*, seasonally adjusted by BEA.

truck sales accounted for 34.4 percent of total sales.

The relative strength of truck sales reflects the continuation of a trend in which truck purchases have been substituted for car purchases. Most of these purchases are of light truck models—such as sport-utility vehicles, pickup trucks, and vans—that include the additional equipment and refinements usually found in cars but that also retain many of the functional aspects of trucks, such as greater passenger, load-carrying, and towing capacity and four-wheel drive capability. The composition of truck sales has continued to shift toward upscale models that offer more power, luxury, and options than the basic models. In recent years, gasoline prices have remained relatively low and thus have not constrained the sales of trucks, most of which are fuel inefficient.

The high level of motor vehicle sales in 1998 reflected favorable developments in many of the factors that are usually considered in analyses of consumer spending. The unemployment rate decreased for the sixth consecutive year and dropped below 5 percent for the first time in more than 20 years. Real disposable personal income increased 3.0 percent. The Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) increased to its highest level in more than 30 years. In addition, consumer spending may have been

stimulated in recent years by the considerable additions to consumer wealth that resulted from rising stock market prices.

Several factors that are specific to the motor vehicle industry also helped boost sales. Manufacturers offered sales-incentive programs to consumers throughout the year. Many of these programs, particularly those offered beginning in the spring, were more attractive than those offered in 1997. In addition, several programs were expanded to cover a broader selection of car and truck models. Manufacturers' incentives included rebates and below-market-rate financing. For selected models, manufacturers improved incentives by offering consumers both a rebate and low-interest financing on the same purchase. Other incentives included discounts on optional equipment, such as air conditioning, automatic transmissions, and power windows and door locks.

The consumer price index (CPI) for new cars decreased 1.1 percent in 1998, the first decrease in 25 years, after increasing 1.1 percent in 1997; the CPI for new trucks decreased 0.3 percent after increasing 2.7 percent.³ The decreases in both

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Table 1.—Selected Motor Vehicle Indicators

	Model year ¹								Seasonally adjusted at annual rates				
	1991	1992	1993	1994	1995	1996	1997	1998	1997		1998		
									III	IV	I	II	III
	Thousands of units												
New motor vehicle sales	12,756	12,868	13,913	15,179	15,231	15,458	15,380	15,719	15,618	15,441	15,587	16,578	15,099
New-car sales	8,373	8,160	8,428	8,936	8,736	8,654	8,259	8,071	8,323	8,001	8,027	8,440	7,716
Domestic	6,276	6,195	6,595	7,173	7,167	7,361	6,924	6,704	6,928	6,627	6,646	7,065	6,378
U.S. nameplates	5,137	5,048	5,348	5,707	5,518	5,428	4,964	4,665					
Transplants	1,140	1,146	1,247	1,466	1,649	1,933	1,960	2,039					
Import	2,097	1,966	1,833	1,763	1,570	1,293	1,335	1,367	1,396	1,374	1,381	1,375	1,338
New-truck sales	4,384	4,707	5,486	6,243	6,495	6,804	7,118	7,648	7,294	7,440	7,560	8,138	7,383
Light	4,131	4,446	5,167	5,868	6,068	6,387	6,704	7,155	6,864	6,983	7,089	7,644	6,841
Domestic	3,582	4,026	4,789	5,499	5,666	5,976	6,155	6,549	6,271	6,435	6,504	7,026	6,170
Import	549	421	378	369	402	411	550	606	593	548	585	618	671
Other	253	261	320	375	427	417	414	493	431	457	471	494	542
Domestic-car production	5,454	5,643	5,827	6,548	6,466	6,194	5,879	5,570	6,088	5,859	5,616	5,059	5,748
Domestic-car inventories ²									1,320	1,342	1,354	1,097	1,207
Domestic-car inventory-sales ratio ³									2.29	2.43	2.45	1.86	2.27
	Dollars												
Average expenditure per new car ⁴	15,892	16,893	17,526	18,431	18,751	19,275	20,273	20,787	20,578	20,535	20,928	20,855	20,828
Domestic	15,499	16,281	16,595	17,406	17,591	17,943	18,520	18,632	18,789	18,490	18,767	18,652	18,618
Import	17,067	18,861	20,998	22,598	24,038	26,852	29,412	31,313	29,455	30,396	31,326	32,171	31,359

1. A model year begins on October 1 and ends on September 30. Thus, it covers the fourth quarter of one calendar year and the first three quarters of the next calendar year. Model year 1998, for example, encompasses the fourth quarter of 1997 and the first, second, and third quarters of 1998.

2. End of quarter, not at annual rate.

3. Ratio of end-of-quarter inventories to average monthly sales for the quarter.

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Source: American Automobile Manufacturers Association, Inc., and Ward's Automotive Reports; data are seasonally adjusted by BEA.

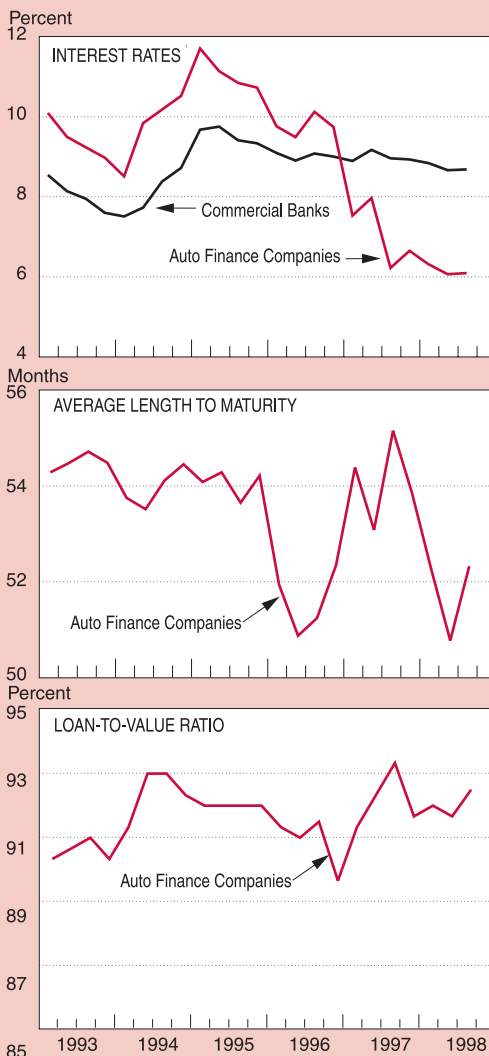
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Finance terms on new-vehicle loans remained favorable in 1998. Interest rates on new-car loans decreased for the third consecutive year: Rates for new-car loans made by motor vehicle finance companies averaged 6.3 percent in 1998, down from 7.9 percent in 1997, and rates for loans made by commercial banks averaged 8.8 percent, down from 9.0 percent (chart 2). The sharper drop

personal consumption expenditures, including new autos and trucks. In addition, effective with the release of the January 1999 data, the CPI will no longer make quality adjustments for changes in vehicles that are made in response to air-pollution mandates.

CHART 2

Finance Terms on 48-Month New Car Installment Loans



1. Most common interest rates (annual percentage rate) at reporting institutions. Data: Federal Reserve Board.

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

in the finance companies' rates partly reflected the effect of the below-market rates offered by manufacturers' sales-incentive programs through their financial subsidiaries.

However, new-vehicle sales may have been constrained by developments in the used-vehicle sales market. A growing number of 2- and 3-year-old vehicles that had been leased as new vehicles became available for sale as leasing arrangements expired; this growth reflects the sharp increase in new-vehicle leasing in previous years. These used vehicles provide a particularly attractive alternative to new cars because they tend to have low mileage, to be well equipped with options, and to be well maintained. The CPI for used cars and trucks decreased 4.1 percent in 1998.

Motor vehicle sales may also have been dampened by a tendency for owners to keep their cars and trucks for longer periods; according to estimates by R.L. Polk and Company, the average age of cars on the road reached 8.7 years in calendar year 1997, compared with 7.9 years in 1991 (data for 1998 are not yet available). The average age of trucks on the road has increased less dramatically, 8.3 years in calendar year 1997, compared with 8.1 years in 1991. The smaller increase in the average age of trucks may reflect the shift to new-truck purchases from new-car purchases.

New Cars

Sales of new cars decreased 2.3 percent to 8.1 million units in 1998 after decreasing 4.6 percent in 1997. The 1998 decrease was more than accounted for by the decrease in sales of domestic cars; a decrease in the sales of domestic-nameplate cars more than offset an increase in the sales of "transplant" cars. Sales of imported cars increased.

Sales of domestic cars decreased 3.2 percent to 6.7 million units, the lowest level since 1993. Sales of domestic-nameplate cars decreased 6.0 percent after decreasing 8.5 percent. Sales of transplant cars increased 4.0 percent after increasing 1.4 percent.

Sales of imported cars increased 2.4 percent to 1.4 million units. Sales of cars imported from Europe more than accounted for the increase. Despite a strengthening of the U.S. dollar against the Japanese yen, sales of cars imported from Japan continued to decrease, as Japanese firms transfer production of some

models from overseas plants to plants in North America.

The market share (the percent of total new-car sales) of sales of domestic-nameplate cars decreased to 57.8 percent in 1998 from 60.1 percent in 1997 (chart 3). The share of transplant-car sales increased to 25.3 percent from 23.7 percent, and the share of imported-car sales increased to 16.9 percent from 16.2 percent.

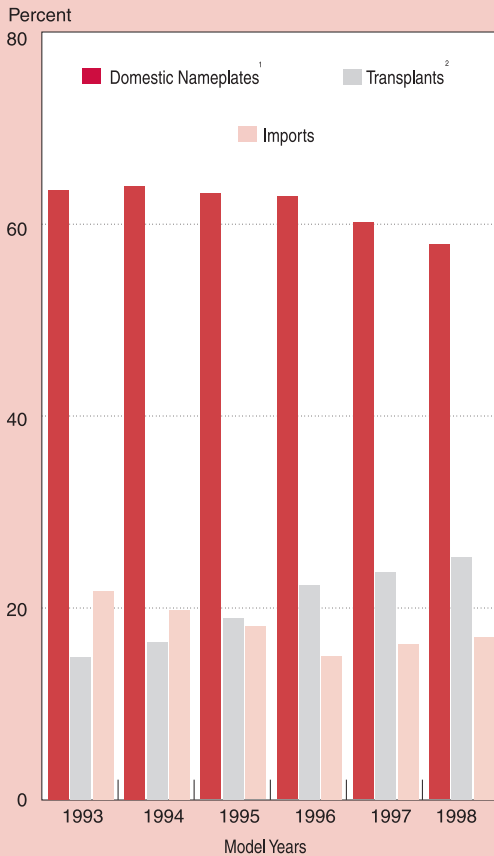
Sales of small cars decreased to 2.1 million units, and their market share decreased to 25.6 percent from 27.1 percent. Sales of middle-sized cars increased to 4.1 million, and their market share increased to 50.8 percent from 48.2 percent. Sales of large cars decreased to 0.6 million, and their market share decreased to 8.0 percent from 10.0 percent. Sales of luxury cars increased to 1.3 million, and their market share increased to 15.6 percent from 14.6 percent (chart 4).

The average expenditure per new car increased 2.5 percent to \$20,787 in 1998.⁴ The increase partly reflected the shift in the market toward imported cars, which have a larger average expenditure than domestic cars. For imported cars, the average expenditure increased 6.5 percent to \$31,313; the increase was partly attributable to a shift in the composition of imported-car sales from small cars to middle-sized cars and luxury cars. For domestic cars, the average expenditure increased 0.1 percent to \$18,632; the increase partly reflected increased sales of models equipped with optional equipment, such as air conditioning, antilock brakes, and power windows and door locks.

Domestic-car production—that is, cars manufactured in the United States—declined to 5.6 million units in 1998, the lowest level in 7 years. This low level at least partly reflected strikes by workers at the plants of a major motor vehicle

CHART 3

Share of New Cars by Source



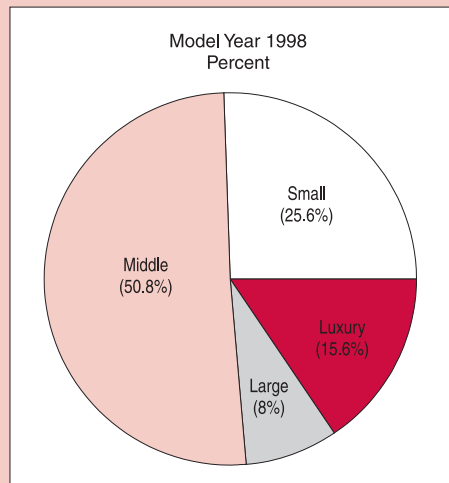
1. Domestic nameplates are cars manufactured in North America at factories owned by domestic companies.
 2. Transplants are cars manufactured in North America at factories owned by foreign companies.
 Data: Motor Vehicle Manufacturers Association, Inc. and Ward's Automotive Reports, seasonally adjusted by BEA.

4. Using data mainly from the Automotive Invoice Service and BLS, BEA derives the average expenditure per new car by using average base price and adjustments for options, transportation charges, taxes, discounts, and rebates for each model, weighted by that model's share of sales. Movements in the average expenditure differ from movements in the new-car component of the CPI for at least two reasons: First, the average expenditure, unlike the CPI (which is a fixed-weighted price index), reflects changes in the mix of models and options sold and includes cars sold to businesses and to governments as well as cars sold to consumers; and second, because the CPI, unlike the average expenditure, is adjusted to remove the influence of quality change on prices.

The upcoming change in the CPI for the treatment of pollution-abatement devices will reduce the difference between these two measures (see footnote 3).

CHART 4

Share of New Car Sales by Size Class



Note—Based on data for October 1, 1997 through September 30, 1998.
 Data: Ward's Automotive Reports

manufacturer; the strikes began in early June and ended in late July.

Domestic-car inventories were 1.2 million units at the end of model year 1998, slightly lower than at the end of 1997. The inventory-sales ratio was 2.3 at the end of 1998; the traditional industry target is 2.4.

By quarter, new-car sales decreased in the first quarter of the model year and changed little in the second quarter. In the third quarter, new-car sales increased sharply as a result of very attractive manufacturers' incentives, and in the fourth quarter, they decreased sharply (chart 5).

New Trucks

Sales of new trucks increased 7.4 percent to a record 7.6 million units in 1998 after increasing 4.6 percent in 1997. Sales of light domestic trucks, light imported trucks, and "other" trucks all increased.⁵

Sales of light trucks increased 6.7 percent in 1998 after increasing 5.0 percent in 1997. The

5. Light trucks have a gross vehicle weight of up to 10,000 pounds; these trucks include light conventional pickups, compact pickups, sport-utility vehicles, and passenger vans. "Other" trucks have a gross vehicle weight of over 10,000 pounds; these trucks range from medium-duty general delivery trucks to heavy-duty diesel tractor-trailers.

strength in sales of pickup trucks and sport-utility vehicles—especially luxury sport-utility models—continued in 1998. Sales of vans contributed slightly to the increase.

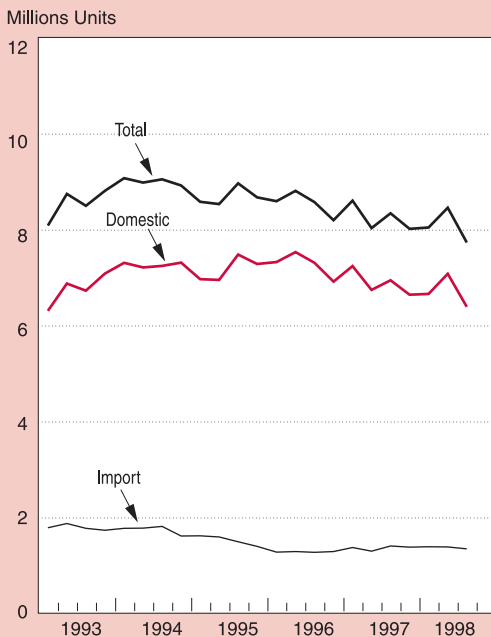
Sales of light domestic trucks increased 6.4 percent to 6.5 million units in 1998 after increasing 3.0 percent to 6.2 million units in 1997. Sales of domestic-nameplate trucks increased 5.5 percent to 6.0 million units after increasing 2.7 percent to 5.7 million units, and their share of total light-truck sales decreased to 83.6 percent. Sales of transplant trucks increased 16.4 percent to 0.6 million units, and their market share increased to 7.9 percent.

Sales of light imported trucks increased 10.2 percent to 0.6 million units, and their market share increased to 8.5 percent of light trucks. Sales of imported sport-utility vehicles increased substantially; in recent years, sales of these vehicles may have been boosted by the introduction of several new models into the small-vehicle segment of the U.S. market. Sales of imported pickups decreased, largely reflecting shifts in production by foreign manufacturers from plants overseas to plants in North America.

Sales of "other" trucks increased 19.1 percent to 0.5 million units. Nearly all of these trucks are purchased by businesses, and domestic models

CHART 5

Retail Sales of New Cars

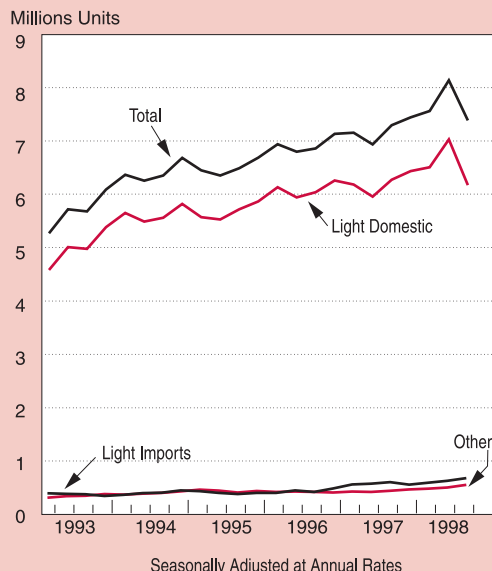


Data: American Automobile Manufacturers Association, Inc. and Ward's Automotive Reports, seasonally adjusted by BEA.

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

CHART 6

Retail Sales of New Trucks




Note—Retail sales of domestic trucks are classified by gross vehicle weight as light (up to 10,000 pounds) and "other" (over 10,000 pounds). Imported trucks include imports by U.S. manufacturers.

Data: American Automobile Manufacturers Association, Inc. and Ward's Automotive Reports, seasonally adjusted by BEA.

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accounted for almost 95 percent of total sales. One factor contributing to the high level of demand for heavy trucks in recent years has been the growth in spending on durable goods; these trucks are used extensively to transport goods—such as computers, machine tools, motor

vehicles, and appliances—and the parts for these goods.

By quarter, new-truck sales increased in the first and second quarters of the model year, jumped in the third quarter, and then fell in the fourth quarter ([chart 6](#)). 

Motor Vehicles, Model Year 1998

By Ralph W. Morris

SALES OF new motor vehicles in the United States totaled 15.7 million units in model year 1998 (chart 1).¹ This level of sales was the highest in the current economic expansion, which began in 1991. Sales increased 2.2 percent in model

year 1998 after decreasing 0.5 percent in model year 1997. Sales of domestic trucks and sales of both imported cars and trucks increased; sales of domestic cars decreased (table 1).²

The share of total sales of new motor vehicles that is accounted for by trucks increased to 48.7 percent in 1998 from 46.2 percent in 1997. This share has increased every year since 1991, when

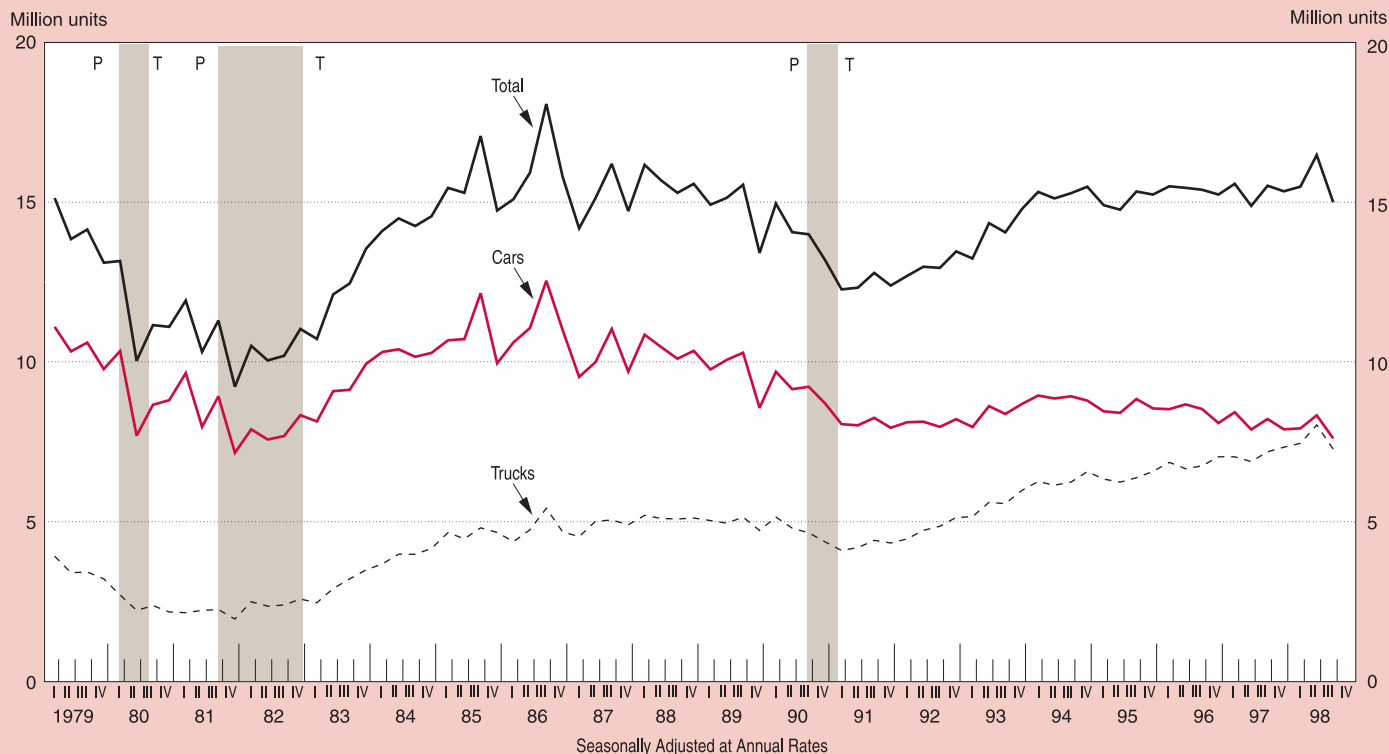
1. The data on unit sales, inventories, and production in this article are mainly from *Ward's Automotive Reports* and the American Automobile Manufacturers Association, Inc., and the data on prices are mainly from the Bureau of Economic Analysis (BEA). These data underlie the estimates of auto and truck output in the national income and product accounts. The quarterly data for domestic and imported cars and light trucks are seasonally adjusted by BEA using seasonal factors from the Federal Reserve Board.

For this article, the model year is defined as beginning on October 1 and ending on the following September 30. Thus, model year 1998 covers the fourth calendar quarter of 1997 and the first, second, and third calendar quarters of 1998. All years mentioned in this article are model years unless otherwise stated.

2. Sales of domestic vehicles consist of the sales in the United States of domestic-nameplate vehicles and "transplant" vehicles manufactured in North America—that is, in Canada, the United States, and Mexico. Domestic-nameplate vehicles are manufactured at factories owned by U.S. companies, and transplant vehicles are manufactured at factories owned by foreign companies. Sales of imported vehicles consist of vehicles manufactured outside North America and sold in the United States.

CHART 1

New Motor Vehicle Sales



Note.— Peak (P) indicates the end of business cycle expansion and the beginning of recession (shaded area). Trough (T) indicates the end of business cycle recession and the beginning of expansion. Business cycle peaks and troughs designated by the National Bureau of Economic Research, Inc.

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truck sales accounted for 34.4 percent of total sales.

The relative strength of truck sales reflects the continuation of a trend in which truck purchases have been substituted for car purchases. Most of these purchases are of light truck models—such as sport-utility vehicles, pickup trucks, and vans—that include the additional equipment and refinements usually found in cars but that also retain many of the functional aspects of trucks, such as greater passenger, load-carrying, and towing capacity and four-wheel drive capability. The composition of truck sales has continued to shift toward upscale models that offer more power, luxury, and options than the basic models. In recent years, gasoline prices have remained relatively low and thus have not constrained the sales of trucks, most of which are fuel inefficient.

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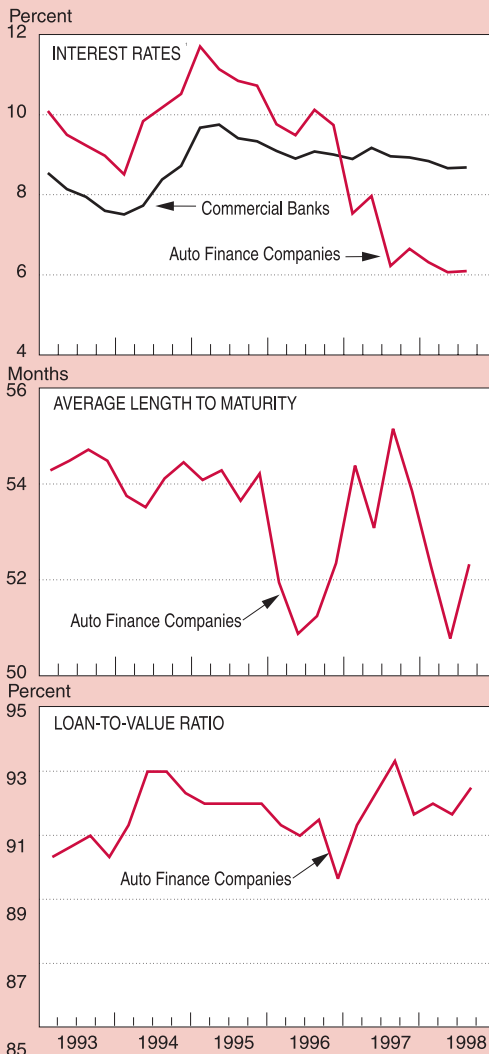
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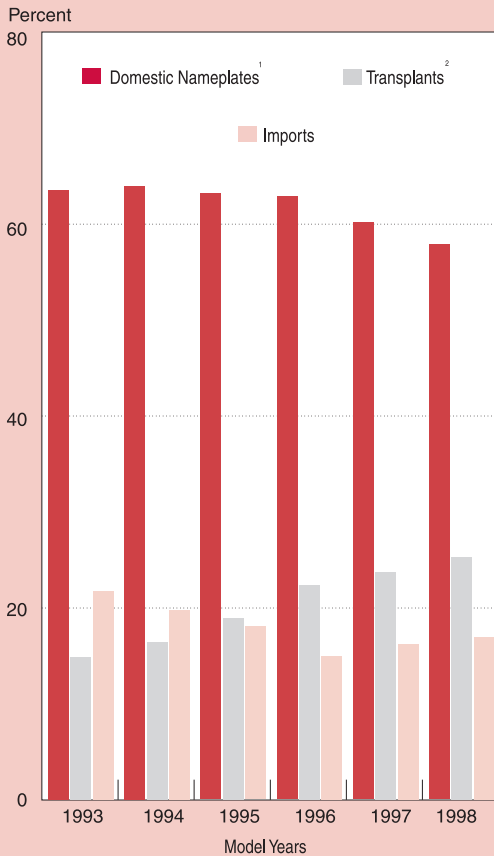
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CHART 3

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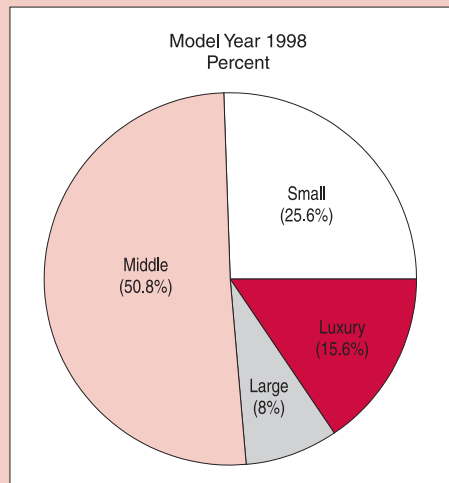
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 2. Transplants are cars manufactured in North America at factories owned by foreign companies.
 Data: Motor Vehicle Manufacturers Association, Inc. and Ward's Automotive Reports, seasonally adjusted by BEA.

4. Using data mainly from the Automotive Invoice Service and BLS, BEA derives the average expenditure per new car by using average base price and adjustments for options, transportation charges, taxes, discounts, and rebates for each model, weighted by that model's share of sales. Movements in the average expenditure differ from movements in the new-car component of the CPI for at least two reasons: First, the average expenditure, unlike the CPI (which is a fixed-weighted price index), reflects changes in the mix of models and options sold and includes cars sold to businesses and to governments as well as cars sold to consumers; and second, because the CPI, unlike the average expenditure, is adjusted to remove the influence of quality change on prices.

The upcoming change in the CPI for the treatment of pollution-abatement devices will reduce the difference between these two measures (see footnote 3).

CHART 4

Share of New Car Sales by Size Class



Note—Based on data for October 1, 1997 through September 30, 1998.
 Data: Ward's Automotive Reports

manufacturer; the strikes began in early June and ended in late July.

Domestic-car inventories were 1.2 million units at the end of model year 1998, slightly lower than at the end of 1997. The inventory-sales ratio was 2.3 at the end of 1998; the traditional industry target is 2.4.

By quarter, new-car sales decreased in the first quarter of the model year and changed little in the second quarter. In the third quarter, new-car sales increased sharply as a result of very attractive manufacturers' incentives, and in the fourth quarter, they decreased sharply (chart 5).

New Trucks

Sales of new trucks increased 7.4 percent to a record 7.6 million units in 1998 after increasing 4.6 percent in 1997. Sales of light domestic trucks, light imported trucks, and "other" trucks all increased.⁵

Sales of light trucks increased 6.7 percent in 1998 after increasing 5.0 percent in 1997. The

5. Light trucks have a gross vehicle weight of up to 10,000 pounds; these trucks include light conventional pickups, compact pickups, sport-utility vehicles, and passenger vans. "Other" trucks have a gross vehicle weight of over 10,000 pounds; these trucks range from medium-duty general delivery trucks to heavy-duty diesel tractor-trailers.

strength in sales of pickup trucks and sport-utility vehicles—especially luxury sport-utility models—continued in 1998. Sales of vans contributed slightly to the increase.

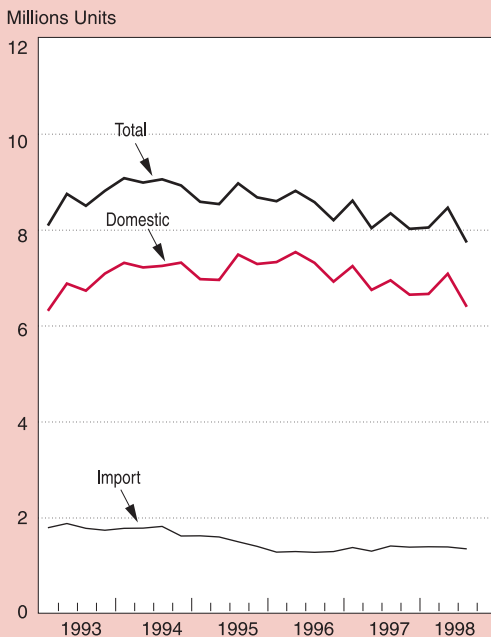
Sales of light domestic trucks increased 6.4 percent to 6.5 million units in 1998 after increasing 3.0 percent to 6.2 million units in 1997. Sales of domestic-nameplate trucks increased 5.5 percent to 6.0 million units after increasing 2.7 percent to 5.7 million units, and their share of total light-truck sales decreased to 83.6 percent. Sales of transplant trucks increased 16.4 percent to 0.6 million units, and their market share increased to 7.9 percent.

Sales of light imported trucks increased 10.2 percent to 0.6 million units, and their market share increased to 8.5 percent of light trucks. Sales of imported sport-utility vehicles increased substantially; in recent years, sales of these vehicles may have been boosted by the introduction of several new models into the small-vehicle segment of the U.S. market. Sales of imported pickups decreased, largely reflecting shifts in production by foreign manufacturers from plants overseas to plants in North America.

Sales of "other" trucks increased 19.1 percent to 0.5 million units. Nearly all of these trucks are purchased by businesses, and domestic models

CHART 5

Retail Sales of New Cars

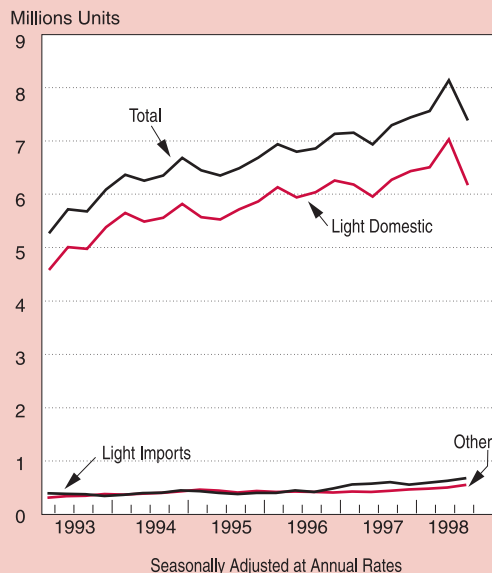


Data: American Automobile Manufacturers Association, Inc. and *Ward's Automotive Reports*, seasonally adjusted by BEA.

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

CHART 6

Retail Sales of New Trucks




Note—Retail sales of domestic trucks are classified by gross vehicle weight as light (up to 10,000 pounds) and "other" (over 10,000 pounds). Imported trucks include imports by U.S. manufacturers.

Data: American Automobile Manufacturers Association, Inc. and *Ward's Automotive Reports*, seasonally adjusted by BEA.

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

accounted for almost 95 percent of total sales. One factor contributing to the high level of demand for heavy trucks in recent years has been the growth in spending on durable goods; these trucks are used extensively to transport goods—such as computers, machine tools, motor

vehicles, and appliances—and the parts for these goods.

By quarter, new-truck sales increased in the first and second quarters of the model year, jumped in the third quarter, and then fell in the fourth quarter ([chart 6](#)). 

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

- New Estimates for 1996
- Revised Estimates for 1982–95

By *Thae S. Park*

THIS ARTICLE presents a comparison of the Bureau of Economic Analysis (BEA) measure of personal income and the Internal Revenue Service (IRS) measure of adjusted gross income (AGI) of individuals by type of income. The article explains the major definitional and statistical differences between the BEA and the IRS measures, describes the various uses of the two measures, and presents a partial reconciliation of the two measures that is prepared by converting BEA's measure of personal income by type of income to the same definitional basis as the IRS measure. It also discusses the sources of the "AGI gap"—the unexplained difference remaining between a BEA estimate of AGI and the IRS AGI, the trends in the AGI gap for 1947–96, and the sources of the revision to the AGI gap for 1982–95.¹

BEA's measure of personal income and the IRS measure of AGI are two widely used measures of household income. In general, personal income, which is prepared as an integral part of the national income and product accounts (NIPA's), is the more comprehensive measure. Personal income is a measure of the current incomes earned by households and by nonprofit institutions serving individuals, and thus, it is often used in assessing trends in consumer spending, saving,

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

AGI, on the other hand, is an income concept defined by tax law, so AGI consists only of taxable sources of income net of special adjustments as reported on Form 1040. Therefore, it excludes many of the types of income that are included in the BEA measure.

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

The new and revised estimates in this article reflect the incorporation of the results of this year's annual revision of the NIPA's, which included a

1. Annual and quarterly estimates of BEA personal income are published monthly in table 2.1 of the national income and product accounts (NIPA's) in the section "BEA Current and Historical Data" of the SURVEY OF CURRENT BUSINESS (monthly estimates are shown in table B.1). Estimates of IRS AGI are published annually in *Statistics of Income—Individual Income Tax Returns*. The estimates of the relationship between total personal income and total AGI are presented annually in NIPA table 8.26, most recently for 1982–94 on page 146 of the August 1998 SURVEY and for 1995–96 on page 13 of the September 1998 SURVEY. The estimates for 1947–81, which are not revised, are published in U.S. Department of Commerce, Bureau of Economic Analysis, *National Income and Product Accounts of the United States for 1929–94: Volume 2* (Washington, DC: U.S. Government Printing Office, 1998): 354–355. All estimates are available through the Commerce Department's STAT-USA Economic Bulletin Board and Internet services; for information, call 202-482-1986, or access the STAT-USA Internet site at <www.stat-usa.gov>. The reconciliation by type of income for 1947–94 is also available in printed form on request; for information, write to the Government Division (BE-57), Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

redefinition of dividend payments in personal income, and updated estimates of AGI from the *Statistics of Income Bulletin*.² As a result of the redefinition, capital gains dividends is no longer a reconciliation item in tables 1 and 2, which show the reconciliation between personal income and AGI.

2. As part of the 1998 annual revision, dividend payments were revised back to 1982 to exclude distributions that reflect capital gains income. In practice, the redefinition meant that the capital gains distributions of regulated investment companies—that is, mutual funds—were excluded from personal dividend income. The estimates of personal income were also revised back to 1995 to reflect the usual annual NIPA revisions. For more information, see Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 78 (August 1998): 7–32. For AGI data, see Internal Revenue Service, *Statistics of Income Bulletin* (Washington, DC: U.S. Government Printing Office, Summer 1998).

BEA Estimates of AGI

The preparation of BEA estimates of AGI, "BEA-derived AGI," begins with NIPA personal income. Personal income consists of the income received by persons from all sources—that is, from participation in current production, from both government and business transfer payments, and from government interest (which is treated like a transfer payment).³ It is calculated as the sum of wage and salary disbursements, other labor income, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment,

3. "Persons" consists of individuals, nonprofit institutions that primarily serve individuals, private noninsured welfare funds, and private trust funds.

Table 1.—Comparison of Personal Income with AGI, by Type of Income, 1995

[Billions of dollars]

Line	Personal income	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend income	Personal interest income	Taxable pensions and annuities ¹	Taxable unemployment compensation	Taxable social security benefits ²	Other personal income ³	Income not included in personal income
			Farm	Nonfarm								
1	6,072.8	3,428.5	22.4	465.6	133.7	192.8	704.9	122.2	21.9	54.5	925.4	0
2	2,022.9	81.2	-7.7	4.1	86.2	111.8	492.1	0	0	0	1,214.1	41.1
3												
4	817.3	0	0	0	0	0	0	0	0	0	817.3	0
5	396.4	0	0	0	0	0	0	0	0	0	396.4	0
6	240.3	10.4	.4	5.6	64.8	0	159.1	0	0	0	0	0
7	227.7	0	0	0	0	0	227.7	0	0	0	0	0
8	53.1	0	0	.3	5.3	17.9	29.0	0	0	0	.4	0
9	51.2	0	-8.1	-1.9	16.1	14.1	31.0	0	0	0	0	0
10	237.1	70.8	0	0	0	79.8	45.4	0	0	0	0	641.1
11	739.4	9.8	0	2.0	2.8	0	0	169.0	0	0	293.6	262.2
12	293.6	0	0	0	0	0	0	0	0	0	293.6	0
13	167.4	0	0	0	0	0	0	0	0	0	0	167.4
14	169.0	0	0	0	0	0	0	169.0	0	0	0	0
15	79.2	0	0	0	0	0	0	0	0	0	0	79.2
16	30.3	9.8	0	2.0	2.8	0	0	0	0	0	0	15.7
17	0	11.7	0	-4	0	74.5	-74.5	-6.4	0	0	-4.8	0
18	0	5.3	0	0	0	0	0	0	0	0	-5.3	0
19	0	0	0	-4	0	0	0	0	0	0	.4	0
20	0	0	0	0	0	0	0	0	0	0	0	0
21	0	0	0	0	0	74.5	-74.5	0	0	0	0	0
22	0	6.4	0	0	0	0	0	-6.4	0	0	0	0
23	4,788.5	3,368.8	30.2	463.1	50.3	155.6	138.2	284.8	21.9	54.5	0	221.1
24	4,189.4	3,201.5	-7.9	169.3	17.2	94.6	154.8	221.1	19.3	45.7	52.7	221.1
25	0	0	.3	47.8	4.6	0	0	0	0	0	-52.7	0
26	0	0	0	1.5	4.6	0	0	0	0	0	-6.1	0
27	0	0	.3	46.3	0	0	0	0	0	0	-46.6	0
28	0	0	0	0	0	0	0	0	0	0	0	0
29	4,189.4	3,201.5	-7.6	217.1	21.8	94.6	154.8	221.1	19.3	45.7	0	221.1
30	599.1	167.4	37.7	246.0	28.5	61.0	-16.6	63.7	2.6	8.8	0	0
31	100.0	27.9	6.3	41.1	4.8	10.2	-2.8	10.6	.4	1.5		
32	12.5	5.0	125.1	53.1	56.7	39.2	-12.0	22.4	11.7	16.2		
33	284.3	78.9		213.7	1.0		-9.3					

personal dividend income, personal interest income, and transfer payments to persons, less personal contributions for social insurance.

The IRS measure of AGI is defined as the sum of all the items of "gross income" less a set of specific adjustments to gross income that are authorized by legislation. Gross income includes all income that is received in the form of money, property, and services and that is not expressly exempt from taxation; it excludes, for example, interest on tax-exempt State and local govern-

ment bonds, voluntary contributions to thrift savings plans, and nontaxable social security benefits. The specific adjustments to gross income include subtractions for contributions to individual retirement accounts, for alimony paid, for moving expenses, and for several items related to self-employment income.

NIPA personal income is converted to AGI by first deducting those items that are included in personal income but not in AGI. These items include nontaxable transfer payments, other labor

Table 2.—Comparison of Personal Income with AGI, by Type of Income, 1996

[Billions of dollars]

Line	Personal income	Wage and salary disbursements	Proprietors' income with IVA and CCAAdj		Rental income of persons with CCAAdj	Personal dividend income	Personal interest income	Taxable pensions and annuities ¹	Taxable unemployment compensation	Taxable social security benefits ²	Other personal income ³	Income not included in personal income	
			Farm	Nonfarm									
1	Personal income	6,425.2	3,631.1	38.9	488.8	150.2	248.2	719.4	128.8	22.4	60.4	936.9	0
2	Less: Portion of personal income not included in adjusted gross income	2,092.8	87.2	8.5	-23.3	96.8	136.2	506.5	0	0	0	1,238.3	42.6
3	Transfer payments except taxable military retirement, taxable government pensions, taxable social security benefits, and unemployment compensation benefits	856.3	0	0	0	0	0	0	0	0	0	856.3	0
4	Other labor income except fees	381.5	0	0	0	0	0	0	0	0	0	381.5	0
5	Imputed income in personal income ⁴	260.1	10.8	.4	6.2	75.2	0	167.5	0	0	0	0	0
6	Investment income of life insurance carriers and private noninsured pension plans ⁵	230.0	0	0	0	0	0	230.0	0	0	0	0	0
7	Investment income received by nonprofit institutions or retained by fiduciaries	51.3	0	0	.3	6.0	17.7	26.7	0	0	0	.6	0
8	Differences in accounting treatment between NIPA's and tax regulations, net	45.8	0	8.1	-29.8	15.7	15.0	36.8	0	0	0	0	0
9	Other personal income exempt or excluded from adjusted gross income	267.9	76.4	0	0	0	103.5	45.4	0	0	0	0	⁶ 42.6
10	Plus: Portion of adjusted gross income not included in personal income	873.1	12.0	0	2.5	2.8	0	0	184.6	0	0	306.3	365.0
11	Personal contributions for social insurance	306.3	0	0	0	0	0	0	0	0	0	306.3	0
12	Gains, net of losses, from sale of property	249.5	0	0	0	0	0	0	0	0	0	0	249.5
13	Taxable private pensions ⁷	184.6	0	0	0	0	0	0	184.6	0	0	0	0
14	Small business corporation income	89.3	0	0	0	0	0	0	0	0	0	0	89.3
15	Other types of income	43.4	12.0	0	2.5	2.8	0	0	0	0	0	0	26.1
16	Plus: Intercomponent reallocation	0	12.2	0	-6	0	81.6	-81.6	-6.7	0	0	-4.9	0
17	Fees in other labor income	0	5.5	0	0	0	0	0	0	0	0	-5.5	0
18	Fiduciaries' share of partnership income ⁸	0	0	0	-6	0	0	0	0	0	0	.6	0
19	Interest received by nonfarm proprietors	0	0	0	0	0	0	0	0	0	0	0	0
20	Interest distributed by regulated investment companies	0	0	0	0	0	81.6	-81.6	0	0	0	0	0
21	Taxable disability income payments	0	6.7	0	0	0	0	0	-6.7	0	0	0	0
22	Equals: BEA-derived adjusted gross income	5,205.6	3,568.1	30.4	514.0	56.2	193.7	131.3	306.7	22.4	60.4	0	322.3
23	Adjusted gross income of IRS (as reported)	4,536.0	3,376.9	-7.1	176.9	20.6	104.3	165.7	238.8	19.3	53.2	65.2	322.3
24	Plus: Intercomponent reallocation	0	0	.3	59.2	5.6	0	0	0	0	0	-65.2	0
25	Estate or trust income	0	0	0	2.1	5.6	0	0	0	0	0	-7.7	0
26	Partnership income	0	0	.3	57.2	0	0	0	0	0	0	-57.5	0
27	Other reallocations	0	0	0	0	0	0	0	0	0	0	0	0
28	Adjusted gross income of IRS (reallocated)	4,536.0	3,376.9	-6.8	236.1	26.2	104.3	165.7	238.8	19.3	53.2	0	322.3
29	Adjusted gross income gap	669.6	191.2	37.2	277.9	30.0	89.4	-34.4	67.9	3.1	7.2	0	0
30	Percent distribution of AGI gap	100.0	28.6	5.6	41.5	4.5	13.4	-5.1	10.1	.5	1.1	.....	.....
31	Relative AGI gap ⁹	12.9	5.4	122.3	54.1	53.3	46.2	-26.2	22.1	13.8	12.0	.....	.....
32	Addendum: Misreporting adjustments included in personal income	299.5	84.0	.....	224.4	1.0	.....	-10.0	.....	.....	.....	.....	.....

1. Consists of the taxable portion of government employee pension payments included in personal income—disability military retirement pay and the taxable portion of Federal Government and of State and local government employee pension payments.
 2. Taxable social security benefits also include a small amount of taxable railroad retirement benefits.
 3. Consists primarily of other labor income and the nontaxable portion of government and business transfer payments to persons, less personal contributions for social insurance.
 4. Consists of the imputations included in personal income shown in NIPA table 8.19 (line 58), except for employer-paid health and life insurance premiums (line 115). In this table, these premiums are included in line 4.
 5. Consists of imputed interest received by persons from life insurance carriers and private noninsured pension plans as shown in NIPA table 8.18 (line 51).

6. Statutory adjustments.
 7. Consists of the taxable portion of private pension payments received by individuals.
 8. Consists of partnership income retained by fiduciaries.
 9. Adjusted gross income gap (line 30) as a percentage of the BEA-derived AGI (line 23).
 BEA Bureau of Economic Analysis
 CCAAdj Capital consumption adjustment
 IVA Inventory valuation adjustment
 IRS Internal Revenue Service
 NIPA National income and product accounts

income, imputations, and other sources of income excluded from the IRS definition of AGI; they also include adjustments for differences between the accounting treatment used in the NIPA's and the treatment specified by Federal tax regulations (tables 1 and 2, lines 3–9). Next, those items that are excluded from personal income but that are included in AGI, such as net capital gains and personal contributions for social insurance, are added to personal income (lines 11–15). Finally, an adjustment is made to reallocate certain income components to make the BEA-derived AGI comparable with IRS AGI by type of income (lines 17–21 and 25–27).⁴

The AGI Gap

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

The AGI gap results from several sources. First, there are errors in the source data used to estimate those personal income components that are not based on IRS AGI data, primarily because of sampling and other statistical errors. (AGI data are used only for the estimates of nonfarm proprietors' income and royalty payments.) Second, there are errors in the reconciliation items because reliable data are unavailable to estimate some known items, such as income earned by individuals who are not required to file income tax returns; because some of the source data used to estimate known items contain errors; and because some of the differences between the definition of personal income and AGI are unknown. Third, there are errors in the IRS measure of total AGI and its components because the estimates are based on a probability sample. Fourth, the estimates of BEA-derived AGI include both explicit

and implicit adjustments for tax return misreporting (noncompliance). Explicit adjustments are made for the effects of tax return misreporting on the source data used to prepare the estimates of wage and salary disbursements, nonfarm proprietors' income, royalty income, and personal interest income (line 32).⁵ Implicit adjustments are also embedded in the source data used for some components of personal income because the source data are from the payers of the income.⁶ The IRS estimates of AGI are based on unaudited tax returns that are not adjusted for misreporting. (However, the sample returns are edited for consistent statistical definitions and for incorrect or missing entries in order to make them consistent with other entries on the returns and with accompanying schedules.)

Overall, BEA believes that the explicit and implicit adjustments for misreporting account for a major part of the AGI gap. In 1996, the explicit adjustments accounted for \$299.5 billion of the \$669.6 billion gap. Thus, the AGI gap can be considered a rough indicator of noncompliance with the Federal tax code, and the relative AGI gap—the AGI gap as a percentage of the BEA-derived AGI—can be considered a rough indicator of the noncompliance rate in the reporting of income included in the IRS measure of AGI.⁷

The AGI Gap by Type of Income for 1947–96

Table 3 shows the estimates of the AGI gap for total income and for each type of income for 1947–96, and table 4 shows the relative AGI gap for total income and for each type of income for 1947–96. Over this period, the relative AGI gap for total income declined from about 13 percent in 1947 to about 9 percent in 1968, and then it increased to about 13 percent in 1993 and remained at that level through 1996. The relative AGI gap for wage and salary disbursements is the smallest

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

6. For detailed information about the principal source data and estimating methods used to prepare personal income and its components, see "Updated Summary NIPA Methodologies," SURVEY 78 (September 1998): 14–35 and the text on the CD-ROM *State Personal Income, 1929–97*, this information is also available on BEA's Web site at <www.bea.doc.gov>.

7. The AGI gap does not include adjustments for the misreporting of types of income excluded from personal income, such as net gains from the sale of assets, income from small business corporations, and alimony.

4. For a detailed description of the reconciliation items, see Thae S. Park, "Relationship Between Personal Income and Adjusted Gross Income: New Estimates for 1993–94 and Revisions for 1959–92," SURVEY 76 (May 1996): 80–84. However, this article's description of the method used to prepare estimates of the reconciliation items does not reflect the redefinition of dividends payments (see footnote 2).

among the types of income, primarily because income tax withholding at the source is required for wage and salary disbursements. The relative AGI gap for wage and salary disbursements declined from about 3 percent in 1947 to about 1 percent in 1982 and then increased to about 5 percent in 1996. The trends in the relative AGI gaps for non-wage incomes largely offset each other (see the addenda in table 4).⁸

8. Wage and salary disbursements accounts for 68.5 percent of the BEA-derived AGI, whereas the AGI gap for wage and salary disbursements accounts for 28.6 percent of total AGI gap for 1996. In contrast, nonwage incomes subject to the requirements for filing information returns account for 13.7 percent of the BEA-derived-AGI and 19.9 percent of the total AGI gap. For incomes not subject to the requirements for filing information returns, excluding capital gains and other types of income for which the AGI gaps are not estimated, the respective percentages are 11.5 percent and 51.5 percent.

For nonwage incomes subject to the requirements for filing information returns, the trend in the combined relative AGI gap is generally downward (the first addenda item in table 4).⁹ This trend is largely offset by a generally upward trend

9. The primary examples of these incomes are personal dividend income and personal interest income. An AGI gap for personal dividend and personal interest income combined is shown in the table because of the difficulty in recent years of accurately deriving separate gaps for these incomes. The difficulty is related to the reconciliation item for distributions from regulated investment companies, which are classified as interest in personal income. Although the IRS instructs taxpayers to report these distributions as dividends rather than as interest, some taxpayers may have inadvertently reported them as interest. Because the amount of this misreporting is not known and because the entire amount of the distributions in personal income is reallocated to personal dividend income in reconciliation (tables 1 and 2, line 20), the AGI gap for personal dividend income is overstated, and the AGI gap for personal interest income is understated.

Table 3.—The BEA and IRS Measures of AGI and the AGI Gap by Type of Income, 1947–96

(Billions of dollars)

Year	BEA-derived AGI	IRS AGI	AGI gap	Wage and salary disbursements	Proprietors' income		Rental income of persons	Personal dividend and personal interest income			Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits
					Farm	Nonfarm		Total	Personal dividend income	Personal interest income			
1947	171.0	149.7	21.3	3.9	10.5	1.2	2.1	3.3	1.3	2.0	.3	0	0
1948	184.3	163.5	20.8	5.2	8.5	1.3	2.2	3.4	1.3	2.1	.3	0	0
1949	182.1	160.6	21.6	6.1	7.8	2.1	1.6	3.7	1.3	2.4	.2	0	0
1950	203.3	179.1	24.1	5.4	7.9	3.8	1.9	4.8	1.9	2.9	.3	0	0
1951	230.0	202.3	27.7	6.6	8.8	4.8	2.2	4.9	1.7	3.2	.5	0	0
1952	242.4	215.3	27.1	6.0	7.6	5.6	2.3	5.1	1.8	3.2	.5	0	0
1953	257.0	228.7	28.3	6.5	6.2	7.0	2.3	5.7	2.0	3.7	.6	0	0
1954	258.2	229.2	29.0	6.7	6.7	7.0	3.0	5.0	.8	4.2	.7	0	0
1955	279.9	248.5	31.4	7.1	6.3	8.2	3.2	5.8	.9	4.8	.9	0	0
1956	300.9	267.7	33.1	9.0	6.3	7.3	3.3	6.1	.7	5.4	1.1	0	0
1957	314.3	280.3	34.0	7.4	5.6	9.3	3.7	6.8	.7	6.2	1.2	0	0
1958	317.4	281.2	36.2	9.2	5.1	9.2	4.0	7.4	.7	6.7	1.3	0	0
1959	341.9	305.1	36.8	7.8	7.2	9.7	2.3	8.1	.9	7.2	1.7	0	0
1960	354.1	315.5	38.6	8.9	6.4	10.1	2.3	9.0	1.3	7.6	1.9	0	0
1961	368.4	329.9	38.5	7.6	5.7	11.4	2.5	9.1	1.4	7.7	2.1	0	0
1962	390.3	348.7	41.6	9.3	6.2	11.8	2.4	9.7	1.5	8.2	2.2	0	0
1963	411.7	368.8	42.9	8.4	6.9	12.6	2.8	9.8	1.6	8.2	2.4	0	0
1964	445.0	396.7	48.4	10.3	6.3	14.1	3.0	11.9	2.4	9.5	2.8	0	0
1965	482.8	429.2	53.6	11.8	6.9	14.4	3.3	14.0	2.9	11.1	3.2	0	0
1966	524.6	468.5	56.1	13.6	7.2	15.9	3.3	12.6	1.0	11.6	3.5	0	0
1967	558.9	504.8	54.1	11.2	5.5	16.5	3.9	13.0	1.0	12.0	4.0	0	0
1968	612.2	554.4	57.8	13.7	5.3	16.9	3.2	14.4	1.4	13.0	4.3	0	0
1969	667.4	603.5	63.9	12.6	8.1	18.7	3.6	15.9	1.3	14.6	5.0	0	0
1970	703.7	631.7	72.0	13.3	9.8	20.4	4.0	18.4	1.7	16.7	6.1	0	0
1971	749.5	673.6	75.9	13.5	8.7	23.6	4.0	18.9	2.1	16.9	7.1	0	0
1972	829.9	746.0	83.9	11.1	11.8	28.7	4.2	19.9	2.7	17.2	8.2	0	0
1973	931.8	827.1	104.6	16.8	18.8	32.2	4.1	24.1	4.1	20.1	8.6	0	0
1974	1,009.3	905.5	103.8	9.1	18.6	38.1	3.2	25.4	2.9	22.4	9.5	0	0
1975	1,051.8	947.8	104.0	13.9	13.3	42.1	2.8	21.1	1.3	19.8	10.7	0	0
1976	1,172.4	1,053.9	118.5	13.6	11.8	53.5	2.4	25.3	4.0	21.3	11.9	0	0
1977	1,300.6	1,158.5	142.1	19.7	10.2	61.2	4.3	34.4	6.4	28.0	12.2	0	0
1978	1,473.1	1,302.4	170.7	25.0	14.1	73.4	4.6	38.8	7.6	31.2	14.9	0	0
1979	1,662.0	1,465.4	196.6	20.0	17.3	84.5	6.3	49.5	9.8	39.7	18.5	.4	0
1980	1,832.1	1,613.7	218.4	20.8	19.2	89.1	9.6	55.5	14.2	41.3	23.4	.8	0
1981	2,021.8	1,772.6	249.2	21.4	23.4	90.5	17.0	67.1	25.5	41.7	28.8	.9	0
1982	2,099.4	1,852.1	247.3	16.4	18.3	95.2	21.9	60.0	23.0	37.1	33.5	2.0	0
1983	2,234.8	1,942.6	292.2	24.6	27.7	109.7	24.2	64.1	26.3	37.8	39.2	2.6	0
1984	2,488.5	2,139.9	348.6	29.5	31.7	141.7	28.7	66.1	32.8	33.3	45.0	1.3	4.6
1985	2,651.7	2,306.0	345.8	44.5	28.4	147.5	29.4	45.5	26.6	18.9	46.0	1.4	3.2
1986	2,878.9	2,481.7	397.3	59.3	31.9	147.3	26.8	64.2	24.5	39.7	63.4	1.2	3.1
1987	3,156.5	2,773.8	382.7	80.6	36.1	121.5	22.5	64.0	34.8	29.1	52.6	2.6	2.8
1988	3,430.7	3,083.0	347.6	84.1	38.5	122.8	17.1	40.4	32.3	8.2	40.0	2.0	2.8
1989	3,666.5	3,256.4	410.2	112.6	35.2	127.2	14.3	63.2	55.2	7.9	52.2	2.5	3.0
1990	3,821.5	3,405.4	416.0	119.0	31.7	134.2	15.7	57.9	56.2	1.7	51.6	2.9	3.0
1991	3,864.1	3,464.5	399.6	106.2	32.4	138.9	18.8	49.0	55.7	-6.7	47.2	3.9	3.2
1992	4,101.7	3,629.1	472.6	133.3	34.8	164.6	20.7	52.1	45.7	6.3	54.2	8.3	4.5
1993	4,254.6	3,723.3	531.3	146.6	41.5	200.0	22.3	52.8	46.9	5.9	54.6	7.3	6.1
1994	4,488.5	3,907.5	581.0	158.8	33.5	223.1	24.7	76.7	68.8	7.9	52.5	3.8	8.0
1995	4,788.5	4,189.4	599.1	167.4	37.7	246.0	28.5	44.4	61.0	-16.6	63.7	2.6	8.8
1996	5,205.6	4,536.0	669.6	191.2	37.2	277.9	30.0	55.1	89.4	-34.4	67.9	3.1	7.2

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

in the combined relative AGI gap for incomes not subject to the requirements for filing information returns (the second addenda item). The combined relative AGI gap for nonwage incomes subject to the filing requirements declined from about 39 percent in 1947 to about 17 percent in 1988, increased to about 23 percent in 1994, and then declined to about 19 percent in 1996.¹⁰

The combined relative AGI gap for incomes not subject to the filing requirements increased from

about 34 percent in 1947 to about 81 percent in 1984, decreased to about 50 percent in 1990, and then increased to about 58 percent in 1996.

The relative AGI gap for total income for 1996 is slightly higher than that for 1995 largely due to increases in the AGI gaps for wage and salary disbursements, nonfarm proprietors' income, and personal dividend income.

Sources of the Revision to the AGI Gap

Table 5 shows the revisions to BEA-derived AGI and to the AGI gap for 1982–95. For 1982–94, the revisions reflect the incorporation of the

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

Table 4.—The Relative AGI Gap by Type of Income, 1947–96

[Percent]

Year	Total	Wage and salary disbursements	Proprietors' income			Rental income of persons	Personal dividend and interest income			Taxable pensions and annuities	Taxable unemployment compensation	Taxable social security benefits	Addenda	
			Farm	Nonfarm	Total		Personal dividend income	Personal interest income	Incomes, except wages and salaries, subject to filing requirements ¹				Incomes not subject to filing requirements ²	
1947	12.5	3.3	74.0	5.6	44.7	37.9	23.2	64.1	56.1	0	0	38.9	34.3	
1948	11.3	3.9	68.1	5.9	41.0	35.1	20.7	61.9	49.8	0	0	36.0	29.8	
1949	11.8	4.7	69.8	10.1	31.2	35.0	19.4	61.0	35.1	0	0	35.0	30.8	
1950	11.9	3.7	68.6	15.5	33.0	38.1	23.1	64.6	44.2	0	0	38.4	32.6	
1951	12.0	3.9	68.9	18.1	35.8	38.5	21.8	65.1	47.4	0	0	39.1	34.7	
1952	11.2	3.3	66.0	20.5	36.0	39.6	23.7	63.6	47.0	0	0	40.2	34.4	
1953	11.0	3.3	60.9	24.5	35.1	42.1	25.7	64.4	48.5	0	0	42.6	34.2	
1954	11.2	3.5	64.7	24.0	46.3	34.6	9.7	64.0	45.8	0	0	35.6	36.3	
1955	11.2	3.4	62.3	25.4	48.9	35.6	10.7	65.2	50.2	0	0	37.0	36.2	
1956	11.0	4.0	60.4	21.7	47.9	34.8	8.0	65.2	54.4	0	0	36.9	33.2	
1957	10.8	3.1	59.2	26.2	51.3	35.4	6.7	65.0	51.3	0	0	37.1	35.7	
1958	11.4	3.9	53.9	26.3	53.4	37.3	7.6	64.6	50.3	0	0	38.9	35.2	
1959	10.8	3.1	69.2	25.7	39.7	37.0	9.0	62.0	53.3	0	0	39.1	35.6	
1960	10.9	3.4	66.4	27.1	38.9	38.0	12.3	60.1	54.1	0	0	40.1	35.6	
1961	10.5	2.8	59.1	29.0	41.6	37.0	12.4	57.6	53.5	0	0	39.3	35.7	
1962	10.7	3.2	61.5	28.4	39.2	35.3	12.4	53.4	48.5	0	0	37.2	35.4	
1963	10.4	2.7	67.8	29.4	43.3	32.1	12.4	47.0	47.4	0	0	34.3	37.5	
1964	10.9	3.1	66.4	30.3	45.2	35.1	16.8	48.5	47.2	0	0	36.9	37.3	
1965	11.1	3.3	63.4	29.2	48.1	36.5	18.1	49.6	47.0	0	0	38.1	36.7	
1966	10.7	3.5	60.1	30.1	47.5	31.7	6.6	46.8	44.0	0	0	33.7	36.8	
1967	9.7	2.6	58.5	29.8	51.6	30.9	6.3	44.7	44.2	0	0	33.2	35.8	
1968	9.4	2.9	58.4	28.5	45.2	31.0	8.5	43.6	41.8	0	0	32.9	33.7	
1969	9.6	2.5	65.7	30.5	48.7	30.9	7.5	42.6	42.1	0	0	33.1	37.5	
1970	10.2	2.4	74.0	32.9	51.5	32.7	9.7	43.2	43.5	0	0	34.9	41.1	
1971	10.1	2.3	76.4	35.3	50.1	31.9	11.7	40.6	43.2	0	0	34.4	42.1	
1972	10.1	1.8	70.8	38.5	47.6	31.0	13.7	38.6	42.7	0	0	33.7	44.7	
1973	11.2	2.4	68.3	39.7	41.5	32.2	17.9	38.4	39.5	0	0	33.8	46.5	
1974	10.3	1.2	74.7	43.2	32.8	29.6	12.3	36.2	36.1	0	0	31.1	48.8	
1975	9.9	1.7	73.8	45.5	30.9	24.4	5.6	31.4	33.9	0	0	27.0	48.6	
1976	10.1	1.5	72.3	48.5	25.6	25.7	14.0	30.5	32.6	0	0	27.6	49.8	
1977	10.9	2.0	90.0	49.1	39.5	29.7	19.2	33.9	29.5	0	0	29.6	51.5	
1978	11.6	2.2	74.8	51.6	38.5	29.8	20.1	33.7	31.3	0	0	30.2	53.2	
1979	11.8	1.6	85.5	54.7	48.4	31.5	22.6	35.0	33.1	0	0	31.9	57.6	
1980	11.9	1.5	106.9	57.4	59.4	28.3	26.8	28.8	35.0	26.9	0	30.0	62.3	
1981	12.3	1.4	148.4	62.6	75.0	27.4	35.5	24.0	35.7	27.3	0	29.4	71.5	
1982	11.8	1.0	215.8	64.7	86.1	22.3	30.6	19.1	35.8	21.8	0	25.7	74.8	
1983	13.1	1.5	150.9	64.5	97.7	24.1	35.1	19.7	36.0	27.1	0	27.5	75.8	
1984	14.0	1.6	182.4	68.2	113.1	22.7	40.3	15.9	35.9	17.8	36.7	26.8	80.7	
1985	13.0	2.3	180.3	66.4	121.5	16.1	32.6	9.4	32.6	17.6	25.0	21.6	78.4	
1986	13.8	2.8	132.0	64.8	149.4	21.9	28.4	19.1	37.0	15.0	22.6	27.1	76.5	
1987	12.1	3.6	101.8	51.9	122.3	21.3	34.3	14.7	29.7	17.2	18.1	24.0	62.6	
1988	10.1	3.5	100.9	45.2	90.3	13.3	29.4	4.2	22.4	14.4	16.4	16.6	54.2	
1989	11.2	4.4	96.7	44.3	78.2	17.3	40.5	3.5	26.2	17.2	14.5	20.2	51.7	
1990	10.9	4.4	96.6	43.9	69.2	15.9	41.2	7	24.5	16.0	13.2	18.7	50.3	
1991	10.3	3.8	104.8	44.6	69.7	14.6	41.9	-3.3	21.1	14.3	13.1	16.9	51.4	
1992	11.5	4.5	103.4	46.0	61.7	17.8	37.0	3.8	22.5	20.9	16.2	19.8	51.8	
1993	12.5	4.8	107.2	50.4	56.9	20.0	37.0	4.3	22.0	20.8	19.9	20.9	55.6	
1994	12.9	5.0	126.1	51.5	55.1	26.9	45.5	5.9	20.3	15.8	17.2	23.0	55.8	
1995	12.5	5.0	125.1	53.1	56.7	15.1	39.2	-12.0	22.4	11.7	16.2	18.2	57.4	
1996	12.9	5.4	122.3	54.1	53.3	16.9	46.2	-26.2	22.1	13.8	12.0	18.7	57.5	

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

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


NOTE.—The relative AGI gap is the AGI gap as a percentage of the BEA-derived AGI and is shown in line 32 of tables 1 and 2.

AGI Adjusted gross income
BEA Bureau of Economic Analysis

redefinition of dividend payments. For 1995, the revisions reflect the annual revision to the NIPA's, including the redefinition of dividend payments. In addition, for 1991-94, the revisions reflect the incorporation into personal dividend income of revised IRS tabulations of capital gains distributions from regulated investment companies, which are used by BEA to prepare the estimates of personal dividend income.

In general, revisions to the AGI gap result from three sources: Revisions to personal income that carry through to the AGI gap, revisions to the reconciliation items that are unrelated to the revisions to personal income or to AGI, and revisions to AGI that carry through to the AGI gap. For 1995, the AGI gap was revised down \$31.2 billion, reflecting a downward revision of \$45.5 billion to personal income that carried through to reduce

the AGI gap and net revisions of \$14.2 billion to the reconciliation items that are unrelated to the revisions to personal income (lines 7, 8, 13, 14, and 15), which carried through to increase the AGI gap.¹¹ There was no revision to AGI for 1995.

In general, the incorporation of the results of this year's annual NIPA revision did not change the trend in the relative AGI gaps for 1982-95. However, the level of the relative AGI gap for nonwage incomes subject to the requirements for filing information returns was revised down about 3 to 4 percentage points for 1993, 1994, and 1995. 

11. Personal income was revised down \$78.7 billion; \$33.6 billion of this downward revision was offset by revisions to reconciliation items directly affected by the personal income revisions (lines 3-6, most of line 9, line 11, and line 12), primarily by the redefinition of capital gains distributions from regulated investment companies. Thus, the revisions to personal income that carried through to reduce the AGI gap were \$45.4 billion.

Table 5.—Sources of Revision to the AGI Gap for 1982-95
[Billions of dollars]

Line ¹	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
1 Personal income	-3.1	-6.4	-4.0	-8.9	-18.8	-10.9	-5.8	-4.6	-8.0	-16.0	-21.6	-38.2	-33.8	-78.7
2 Less: Portion of personal income not included in adjusted gross income	0	0	0	0	0	0	0	0	0	0	0	0	0	-8.4
3 Transfer payments except taxable military retirement, taxable government pensions, and taxable social security benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	2.5
4 Other labor income except fees	0	0	0	0	0	0	0	0	0	0	0	0	0	-5.2
5 Imputed income in personal income	0	0	0	0	0	0	0	0	0	0	0	0	0	.1
6 Investment income retained by life insurance carriers and private noninsured pension funds	0	0	0	0	0	0	0	0	0	0	0	0	0	.1
7 Investment income received by nonprofit institutions or retained by fiduciaries	0	0	0	0	0	0	0	0	0	0	0	0	0	-9
8 Differences in accounting treatment between NIPA's and tax regulations, net	0	0	0	0	0	0	0	0	0	0	0	0	0	-3.2
9 Other personal income exempt or excluded from adjusted gross income	0	0	0	0	0	0	0	0	0	0	0	0	0	-1.7
10 Plus: Portion of adjusted gross income not included in personal income	3.1	6.4	4.0	8.9	18.8	10.9	5.8	4.8	8.1	6.3	6.5	15.3	9.3	39.0
11 Personal contributions for social insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	.5
12 Gains, net of losses, from sales of property	3.1	6.4	4.0	8.9	18.8	10.9	5.8	4.8	8.1	6.3	6.5	15.3	9.3	28.5
13 Taxable private pensions	0	0	0	0	0	0	0	0	0	0	0	0	0	9.4
14 Small business corporation income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Other types of income	0	0	0	0	0	0	0	0	0	0	0	0	0	.7
16 Equals: BEA-derived adjusted gross income	0	0	0	0	0	0	0	.2	.2	-9.6	-15.0	-22.8	-24.6	-31.2
17 Adjusted gross income of IRS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Adjusted gross income (AGI) gap	0	0	0	0	0	0	0	.2	.2	-9.6	-15.0	-22.8	-24.6	-31.2
19 Relative AGI gap	0	0	0	0	0	0	0	0	0	-2	-3	-5	-5	-6

1. Line numbers in this table correspond to those in table 1.
AGI Adjusted gross income
BEA Bureau of Economic Analysis

IRS Internal Revenue Service
NIPA's National income and product accounts

Gross Product by Industry, 1995–97

By Sherlene K.S. Lum and Brian C. Moyer

THIS ARTICLE presents new estimates of gross product, or gross product originating (GPO), by industry for 1997 and revised estimates for 1995–96; it also presents new and revised estimates of gross output and intermediate inputs by industry.¹ The new and revised estimates incorporate the results of the annual revision of the national income and product accounts (NIPA's)

released in July 1998 and newly available source data.² In addition, this article includes the tables of GPO prices and unit costs that were first introduced in March 1998 to provide insight into the sources of change in the aggregate price level by industry and to identify the sources of GPO price change among the cost components of GPO.³

1. For the previously published estimates of gross product by industry for 1995–96, see Sherlene K.S. Lum and Robert E. Yuskavage, "Gross Product by Industry, 1947–96," *SURVEY OF CURRENT BUSINESS* 77 (November 1997): 20–34.

2. For more information, see Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," *SURVEY* 78 (August 1998): 7–35.

3. See Robert E. Yuskavage, "Gross Product by Industry Price Measures, 1977–96," *SURVEY* 78 (March 1998): 17–25.

Gross Product Originating: Definition and Relationship to Gross Domestic Product

Gross product, or gross product originating (GPO), by industry is the contribution of each private industry and government to the Nation's output, or gross domestic product (GDP). An industry's GPO, often referred to as its "value added," is equal to its gross output (sales or receipts and other operating income, commodity taxes, and inventory change) minus its intermediate inputs (consumption of goods and services purchased from other industries or imported).

For the national income and product accounts (NIPA's), GDP is measured as the sum of expenditure components. Gross domestic income (GDI) measures output as the sum of the costs incurred and the incomes earned in the production of GDP. In concept, GDP and GDI should be the same; in practice, they differ because their components are estimated using largely independent and less-than-perfect source data. BEA views GDP as the more reliable measure of output because the source data underlying the estimates of expenditures are considered to be more accurate.¹ The difference between GDP and GDI is called the "statistical discrepancy"; it is recorded in the NIPA's as an "income" component that reconciles GDI with GDP.

Current-dollar GPO by industry is measured as the sum of distributions by industry of the components of GDI attributable to labor and property located in the United States. Consequently, the sum of the current-dollar GPO estimates also differs from current-dollar GDP by the statistical discrepancy. In presenting the GPO estimates,

the statistical discrepancy is included in the GPO of private industries because of BEA's view that most of the measurement problems with the components of GDI affect the GPO of private industries rather than the GPO of general government or government enterprises.

Real GDP in the NIPA's is also measured as the sum of the expenditure components. Real GPO estimates for most industries are derived using separate estimates of gross output and intermediate inputs.² The sum of the real GPO estimates differs from real GDP by the real statistical discrepancy, which is shown as part of private-industry GPO, and by the category entitled "not allocated by industry," which is the difference between real GDP and the sum of real GPO for the detailed industries and of the statistical discrepancy. The value of the category "not allocated by industry" reflects the lack of additivity of detailed real GPO estimates that results from the formula used to calculate real output and from differences in the source data (both current dollars and prices) used to estimate industry GPO and the expenditures measure of real GDP. As with the current-dollar measures, BEA views the source data used to estimate the components of real GDP to be more reliable. In addition, the amount of detailed expenditures data available to calculate real GDP is greater than that for the gross output and intermediate inputs available to calculate real GPO. For some industries, no source data are available to measure gross output, and the resulting real GPO estimates are prepared using less reliable methodologies.

1. For additional information on the accuracy of the two measures, see the box "The Statistical Discrepancy" in Robert P. Parker and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," *SURVEY OF CURRENT BUSINESS* 77 (August 1997): 19.

2. For information about the computation of the real GPO estimates, see the box "Computation of the Chain-Type Quantity Indexes for Double-Deflated Industries" in Robert E. Yuskavage, "Improved Estimates of Gross Product by Industry, 1959–94," *SURVEY* 76 (August 1996): 142.

This comprehensive presentation of these integrated estimates of GPO, gross output, intermediate inputs, and GPO prices and unit costs is the latest step in the continuing efforts by the Bureau of Economic Analysis (BEA) to make the industry accounts data more useful. Last November, BEA presented new GPO estimates for 1996, which represented a speedup in the availability of estimates for the most recent complete year, and BEA presented and discussed annual estimates of gross output and intermediate inputs by industry for the first time. Future improvement efforts will focus on the development of measures of gross output for the industries for which the double-deflation method is not used to prepare the GPO estimates and on integrating the GPO estimates with the benchmark input-output accounts and with other BEA industry estimates.

This article is presented in five parts. The first part discusses the relative performance of industries for 1995–97 in terms of real growth rates, contributions to real GDP growth, industry shares of current-dollar gross domestic product (GDP), and the composition of current-dollar GPO. The second part describes the revisions to the GPO estimates, and the third part discusses gross output and intermediate inputs by industry. The fourth part describes GPO prices and unit costs, and the fifth part discusses the changes to the source data and estimation methods. The new and revised estimates for 1995–97 for detailed industries are presented in tables after the text.

Industry Growth, Shares, and Composition

The relative performance of particular industries or industry groups can be assessed by comparing real GPO growth rates, contributions to real GDP growth, the shares of GDP across industries, and the composition of current-dollar GPO. Comparisons of the growth rates of real gross product indicate an industry's performance relative to other industries. Contributions to real GDP growth indicate the extent that each industry affected the growth of GDP. Changes in the share of current-dollar GDP that is accounted for by an industry's gross product indicate whether that industry's claim on the economy's resources is increasing or decreasing. Changes in the composition of an industry's current-dollar GPO indicate whether the labor and capital shares for that industry are changing.

Real growth rates

From 1992, the start of the current cyclical expansion, through 1997, the most recent year for which GDP estimates by industry are available, real GDP increased at an average annual rate of 3.1 percent; private industries increased 3.6 percent, and government increased 0.2 percent (table 1). The real gross product of all private industry groups increased; the increases ranged from 7.9 percent in durable goods manufacturing to 1.9 percent in nondurable goods manufacturing. Manufacturing as a whole increased 5.2 percent. Excluding manufacturing, the largest increases were in trade—5.6 percent in retail trade and 5.5 percent in wholesale trade—and the smallest increase was in finance, insurance, and real estate (FIRE), 2.3 percent.

In 1992–97, at the 66-industry level of detail, the changes in real GDP varied widely. Seventeen industries recorded average annual increases of 5 percent or more in real gross product. Three of these industries recorded especially large increases: Electronic and other electric equipment (21.5 percent) and industrial machinery and equipment (14.6 percent) in durable goods manufacturing and security and commodity brokers (19.5 percent) in FIRE.⁴ Nine industries recorded

4. Annual and average annual growth rates for detailed industries are computed from the chain-type indexes that are shown in table 12. Percent changes in quantity indexes and chained dollars at all levels are the same and chained dollars are calculated from the quantity indexes. Real GPO estimates in chained (1992) dollars for detailed industries and industry groups

Table 1.—Percent Changes in Real Gross Domestic Product
by Industry Group, 1993–97

[Percent change from preceding period]

	1993	1994	1995	1996	1997	Average annual rate of change, 1992–97
Gross domestic product	2.3	3.5	2.3	3.4	3.9	3.1
Private industries	2.7	4.5	2.3	3.8	4.5	3.6
Agriculture, forestry, and fishing	-9.0	16.4	-10.9	7.6	11.7	2.6
Mining	4.6	6.3	4.8	-4.2	6.7	3.6
Construction	2.0	6.6	1.8	5.6	2.2	3.6
Manufacturing	3.5	8.4	6.6	1.8	5.9	5.2
Durable goods	6.1	10.4	8.3	5.8	9.1	7.9
Nondurable goods .....	.4	6.0	4.4	-3.2	1.9	1.9
Transportation and public utilities	4.4	5.8	1.4	5.8	2.9	4.0
Transportation	4.3	6.6	.8	6.3	5.1	4.6
Communications	6.6	3.0	2.1	6.0	2.6	4.0
Electric, gas, and sanitary services	2.5	7.9	1.3	5.0	.5	3.4
Wholesale trade	2.5	7.7	1.6	6.8	9.3	5.5
Retail trade	4.0	6.2	4.2	6.3	7.2	5.6
Finance, insurance, and real estate	2.3	1.9	.8	3.3	3.2	2.3
Services	1.9	2.7	3.9	3.4	3.7	3.1
Government .....	.3	.3	-2	.1	.7	.2

decreases in real growth. The largest decreases were also in durable goods manufacturing: Instruments and related products, down 7.7 percent, and "other transportation equipment," down 4.9 percent. Real growth in instruments and related products decreased each year.

In 1995, real GDP slowed to a 2.3-percent increase from a 3.5-percent increase in 1994. The growth in private-industry real GPO slowed to a 2.3-percent increase from a 4.5-percent increase; all private industry groups except services contributed to the deceleration. Agriculture, forestry, and fishing declined 10.9 percent after increasing 16.4 percent. Services increased 3.9 percent after increasing 2.7 percent. Although manufacturing grew at a slower rate than in 1994, two of the fastest growing industry groups were durable goods manufacturing (8.3 percent) and nondurable goods manufacturing (4.4 percent).

By detailed industry, the fastest growing industries in 1995 were in manufacturing and services. In manufacturing, industrial machinery and equipment increased 23.8 percent; electronic and other electric equipment increased 22.6 percent; food and kindred products increased 18.1 percent, and petroleum and coal products increased 10.2 percent. In services, motion pictures grew 11.8 percent. Two industries decreased substantially: Farms in agriculture, forestry, and fishing, down 15.2 percent, and paper and allied products in manufacturing, down 14.8 percent.

In 1996, real GDP growth accelerated to 3.4 percent from 2.3 percent in 1995. The acceleration was mainly in agriculture, forestry, and fishing; construction; transportation and public utilities; wholesale trade; and retail trade. All industry groups except mining and nondurable goods manufacturing increased. Agriculture, forestry,

are shown in table 13. For information about the computation of the real GPO estimates, see the box "Computation of the Chain-Type Quantity Indexes for Double-Deflated Industries" in Robert E. Yuskavage, "Improved Estimates of Gross Product by Industry, 1959-94," *SURVEY* 76 (August 1996): 142.

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and fishing grew the fastest (7.6 percent), followed by wholesale trade (6.8 percent); mining declined 4.2 percent, and nondurable goods manufacturing declined 3.2 percent. The growth in agriculture, forestry, and fishing reflected large increases in the gross output and the gross product of farms. Transportation increased 6.3 percent after increasing 0.8 percent, and wholesale trade increased 6.8 percent after increasing 1.6 percent.

By detailed industry, the fastest growing industries in 1996 were in FIRE and in transportation and public utilities, and the slowest growing industries were in manufacturing. In FIRE, real GPO for security and commodity brokers increased 32.8 percent, and in transportation and public utilities, "pipelines, except natural gas" increased 29.0 percent. The two biggest declines in real GPO were in food and kindred products, down 16.0 percent, and in leather and leather products, down 12.9 percent.

In 1997, real GDP growth increased to 3.9 percent from 3.4 percent. The increase reflected increases in all industry groups. Agriculture, forestry, and fishing grew the fastest (11.7 percent), followed by wholesale trade (9.3 percent),

Table 2.—Contributions to Percent Change in Real Gross Domestic Product by Industry Group, 1993-97

	1993	1994	1995	1996	1997	Average annual rate, 1992-97
Percent change:						
Gross domestic product	2.3	3.5	2.3	3.4	3.9	3.1
Percentage points:						
Private industries	2.3	3.8	2.0	3.3	3.9	3.1
Agriculture, forestry, and fishing	-2	.3	-2	.1	.2	0
Mining .....	.1	.1	.1	-.1	.1	.1
Construction .....	.1	.2	.1	.2	.1	.1
Manufacturing .....	.6	1.4	1.2	.3	1.0	.9
Durable goods .....	.6	1.0	.8	.6	.9	.8
Nondurable goods	0	.5	.3	-.2	.1	.1
Transportation and public utilities .....	.4	.5	.1	.5	.2	.3
Transportation .....	.1	.2	0	.2	.2	.1
Communications .....	.2	.1	.1	.2	.1	.1
Electric, gas, and sanitary services .....	.1	.2	0	.1	0	.1
Wholesale trade .....	.2	.5	.1	.5	.6	.4
Retail trade .....	.4	.5	.4	.6	.6	.5
Finance, insurance, and real estate .....	.4	.4	.1	.6	.6	.4
Services .....	.4	.5	.8	.7	.7	.6
Statistical discrepancy ¹ .....	.1	-.6	-.6	-.1	-.3	-.3
Government	0	0	0	0	.1	0
Not allocated by industry ²	0	-.4	.3	.1	-.1	-.1

1. Equals GDP measured as the sum of expenditures less gross domestic income.

2. Equals GDP less the statistical discrepancy and the sum of GPO of the detailed industries.
NOTE.—For information on the calculation of the contributions to percent change, see footnote 5 in the text.

durable goods (9.1 percent), retail trade (7.2 percent), and mining (6.7 percent). Electric, gas, and sanitary services (0.5 percent) and non-durable goods manufacturing (1.9 percent) grew the slowest.

By detailed industry, the fastest growing industries in 1997 were in durable goods manufacturing: Electronic and other electric equipment, up 22.5 percent, and industrial machinery and equipment, up 17.5 percent. These two industries were also among the fastest growing industries in 1995 and in 1996.

Contributions to real GDP growth.—An industry's contribution to the growth of real GDP depends both on the industry's rate of growth and on the industry's relative size. (See the box "Using Chained-Dollar Estimates for Computing Contributions to Economic Growth: A Cautionary Note.") In 1992–97, durable goods manufacturing was the largest contributor, accounting for 0.8 percentage point of the 3.1-percent growth in real GDP; services was the next largest, 0.6 percentage point (table 2).⁵ In 1995, durable goods manufacturing and services each contributed 0.8 percentage point to the growth in

real GDP. In 1996, services contributed 0.7 percentage point, and durable goods, retail trade, and FIRE each contributed 0.6 percentage point. In 1997, durable goods manufacturing was again the largest contributor, 0.9 percentage point, and services was next, 0.7 percentage point.

Shares of current-dollar GDP

Shares in current dollars are a better indicator of an industry's relative size in the economy in any one period than shares in real dollars, because industry shares in real dollars—whether using weights from the period being measured (chained dollars) or weights from a single period (constant dollars)—depend on the choice of the base year and therefore are not good indicators of relative size in years other than the base year.

The share of GDP that is accounted for by private services-producing industries rose relative to that by goods-producing industries and by government. The share of private goods-producing industries increased from 24.0 percent in 1992 to 24.2 percent in 1997, and the share of private services-producing industries increased from 61.3 percent to 63.9 percent (table 3).⁶ The share accounted for by government fell from 14.0 percent

5. For a description of the calculation of these contributions, see "Note on Computing Alternative Chained Dollar Indexes and Contributions to Growth" in J. Steven Landefeld and Robert P. Parker, "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," SURVEY 77 (May 1997): 63.

6. Private-goods producing industries consist of agriculture, forestry, and fishing; mining; construction; and manufacturing. Private-services producing industries consist of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

Table 3.—Gross Product by Industry Group in Current Dollars and As a Percentage of Gross Domestic Product, 1992–97

	Billions of dollars						Percent					
	1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
Gross domestic product	6,244.4	6,558.1	6,947.0	7,269.6	7,661.6	8,110.9	100.0	100.0	100.0	100.0	100.0	100.0
Private industries	5,370.8	5,655.4	6,013.5	6,306.9	6,667.9	7,083.3	86.0	86.2	86.6	86.8	87.0	87.3
Agriculture, forestry, and fishing	112.4	106.1	119.2	109.5	130.4	131.7	1.8	1.6	1.7	1.5	1.7	1.6
Mining	92.2	94.6	94.9	98.7	113.8	120.5	1.5	1.4	1.4	1.4	1.5	1.5
Construction	229.7	242.4	268.7	286.4	311.9	328.8	3.7	3.7	3.9	3.9	4.1	4.1
Manufacturing	1,063.6	1,116.5	1,216.1	1,282.2	1,309.1	1,378.9	17.0	17.0	17.5	17.6	17.1	17.0
Durable goods	573.4	615.7	679.2	711.6	737.3	784.0	9.2	9.4	9.8	9.8	9.6	9.7
Nondurable goods	490.3	500.8	536.9	570.5	571.8	594.9	7.9	7.6	7.7	7.8	7.5	7.3
Transportation and public utilities	528.7	561.7	598.7	616.4	649.3	676.3	8.5	8.6	8.6	8.5	8.5	8.3
Transportation	192.8	203.3	219.9	226.1	237.0	255.5	3.1	3.1	3.2	3.1	3.1	3.2
Communications	161.1	175.6	184.6	193.3	207.5	211.6	2.6	2.7	2.7	2.7	2.7	2.6
Electric, gas, and sanitary services	174.7	182.8	194.2	197.0	204.9	209.2	2.8	2.8	2.8	2.7	2.7	2.6
Wholesale trade	406.4	423.3	468.0	491.4	519.8	562.8	6.5	6.5	6.7	6.8	6.8	6.9
Retail trade	544.3	573.2	615.3	641.0	673.0	712.9	8.7	8.7	8.9	8.8	8.8	8.8
Finance, insurance, and real estate	1,147.9	1,218.1	1,267.6	1,362.3	1,448.6	1,570.3	18.4	18.6	18.2	18.7	18.9	19.4
Services	1,200.8	1,267.0	1,350.4	1,445.4	1,544.2	1,656.8	19.2	19.3	19.4	19.9	20.2	20.4
Statistical discrepancy ¹	44.8	52.6	14.6	-26.5	-32.2	-55.8	.7	.8	.2	-.4	-.4	-.7
Government	873.6	902.7	933.5	962.7	993.7	1,027.6	14.0	13.8	13.4	13.2	13.0	12.7
Addenda:												
Private goods-producing industries ²	1,497.9	1,559.6	1,698.9	1,776.8	1,865.1	1,959.9	24.0	23.8	24.5	24.4	24.3	24.2
Private services-producing industries ³	3,828.1	4,043.2	4,300.0	4,556.6	4,835.0	5,179.1	61.3	61.7	61.9	62.7	63.1	63.9

1. Equals GDP measured as the sum of expenditures less gross domestic income.

2. Consists of agriculture, forestry, and fishing; mining; construction; and manufacturing.

3. Consists of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

to 12.7 percent; the fall was concentrated in Federal general government (table 10).⁷

The increase in the share of private services-producing industries was mostly accounted for by "services" and by FIRE; the share of services rose 1.2 percentage points, and that of FIRE rose 1.0 percentage point. In FIRE, the shares of security and commodity brokers and of insurance carriers both increased 0.5 percentage point. The share of wholesale trade increased from 6.5 percent to 6.9 percent. Manufacturing's share of GDP increased from 17.0 percent in 1992 to 17.6 percent in 1995, primarily reflecting durable goods, and then fell

back to 17.0 percent by 1997, primarily reflecting nondurable goods.

Composition of GPO

Current-dollar GPO is measured as the sum of costs incurred and incomes earned in production in each industry. It is equal to gross domestic income, whose components can be grouped into categories that approximate shares of labor and of capital. Differences over time and among industry groups in shares of labor and capital can be observed using these approximations. The labor share of production can be approximated using compensation of employees, which

7. In addition, the statistical discrepancy as a share of current-dollar GDP fell from 0.7 percent to -0.7 percent.

Using Chained-Dollar Estimates for Computing Contributions to Economic Growth: A Cautionary Note

The Bureau of Economic Analysis (BEA) measures real output and prices using chain-type annual-weighted indexes computed with a Fisher formula. These measures, which were introduced in the most recent comprehensive revisions of the national income and product accounts and of the gross product originating by industry (GPO) estimates, allow for the effects of changes over time in relative prices and quantities. By eliminating the substitution bias inherent in the previously featured fixed-weighted measures of real output and prices, these new indexes provide significantly more

accurate measures of growth in real GDP and other major economic aggregates.¹

As a convenience for data users, BEA also prepares dollar-denominated real output series that are consistent with the chain-type indexes and that retain some of the computational advantages of constant-dollar series. The real chained (1992) dollar estimates for a GDP expenditure component or for a GPO industry are derived as the product of the chain-type quantity index (divided by 100) and the corresponding 1992 current-dollar value. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

For many analytical purposes, these chained-dollar estimates are appropriate and informative. Growth rates and percent changes based on chained dollars are always equivalent to those derived from the quantity indexes and can be used confidently over any time period. Contributions to change computed from published chained dollars are usually appropriate for periods close to the reference year, especially for components or industries whose prices have not changed substantially relative to GDP prices.

However, if relative prices for individual GDP expenditure components or for GPO industries have changed substantially, then calculations of contributions to economic growth based on published chained-dollar estimates may be misleading and inappropriate even for short periods close to the reference year. Even for highly aggregated expenditure categories or for industry groups, the calculations will usually be misleading over long periods, because relative prices are likely to change substantially.²

The accompanying exhibit shows the contributions of industry groups to the change in real GDP for 1977-82 based on chained (1992) dollars and on chained (1977) dollars. (The period 1977-82 was chosen for illustrative purposes because it is relatively far from the

Exhibit 1.—Alternative Measures of Contributions to Real GDP Growth Based on Chained Dollars, 1977-82

[Percent]

Line		Contribution to change in GDP, 1992=100	Contribution to change in GDP, 1977=100	Percentage points difference
1	Gross domestic product	100.0	100.0	0
2	Agriculture, forestry, and fishing	4.2	7.3	-3.1
3	Mining	-1.0	-1.4	.4
4	Construction	-11.9	-11.0	-.9
5	Manufacturing	4.0	4.9	-.9
6	Durable goods	-2.1	-2.8	.7
7	Nondurable goods	7.1	7.7	-.6
8	Transportation and public utilities	9.6	10.4	-.8
9	Transportation .....	.1	.2	-.1
10	Communications	10.3	13.6	-3.3
11	Electric, gas, and sanitary services	-1.9	-1.6	-.3
12	Wholesale trade	13.2	19.7	-6.5
13	Retail trade	6.8	7.5	-.7
14	Finance, insurance, and real estate	38.8	31.4	7.4
15	Services	36.5	27.6	8.9
16	Government	10.3	8.9	1.4
17	Residual ¹	-10.4	-7.1	-3.3

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

NOTE.—Contributions to change are calculated by dividing the change in chained dollars for 1977-82 for each industry group by the change in chained dollars for GDP. This calculation is performed using chained (1992) dollars and chained (1977) dollars. This procedure differs from that used for the calculations of contributions to growth shown in NIPA table 8.2.

1. For more information, see J. Steven Landefeld and Robert P. Parker, "BEA's Chain Indexes, Time Series, and Measures of Long-Term Economic Growth," SURVEY OF CURRENT BUSINESS 77 (May 1997): 58-68.

2. Comparisons among the chained (1992) dollar estimates of components or industries may be particularly misleading for periods before 1982. For example, during the World War II era, the share of GDP accounted for by government consumption expenditures and gross investment increased substantially, and prices throughout the economy were tightly controlled and very different from postwar levels. These changes in the structure of the economy, while relatively short lived, seriously affect computations of contributions to GDP growth in this period.

consists of wage and salary accruals, employer contributions for social insurance, and other labor income. The capital share of production (property-type income) can be approximated using all the remaining components of GPO except indirect business tax and nontax liability, which is treated as a separate cost component because it is part of the pre-tax return to capital that accrues to government rather than to business.⁸ In levels, these cost components increased for all industry

groups, so the changes in shares reflect differences in growth rates among the cost components.

For the total economy, the share of GDP accounted for by compensation of employees decreased slightly, from 58.4 percent in 1992 to 57.8 percent in 1997, while the share of property-type income increased from 32.8 percent to 35.2 percent (table 11). The share of indirect business tax and nontax liability decreased from 8.1 percent to 7.7 percent. In 1992–97, the labor and capital shares of GPO and the change in these shares varied among industry groups. For manufacturing, the labor share of GPO declined 4.4 percentage points despite increases in full-time equivalent employment and compensation per

8. Property-type income is the sum of corporate profits, proprietors' income, rental income of persons, net interest, capital consumption allowances, business transfer payments, and the current surplus of government enterprises less subsidies. Proprietors' income is included in property-type income as a capital share of production; however, an unknown portion of proprietors' income represents a labor share of production.

Using Chained-Dollar Estimates for Computing Contributions to Economic Growth: A Cautionary Note, Continued

reference year for published chained (1992) dollars.) Contributions to the change in real GDP were computed by dividing the change in chained dollars for an industry group by the change in chained dollars for GDP for the period. For many industry groups, the contributions are very similar using either 1977 or 1992 as the reference year, but for some industry groups, they differ substantially. As measured using chained (1992) dollars, services account for 37 percent of real GDP growth in 1977–82; as measured using chained (1977) dollars—a more appropriate (contemporaneous) reference period—services account for 28 percent. Similarly, the contribution of finance, insurance, and real estate (FIRE) is 39 percent based on chained (1992) dollars and 31 percent based on chained (1977) dollars. These differences arise because the GPO prices of services and of FIRE increased substantially relative to GDP prices from 1977 to 1992, whereas the GPO prices of most other industry groups declined relative to GDP prices. Thus, using the relative prices of 1992 for services and FIRE overstates their contribution to real economic growth in the earlier period.

The contributions to real GDP growth computed from chained-dollar estimates can be misleading not only for industry groups over long time periods, but also for detailed industries during periods of rapid changes in relative prices, even for periods that are relatively close to the chained-dollar reference year. To illustrate, the contributions of detailed industries to the change in GDP for 1997 were computed using the published chained (1992) dollars and using an alternative measure based on chained (1996) dollars. For most industries, the alternative measure yields the same or similar estimates of contributions to real GDP growth. However, for two industries for which GPO prices have increased much slower relative to GDP prices—industrial machinery and equipment (which includes computers) and electronic and other electric equipment (which includes semiconductors)—the contributions are substantially overstated using chained (1992) dollars: For industrial machinery and equipment, 11.6 percent, compared with 8.6 percent using chained (1996) dollars; and for electronic and other electric equipment, 17.5 percent, compared with 10.6 percent. Conversely, the contribution of the insurance carriers industry is somewhat understated—2.1 percent, compared with 2.7 percent—because the GPO price for this industry increased much faster than GDP prices.

For analyses of contributions to the change in real GDP, BEA strongly recommends the use of the published contribution-to-

growth tables. Table 2 in the monthly GDP news release and NIPA table 8.2, which is on page D-25 of this issue, provide accurate measures of the contributions of the major GDP expenditure components to the percent change in real GDP for all periods; these tables use exact formulas for attributing growth to the components of GDP. Table 2 in this article provides estimates of annual contributions to the percent change in real GDP for industry groups based on approximations to the exact formula. The estimates for each year are based on the prior year's current-dollar estimates, and the average annual contribution for 1992–97 is computed as the average of the annual percentage-point contributions.

For some analytical purposes, it may be desirable to compute contributions to growth for more than a single period or for aggregates other than GDP. Users can prepare close approximations of these contributions using chain-type annual-weighted indexes. In effect, users compute a chained-dollar series for a particular period using the percent changes in the chain-type annual-weighted indexes to compute chained-dollar series indexed to the current dollars of the reference period appropriate for the analysis (see footnote 1 for a reference to additional information on these calculations). Another alternative is to use the same procedure as that used for table 2 in this article. In table 2, the contributions of industry groups to real GDP growth for 1993 were computed by (1) extrapolating the 1992 estimates of current-dollar GDP and GPO by the percent changes in the corresponding GDP and GPO chain-type quantity indexes from 1992 to 1993, (2) calculating each industry group's percentage contribution to the change in real GDP for 1993 based on chained dollars, and (3) multiplying these percentages by the percent change in real GDP for 1993. The contributions for 1994 were computed by extrapolating the 1993 current-dollar estimates by the percent changes in the chain-type quantity indexes from 1993 to 1994. These estimates were then used to calculate the contribution of each industry group to the change in real GDP for 1994 based on chained (1993) dollars. As with the calculations for contributions to real GDP growth for 1993, these percentage contributions to growth for 1994 were then multiplied by the percent change in real GDP for 1994. This procedure was repeated to calculate each industry group's percentage-point contribution to real GDP growth for each year (1993, 1994, 1995, 1996, and 1997). The average annual contribution for 1992–97 was then computed for each industry group as the simple average of each year's percentage-point contribution.

full-time equivalent employee.⁹ Despite a long-term decline in labor's share of manufacturing GPO, labor's share increased 0.2 percentage point in 1997, the first increase since 1992. In 1992–97, the capital share of manufacturing GPO increased 5.0 percentage points. For durable goods manufacturing, the labor share dropped 7.0 percentage points, and the capital share increased by 7.3 percentage points.

The shifts in the labor and capital shares in mining, in agriculture, forestry, and fishing, and in wholesale trade were relatively large. In mining, the labor share decreased from 35.2 percent in 1992 to 29.9 percent in 1997, and the capital share rose from 53.2 percent to 61.1 percent. In agriculture, forestry, and fishing, the labor share increased from 27.3 percent to 32.0 percent, and the capital share decreased. In wholesale trade, the labor share decreased from 58.8 percent to 55.2 percent, and the capital share increased from 18.5 percent to 23.2 percent.

9. For some analytical purposes, the labor and capital shares of gross output are more appropriate than the labor and capital shares of GPO. For most industries, particularly for manufacturing, the labor and capital shares of GPO are larger than the labor and capital shares of gross output, because gross output also includes intermediate inputs. For example, labor's share of manufacturing gross output was 22.6 percent in 1997, whereas labor's share of manufacturing GPO was 63.6 percent.

Revisions to the GPO Estimates

The revisions to current-dollar GPO and to real GPO growth rates by industry group for 1995 and 1996 are presented in table 4. The estimates reflect the revisions to the annual NIPA estimates and the incorporation of new and revised source data for gross output and prices. The revisions to the 1995 estimates were smaller than those to the 1996 estimates: GDP was revised up \$4.2 billion for 1995 and \$25.6 billion for 1996. The revisions to the 1996 current-dollar estimates reduced manufacturing's share of GDP by 0.4 percentage point; this reduction was offset by an increase in the share accounted for by the statistical discrepancy.¹⁰ The real GDP growth rate was revised up 0.3 percentage point for 1995 and up 0.6 percentage point for 1996. The revisions to real GPO growth rates for some industry groups were substantial, but the effects of these revisions on industry contributions to real GDP growth were generally small.

Current-dollar estimates

The revisions to current-dollar GPO largely reflect the annual NIPA revisions to the components of

10. The share increased because the value of the statistical discrepancy was revised from $-\$59.9$ billion to $-\$32.2$ billion.

Table 4.—Revisions to Gross Domestic Product by Industry Group, 1995–96

	Current-dollar gross product						Real gross product					
	Billions of dollars						Percent change from preceding period					
	1995			1996			1995			1996		
	Pre-viously published	Revised	Revision	Pre-viously published	Revised	Revision	Pre-viously published	Revised	Revision	Pre-viously published	Revised	Revision
Gross domestic product	7,265.4	7,269.6	4.2	7,636.0	7,661.6	25.6	2.0	2.3	0.3	2.8	3.4	0.6
Private industries	6,301.3	6,306.9	5.6	6,639.8	6,667.9	28.1	2.7	2.3	-0.4	2.9	3.8	.9
Agriculture, forestry, and fishing	111.0	109.5	-1.5	129.8	130.4	.6	-6.5	-10.9	-4.4	.3	7.6	7.3
Mining	99.8	98.7	-1.1	113.6	113.8	.2	5.7	4.8	-9	-5.9	-4.2	1.7
Construction	286.4	286.4	0	306.1	311.9	5.8	1.8	1.8	0	4.0	5.6	1.6
Manufacturing	1,286.3	1,282.2	-4.1	1,332.1	1,309.1	-23.0	6.7	6.6	-1	3.9	1.8	-2.1
Durable goods	716.8	711.6	-5.2	749.0	737.3	-11.7	8.9	8.3	-6	7.4	5.8	-1.6
Nondurable goods	569.5	570.5	1.0	583.1	571.8	-11.3	4.1	4.4	.3	-4	-3.2	-2.8
Transportation and public utilities	622.4	616.4	-6.0	645.3	649.3	4.0	1.7	1.4	-3	2.5	5.8	3.3
Transportation	228.7	226.1	-2.6	235.1	237.0	1.9	.8	.8	0	2.2	6.3	4.1
Communications	191.6	193.3	1.7	200.3	207.5	7.2	.9	2.1	1.2	1.8	6.0	4.2
Electric, gas, and sanitary services	202.0	197.0	-5.0	210.0	204.9	-5.1	3.4	1.3	-2.1	3.7	5.0	1.3
Wholesale trade	484.4	491.4	7.0	516.8	519.8	3.0	2.0	1.6	-4	7.8	6.8	-1.0
Retail trade	637.6	641.0	3.4	667.9	673.0	5.1	3.5	4.2	.7	4.2	6.3	2.1
Finance, insurance, and real estate	1,361.3	1,362.3	1.0	1,448.5	1,448.6	.1	2.9	.8	-2.1	2.2	3.3	1.1
Services	1,440.3	1,445.4	5.1	1,539.5	1,544.2	4.7	3.4	3.9	.5	3.4	3.4	0
Statistical discrepancy ¹	-28.2	-26.5	1.7	-59.9	-32.2	27.7						
Government	964.1	962.7	-1.4	996.3	993.7	-2.6	-1	-2	-1	-4	.1	.5

1. Equals GDP measured as the sum of expenditures less gross domestic income.

gross domestic income and to the industry distributions of these components. Several of the income components with larger revisions mostly offset one another. The revisions to gross domestic income for 1995 include upward revisions to corporate profits before tax and corporate capital consumption allowances and downward revisions to supplements and net interest. The revisions to gross domestic income for 1996 include downward revisions of \$24.6 billion to supplements and of \$16.8 billion to net interest and smaller upward revisions to most of the other components.

For 1995, by industry group, the largest upward revisions were to wholesale trade, \$7.0 billion, and services, \$5.1 billion. The upward revision to wholesale trade mainly reflected an upward revision to indirect business tax and nontax liability, and the upward revision to services mainly reflected revisions to corporate capital consumption allowances. The largest downward revisions were to manufacturing, \$4.1 billion, and to electric, gas, and sanitary services, \$5.0 billion. The downward revision to manufacturing reflected a \$5.2 billion revision to durable goods, mainly to net interest and supplements; the revision to net interest was concentrated in electronic and other electric equipment and in motor vehicles and equipment, and the revision to supplements was concentrated in motor vehicles and equipment. The downward revision to electric, gas, and sanitary services reflected revisions to noncorporate and corporate capital consumption allowances.

For 1996, the largest upward revisions were to communications, \$7.2 billion, and to construction, \$5.8 billion. The revision to communications reflected upward revisions to net interest and to indirect business tax and nontax liability. The revision to construction reflected upward revisions to corporate profits before tax and to corporate capital consumption allowances.

The largest downward revision for 1996 was to manufacturing, down \$23.0 billion, reflecting large downward revisions to supplements and to corporate profits before tax and smaller downward revisions to noncorporate income and to business transfer payments. These revisions were partly offset by small upward revisions to noncorporate and corporate capital consumption allowances. Durable goods manufacturing was revised down \$11.7 billion, reflecting the large downward revision to supplements and smaller downward revisions to net interest, noncorporate income, and corporate profits before tax; these revisions were partly offset by upward revisions to

corporate and noncorporate capital consumption allowances. Nondurable goods manufacturing was revised down \$11.3 billion, mainly reflecting downward revisions to corporate profits before tax, noncorporate income, and business transfer payments.

In durable goods manufacturing, fabricated metal products were revised down \$5.1 billion, reflecting a downward revision to corporate profits before tax, and instruments and related products were revised up \$3.2 billion, reflecting an upward revision to corporate profits before tax. In nondurable goods manufacturing, food and kindred products were revised down \$6.6 billion and chemicals and allied products were revised down \$2.0 billion; both revisions reflected large downward revisions to corporate profits before tax.

Real growth rates

The revisions to real GPO growth rates for 1995 and 1996 primarily reflected the revisions to current-dollar GPO, and they also reflected the incorporation of new and revised source data for gross output and prices. By industry, the revisions to real GPO growth rates in both years were generally offsetting. However, the growth rate for

Data Availability

This article presents the summary estimates of gross product by industry. These estimates and more detailed estimates for 1947-97 are available on BEA's Web site; go to <www.bea.doc.gov>, and click on Industry and Wealth data. They are also available online to subscribers to STAT-USA's Economic Bulletin Board and Internet services (call 202-482-1986, or go to <www.stat-usa.gov>).

In addition, the estimates will be available on diskettes for \$20.00 each from BEA in late November.

- Gross Product by Industry, 1947-97—product number NDN-0219.
- Gross Output by Detailed Industry, 1977-97—product number NDN-0220.
- Manufacturing Industry Shipments, 1977-97—product number NDN-0221.
- Manufacturing Product Shipments, 1977-96—product number NDN-0222.

To order using Visa or MasterCard, call the BEA Order Desk at 1-800-704-0415 (outside the United States, call 202-606-9666). To order by mail, send a check made payable to "Bureau of Economic Analysis, BE-53," to BEA Order Desk, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230.

Table 5.—Percent Changes in Chain-Type Quantity Indexes by Industry Group, 1993–97
[Percent change from preceding period]

	1993	1994	1995	1996	1997	Average annual rate of change, 1992–97
Gross domestic product	2.3	3.5	2.3	3.4	3.9	3.1
Private industries¹	2.7	4.5	2.3	3.8	4.5	3.6
Agriculture, forestry, and fishing:						
Gross output	-2.4	8.3	-3.0	4.0	6.5	2.6
Intermediate inputs	4.0	1.2	4.8	1.0	2.0	2.6
Gross product	-9.0	16.4	-10.9	7.6	11.7	2.6
Mining:						
Gross output	.7	2.3	-.8	1.6	2.9	1.3
Intermediate inputs	-4.3	-3.5	-9.3	11.8	-3.0	-1.9
Gross product	4.6	6.3	4.8	-4.2	6.7	3.6
Construction:						
Gross output	2.5	4.1	.6	4.8	3.7	3.1
Intermediate inputs	3.1	1.3	-.8	3.8	5.6	2.6
Gross product	2.0	6.6	1.8	5.6	2.2	3.6
Manufacturing:						
Gross output	3.5	5.7	5.0	3.4	6.8	4.9
Intermediate inputs	3.5	4.2	4.1	4.4	7.3	4.7
Gross product	3.5	8.4	6.6	1.8	5.9	5.2
Durable goods:						
Gross output	5.7	8.3	7.6	6.5	9.6	7.5
Intermediate inputs	5.4	7.1	7.2	6.9	9.9	7.3
Gross product	6.1	10.4	8.3	5.8	9.1	7.9
Nondurable goods:						
Gross output	1.3	2.8	2.0	0	3.6	1.9
Intermediate inputs	1.7	1.2	.8	1.7	4.5	2.0
Gross product	.4	6.0	4.4	-3.2	1.9	1.9
Transportation and public utilities ¹	4.4	5.8	1.4	5.8	2.9	4.0
Transportation ¹	4.3	6.6	.8	6.3	5.1	4.6
Communications:						
Gross output	5.0	4.5	6.3	9.7	8.5	6.8
Intermediate inputs	1.9	7.6	13.9	15.9	17.7	11.3
Gross product	6.6	3.0	2.1	6.0	2.6	4.0
Electric, gas, and sanitary services:						
Gross output	.9	-1.3	1.1	0	-.2	.1
Intermediate inputs	-1.9	-19.0	.6	-12.6	-2.3	-7.4
Gross product	2.5	7.9	1.3	5.0	.5	3.4
Wholesale trade:						
Gross output	4.8	6.0	5.9	3.1	4.4	4.8
Intermediate inputs	10.1	2.3	15.2	-3.9	-5.7	3.3
Gross product	2.5	7.7	1.6	6.8	9.3	5.5
Retail trade:						
Gross output	4.3	5.1	3.0	4.3	4.2	4.2
Intermediate inputs	4.8	3.2	.9	.9	-.9	1.8
Gross product	4.0	6.2	4.2	6.3	7.2	5.6
Finance, insurance, and real estate ¹	2.3	1.9	.8	3.3	3.2	2.3
Services ¹	1.9	2.7	3.9	3.4	3.7	3.1
Government¹	.3	.3	-.2	.1	.7	.2
Addenda:						
Private goods-producing industries ² :						
Gross output	2.7	5.5	3.8	3.6	6.3	4.4
Intermediate inputs	3.1	3.5	3.4	4.4	6.6	4.2
Gross product	2.0	8.5	4.2	2.4	5.7	4.5
Private services-producing industries ^{1,3}	2.9	3.9	2.4	4.4	4.5	3.6

1. Gross product quantity index. Estimates for gross output and for intermediate inputs are not shown for this industry group, because data are not available. See footnote 11 in the text.

2. Consists of agriculture, forestry, and fishing; mining; construction; and manufacturing.

3. Consists of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

agriculture, forestry, and fishing GPO was revised down 4.4 percentage points for 1995 and up 7.3 percentage points for 1996; and the growth rate for transportation and public utilities GPO was revised up 3.3 percentage points for 1996. For agriculture, forestry, and fishing, the 1995 revision reflected downward revisions to both farms and agricultural services, forestry, and fishing, and the 1996 revision reflected an upward revision to farms. For transportation and public utilities, the 1996 upward revision reflected upward revisions of 4.1 percentage points to transportation and of 4.2 percentage points to communications. The revision to transportation reflected an upward revision to trucking and warehousing, transportation by air, and "pipelines, except natural gas," and the revision to communications reflected an upward revision to telephone and telegraph.

Gross Output and Intermediate Inputs by Industry

This section presents new estimates of gross output and intermediate inputs by industry for 1997 and revised estimates for 1995–96. First, it presents current-dollar estimates of gross output and intermediate inputs and their relationship to current-dollar GPO. Second, it presents chain-type quantity indexes for gross output and intermediate inputs and discusses how these indexes are related to the GPO quantity indexes.

The estimates of gross output and intermediate inputs by industry, which are shown in tables 14–16, are prepared for those industries for which the double-deflation method is used to compute real GPO.¹¹ Gross output by industry measures an industry's total output (sales, receipts, and other operating income). Intermediate inputs by industry measures an industry's total use of secondary factors of production (the energy, raw materials, semifinished goods, and services that are purchased from other industries or imported).

Current-dollar GPO by industry is the difference between an industry's current-dollar gross output and its current-dollar intermediate inputs. It represents the return to an industry's primary factors of production (labor and capital), as measured by its compensation of employees, indirect business tax and nontax liability, and property-type income. Because GPO excludes intermediate inputs,

11. For other industries, the source data are not adequate for preparing gross output estimates. For more information on the double-deflation method, see Yuskavage, "Improved Estimates," 142–145.

it avoids double-counting in measuring industry output.

Real growth in an industry's gross output and intermediate inputs is measured using a chain-type quantity index. Quantity indexes for gross output and intermediate inputs are computed from detailed data on sales, purchases, and prices using a Fisher chain-type quantity-index-number formula. (Percent changes in the indexes and in the chain-type quantity index for GPO are presented by industry group in table 5.) Because industry gross output is produced using both primary and secondary factors of production, the percent change in an industry's GPO quantity index depends positively on the percent change in its gross output quantity index and negatively on the percent change in its intermediate inputs quantity index. The weights of these gross output and intermediate inputs growth rates are determined by the relative levels of an industry's current-dollar gross output and intermediate inputs.¹² For example, the 1992–97 average annual growth rate for telephone and telegraph GPO, 4.4 percent, lags the relatively strong growth in this industry's gross output quantity index, 8.0 percent, because its intermediate inputs quantity index increased 14.5 percent, reflecting falling prices for intermediate inputs. Similarly, the average annual decline of 7.7 percent for instruments and related products GPO results from a 3.0-percent increase in this industry's gross output quantity index that was more than offset by a 9.8-percent increase in its intermediate inputs quantity index, partly reflecting falling prices for semiconductor inputs.

GPO Prices and Unit Costs

This section presents new estimates of GPO prices and unit costs by industry for 1997 and revised estimates for 1995–96. First, it presents GPO price indexes, including a discussion of contributions to GPO price change and a discussion of the relationship among GPO, gross output, and intermediate inputs price indexes. Second, it defines and presents estimates of unit costs by industry.

GPO prices

The GPO price index for an industry represents the implicit price of its primary factors of production (labor and capital). For most industries and industry groups, the GPO price index is

computed using a Fisher chain-type price-index-number formula. For some industries, the index is an implicit price deflator because of data limitations. The GPO price index estimates are presented in table 12, and the percent changes by industry group, in table 6.

Table 6.—Percent Changes in Chain-Type Price Indexes by Industry Group, 1993–97

[Percent change from preceding period]

	1993	1994	1995	1996	1997	Average annual rate of change, 1992–97
Gross domestic product	2.6	2.4	2.3	1.9	1.9	2.2
Private industries¹	2.5	1.8	2.5	1.9	1.7	2.1
Agriculture, forestry, and fishing:						
Gross output	2.6	-6	2.0	8.3	-3.6	1.7
Intermediate inputs	1.9	2.2	1.0	6.2	2.2	2.7
Gross product	3.7	-3.5	3.1	10.7	-9.6	.6
Mining:						
Gross output	-5	-3.9	.3	16.4	-2	2.2
Intermediate inputs	1.3	-1.2	1.8	10.4	.7	2.5
Gross product	-1.9	-5.7	-7	20.2	-7	1.9
Construction:						
Gross output	3.2	3.5	4.0	2.5	3.2	3.3
Intermediate inputs	3.0	3.0	3.2	1.6	3.1	2.8
Gross product	3.5	4.0	4.7	3.1	3.2	3.7
Manufacturing:						
Gross output	1.0	1.2	2.3	-2	-8	.7
Intermediate inputs .....	.8	1.7	4.2	-5	-1.0	1.0
Gross product	1.4	.5	-1.1	.3	-5	.1
Durable goods:						
Gross output	1.1	1.3	.1	-2.4	-1.6	-.3
Intermediate inputs	1.1	2.1	2.2	-2.5	-1.1	-.3
Gross product	1.2	0	-3.3	-2.1	-2.5	-1.3
Nondurable goods:						
Gross output .....	.9	1.2	4.8	2.5	.1	1.9
Intermediate inputs .....	.5	1.2	6.5	1.9	-9	1.8
Gross product	1.7	1.1	1.8	3.5	2.1	2.0
Transportation and public utilities ¹ ...	1.8	.7	1.6	-.4	1.3	1.0
Transportation ¹	1.1	1.5	2.0	-1.3	2.5	1.1
Communications:						
Gross output	1.3	.6	2.2	-1.1	-2.0	.2
Intermediate inputs	-5	-2.2	2.2	-4.8	-3.0	-1.7
Gross product	2.2	2.2	2.5	1.3	-6	1.5
Electric, gas, and sanitary services:						
Gross output	2.6	-7	-7	1.4	1.7	.9
Intermediate inputs	3.7	1.0	-2.9	8.3	1.9	2.3
Gross product	2.1	-1.5	.2	-1.0	1.6	.3
Wholesale trade:						
Gross output	1.8	2.7	3.4	.1	-1	1.6
Intermediate inputs	2.3	2.6	3.6	2.2	1.9	2.5
Gross product	1.6	2.7	3.3	-9	-1.0	1.1
Retail trade:						
Gross output	1.5	1.6	1.1	.1	.1	.9
Intermediate inputs	2.1	2.5	2.9	2.5	2.5	2.5
Gross product	1.2	1.1	0	-1.3	-1.1	0
Finance, insurance, and real estate ¹	3.7	2.1	6.6	2.9	5.0	4.1
Services ¹	3.6	3.8	3.0	3.4	3.5	3.4
Government¹	3.1	3.1	3.3	3.1	2.7	3.1
Addenda:						
Private goods-producing industries ² :						
Gross output	1.5	1.2	2.4	1.2	-5	1.1
Intermediate inputs	1.2	1.8	3.9	.3	-5	1.3
Gross product	2.1	.4	.3	2.5	-6	.9
Private services-producing industries ^{1,3}	2.6	2.4	3.5	1.6	2.5	2.5

1. Gross product price index. Estimates for gross output and for intermediate inputs are not shown for this industry group, because data are not available. See footnote 11 in the text.

2. Consists of agriculture, forestry, and fishing; mining; construction; and manufacturing.

3. Consists of transportation and public utilities; wholesale trade; retail trade; finance, insurance, and real estate; and services.

12. For the Fisher chain-type quantity index, these weights change each period.

For those industries for which the GPO price index is computed using a Fisher chain-type price-index-number formula, an industry's price index can be used in combination with its quantity index to separate changes in current-dollar GPO into price changes and quantity changes. For example, the 1992–97 average annual growth of 5.3 percent in current-dollar manufacturing GPO can be viewed as the product of a 0.1-percent growth in the manufacturing GPO price index (table 6) and a 5.2-percent growth in the manufacturing GPO quantity index (table 5)—that is, $1.053 = 1.001 \times 1.052$.

The chain-type price index for gross domestic product (GDP) increased at an average annual rate of 2.2 percent in 1992–97; private industries increased 2.1 percent, and government increased 3.1 percent (table 6). Among the private industry groups, the GPO price index for durable goods manufacturing declined 1.3 percent. The increases in the GPO price indexes for all industry groups except manufacturing and retail trade ranged from 0.3 percent for electric, gas, and sanitary services to 4.1 percent for FIRE.

The average annual 1992–97 GPO price change for private services-producing industries (2.5 percent) exceeded the GDP price change, and the GPO price change for private goods-producing industries (0.9 percent) was less than the GDP price change. The slower growth in the index for private goods-producing industries than in the index for private services-producing industries continues a trend that began in 1982. Exceptions to this trend were in 1989 and 1996.

In 1997, the GPO price index for private industries increased 1.7 percent, slightly less than the 1.9-percent increase in the GDP price index. The price index for manufacturing declined, as a decrease in durable goods prices was partly offset by an increase in nondurable goods prices. The price indexes for three other industry groups that are involved in the distribution of goods to customers increased less than the GDP price index or decreased: Electric, gas, and sanitary services (1.6 percent), wholesale trade (-1.0 percent), and retail trade (-1.1 percent). FIRE (5.0 percent) and services (3.5 percent) were among the industry groups for which the GPO price index increased more than the GDP price index.¹³

Contributions to change.—GPO prices can be used to assess an industry's contribution to the change in GDP prices. This contribution depends on

the industry's size relative to GDP and on the growth rate of its GPO price index.¹⁴ In 1992–97, the largest contributors to the change in the GDP price index were FIRE (0.8 percentage point) and services (0.7 percentage point), both of which were large and rapidly growing industry groups (table 7). Government contributed 0.4 percentage point.¹⁵ Manufacturing prices were unchanged, so their contribution to the GDP price change was 0.0 percentage point. Durable goods manufacturing contributed -0.1 percentage point; since 1995, the contribution of durable goods manufacturing to GDP price change has been negative, partly reflecting the rapid decline in prices for computers, digital telephone switching equipment, and semiconductors.

14. For a description of the calculation of these contributions, see the reference in footnote 5. The procedure described in the reference was modified to replace the chain-type quantity index with the chain-type price index.

15. The GPO price index for government is an implicit price deflator computed as current-dollar GPO divided by real (chained-dollar) GPO. For general government, which includes most of government, current-dollar GPO consists of compensation of employees and the consumption of fixed capital, which measures the services of general government fixed assets. Real consumption of fixed capital is estimated by direct deflation using price indexes from the NIPAS. Real compensation of employees is estimated by extrapolating base-year current-dollar values by an indicator of labor input.

Table 7.—Contributions to Percent Change in the Chain-Type Price Index for Real Gross Domestic Product by Industry Group, 1993–97

	1993	1994	1995	1996	1997	Average annual rate, 1992–97
Percent change:						
Gross domestic product	2.6	2.4	2.3	1.9	1.9	2.2
Percentage points:						
Private industries	2.2	1.5	2.2	1.6	1.4	1.8
Agriculture, forestry, and fishing .....	.1	-.1	.1	.2	-.2	0
Mining	0	-.1	0	.3	0	0
Construction .....	.1	.1	.2	.1	.1	.1
Manufacturing .....	.2	.1	-.2	.1	-.1	0
Durable goods .....	.1	0	-.3	-.2	-.2	-.1
Nondurable goods .....	.1	.1	.1	.3	.2	.2
Transportation and public utilities .....	.1	.1	.1	0	.1	.1
Transportation	0	0	.1	0	.1	0
Communications .....	.1	.1	.1	0	0	0
Electric, gas, and sanitary services .....	.1	0	0	0	0	0
Wholesale trade .....	.1	.2	.2	-.1	-.1	.1
Retail trade .....	.1	.1	0	-.1	-.1	0
Finance, insurance, and real estate .....	.7	.4	1.2	.6	1.0	.8
Services .....	.7	.7	.6	.7	.7	.7
Statistical discrepancy ¹	0	0	0	0	0	0
Government .....	.4	.4	.4	.4	.3	.4
Not allocated by industry ²	0	.4	-.4	-.2	.1	-.1

1. Equals GDP measured as the sum of expenditures less gross domestic income.

2. Equals GDP less the statistical discrepancy and the sum of GPO of the detailed industries.

NOTE.—For information on the calculation of the contributions to percent change, see footnote 14 in the text.

13. The price indexes for FIRE and services are implicit price deflators because of data limitations.

Gross output prices and intermediate inputs prices.—Price indexes for gross output and intermediate inputs, which are presented in tables 15 and 16, are computed from detailed data on sales, purchases, and prices using a Fisher chain-type price-index-number formula. Like the relationship among percent changes in the chain-type quantity indexes for GPO, gross output, and intermediate inputs, the percent change in an industry's GPO price index depends positively on the percent change in its gross output price index and negatively on the percent change in its intermediate inputs price index. The weights of these gross output and intermediate inputs growth rates are determined by the relative levels of an industry's current-dollar gross output and intermediate inputs.¹⁶ For example, the 1992–97 average annual decline of 4.0 percent in the GPO price index for “pipelines, except natural gas” is attributable to a 1.4-percent decline in this industry's gross output price index and a 2.5-percent increase in its intermediate inputs price index. Similarly, the average annual growth of 9.0 percent in the GPO price index for instruments and related products is attributable to a 0.9-percent increase in this industry's gross output price index and a 3.3-percent decline in its intermediate inputs price index, partly reflecting falling prices for semiconductor inputs.

Unit costs

The GPO chain-type price index for an industry represents the implicit price of its primary factors of production; therefore, an industry's GPO price index can be used in combination with its current-dollar GPO components to assess each component's contribution to total industry labor and capital costs.¹⁷

The GPO measures of unit costs are computed by dividing current-dollar GPO and its components by real (chained-dollar) GPO.¹⁸ The resulting quotients are the GPO chain-type price index and the part of the price index that is associated with each component. GPO unit-cost measures by private industry group are presented in table 8.¹⁹ When the percent change in the unit cost for a component is greater than the percent

change in the GPO price index, the relative importance of that component in the industry cost structure has increased. Percent changes in unit costs by private industry group are presented in table 9.

The cost per unit of GPO for private industries increased 2.1 percent in 1992–97. Compensation

Table 8.—Current-Dollar Cost Per Unit of Real Gross Product Originating by Private Industry Group, 1992–97

	[Dollars]					
	1992	1993	1994	1995	1996	1997
Total	1.000	1.025	1.043	1.070	1.090	1.108
Compensation of employees .....	.543	.556	.559	.572	.579	.592
Indirect business tax and nontax liability .....	.095	.097	.099	.098	.099	.097
Property-type income .....	.362	.371	.386	.400	.412	.419
Agriculture, forestry, and fishing	1.000	1.037	1.001	1.031	1.141	1.032
Compensation of employees .....	.273	.321	.292	.349	.347	.329
Indirect business tax and nontax liability .....	.053	.058	.054	.064	.062	.058
Property-type income .....	.674	.658	.655	.618	.732	.645
Mining	1.000	.981	.925	.919	1.105	1.097
Compensation of employees .....	.353	.335	.318	.306	.327	.328
Indirect business tax and nontax liability .....	.116	.110	.102	.094	.107	.099
Property-type income .....	.531	.536	.505	.519	.671	.670
Construction	1.000	1.035	1.076	1.126	1.162	1.198
Compensation of employees .....	.691	.705	.729	.761	.778	.829
Indirect business tax and nontax liability .....	.022	.023	.023	.024	.024	.024
Property-type income .....	.287	.307	.324	.341	.360	.345
Manufacturing	1.000	1.014	1.019	1.008	1.012	1.007
Compensation of employees .....	.680	.684	.664	.640	.641	.641
Indirect business tax and nontax liability .....	.042	.042	.040	.037	.038	.036
Property-type income .....	.278	.288	.316	.331	.333	.330
Durable goods	1.000	1.012	1.012	.979	.959	.935
Compensation of employees .....	.766	.755	.725	.692	.666	.651
Indirect business tax and nontax liability .....	.026	.026	.024	.023	.023	.022
Property-type income .....	.208	.231	.262	.264	.270	.262
Nondurable goods	1.000	1.017	1.029	1.047	1.083	1.107
Compensation of employees .....	.580	.597	.585	.571	.602	.618
Indirect business tax and nontax liability .....	.060	.062	.059	.056	.059	.058
Property-type income .....	.360	.359	.384	.420	.422	.431
Transportation and public utilities	1.000	1.018	1.025	1.041	1.037	1.050
Compensation of employees .....	.454	.455	.455	.467	.458	.472
Indirect business tax and nontax liability .....	.101	.101	.104	.104	.099	.104
Property-type income .....	.445	.462	.467	.470	.480	.474
Wholesale trade	1.000	1.016	1.043	1.078	1.068	1.058
Compensation of employees .....	.588	.588	.579	.606	.595	.584
Indirect business tax and nontax liability .....	.227	.238	.248	.252	.245	.229
Property-type income .....	.185	.191	.216	.220	.228	.245
Retail trade	1.000	1.012	1.024	1.023	1.011	.999
Compensation of employees .....	.610	.609	.608	.611	.600	.591
Indirect business tax and nontax liability .....	.185	.188	.189	.192	.190	.184
Property-type income .....	.206	.215	.226	.220	.221	.224
Finance, insurance and real estate	1.000	1.037	1.059	1.129	1.163	1.221
Compensation of employees .....	.242	.256	.259	.269	.284	.299
Indirect business tax and nontax liability .....	.142	.146	.148	.147	.150	.149
Property-type income .....	.616	.636	.651	.713	.729	.773
Services	1.000	1.036	1.075	1.107	1.145	1.185
Compensation of employees .....	.716	.749	.773	.805	.832	.864
Indirect business tax and nontax liability .....	.025	.027	.028	.028	.029	.029
Property-type income .....	.259	.260	.274	.274	.284	.292

NOTE.—Current-dollar cost per unit of real gross product originating (GPO) equals the GPO price index divided by 100.

16. For the Fisher chain-type price index, these weights change each period.

17. See the section “Composition of GPO.”

18. Current-dollar cost per unit of real GPO equals the GPO price index divided by 100.

19. These unit cost measures differ from the unit labor cost and unit nonlabor cost series published by the Bureau of Labor Statistics (BLS) because of differences in the definition of output. See Department of Labor, Bureau of Labor Statistics, *BLS Handbook of Methods*, Bulletin 2490 (Washington, DC: U.S. Government Printing Office, April 1997).

of employees per unit of GPO (unit labor costs) increased 1.7 percent. Unit costs for indirect business tax and nontax liability increased 0.4 percent, and unit costs for property-type income increased 3.0 percent. The larger increase in the unit costs for property-type income indicates that

capital costs became a larger part of GPO unit costs during the period—that is, the return to capital per unit of gross product increased.

By industry, unit labor costs declined in four private industry groups: Mining, durable goods manufacturing, wholesale trade, and retail trade. Unit labor costs increased in all the other private industry groups. In agriculture, forestry, and fishing, in FIRE, and in services, the increases in unit labor costs were larger than the increases in total unit costs.

Table 9.—Percent Changes in Current-Dollar Cost Per Unit of Real Gross Product Originating for Private Industry Groups, 1993–1997

	1993	1994	1995	1996	1997	Average annual rate of change, 1992–97
Total	2.5	1.8	2.5	1.9	1.7	2.1
Compensation of employees	2.4	.5	2.4	1.3	2.1	1.7
Indirect business tax and nontax liability	2.1	2.1	–7	.5	–1.3	.4
Property-type income	2.5	4.0	3.6	3.1	1.8	3.0
Agriculture, forestry, and fishing	3.7	–3.5	3.1	10.7	–9.6	.6
Compensation of employees	17.6	–9.0	19.6	–5	–5.1	3.8
Indirect business tax and nontax liability	9.4	–6.9	18.7	–3.9	–6.5	1.8
Property-type income	–2.4	–5	–5.6	18.5	–12.0	–9
Mining	–1.9	–5.7	–7	20.2	–7	1.9
Compensation of employees	–5.1	–5.1	–4.0	6.8	.4	–1.5
Indirect business tax and nontax liability	–5.2	–7.3	–8.0	14.3	–7.8	–3.1
Property-type income .....	.9	–5.8	2.9	29.2	–2	4.8
Construction	3.5	4.0	4.7	3.1	3.2	3.7
Compensation of employees	2.0	3.4	4.5	2.2	6.6	3.7
Indirect business tax and nontax liability	4.5	0	3.6	–1	3.0	1.8
Property-type income	7.0	5.5	5.4	5.4	–4.2	3.8
Manufacturing	1.4	.5	–1.1	.3	–.5	.1
Compensation of employees .....	.6	–2.9	–3.6	.2	–.1	–1.2
Indirect business tax and nontax liability	0	–4.8	–6.0	.6	–3.4	–3.0
Property-type income	3.6	9.7	4.8	.6	–1.0	3.5
Durable goods	1.2	0	–3.3	–2.1	–2.5	–1.3
Compensation of employees	–1.4	–4.0	–4.6	–3.8	–2.3	–3.2
Indirect business tax and nontax liability	0	–7.7	–4.9	–1.6	–4.2	–3.3
Property-type income	11.1	13.4	.7	2.4	–2.9	4.7
Nondurable goods	1.7	1.1	1.8	3.5	2.1	2.0
Compensation of employees	2.9	–2.0	–2.4	5.5	2.6	1.3
Indirect business tax and nontax liability	3.3	–4.8	–5.5	4.7	–.8	–.7
Property-type income	–.3	7.0	9.2	.7	1.9	3.7
Transportation and public utilities	1.8	.7	1.6	–.4	1.3	1.0
Compensation of employees .....	.2	0	2.7	–1.8	3.0	.8
Indirect business tax and nontax liability	0	3.0	.6	–5.2	5.1	.6
Property-type income	3.8	1.1	.7	2.1	–1.2	1.3
Wholesale trade	1.6	2.7	3.3	–9	–1.0	1.1
Compensation of employees	0	–1.5	4.6	–1.8	–1.8	–.1
Indirect business tax and nontax liability	4.8	4.2	1.3	–2.5	–6.7	.2
Property-type income	3.2	13.1	2.3	3.3	7.4	5.8
Retail trade	1.2	1.1	0	–1.3	–1.1	0
Compensation of employees	–.2	–.2	.5	–1.9	–1.5	–.6
Indirect business tax and nontax liability	1.6	.5	1.5	–1.2	–2.9	–.1
Property-type income	4.4	5.1	–2.6	.4	1.4	1.7
Finance, insurance, and real estate	3.7	2.1	6.6	2.9	5.0	4.1
Compensation of employees	5.8	1.2	3.9	5.5	5.3	4.3
Indirect business tax and nontax liability	2.8	1.4	–1.0	1.9	–.4	1.0
Property-type income	3.2	2.4	9.5	2.2	6.0	4.6
Services	3.6	3.8	3.0	3.4	3.5	3.4
Compensation of employees	4.6	3.2	4.2	3.3	3.9	3.8
Indirect business tax and nontax liability	8.0	3.7	1.5	3.3	.2	3.0
Property-type income .....	.4	5.4	.1	3.5	2.6	2.4

The largest declines in unit labor costs were in industry groups engaged in the production and distribution of goods. In manufacturing, unit labor costs declined at an average annual rate of 1.2 percent, compared with a 0.1-percent increase in total unit costs. Unit labor costs in durable goods manufacturing declined 3.2 percent, while total unit costs declined 1.3 percent. In transportation and public utilities, the percent changes in unit labor costs were smaller than the percent changes in total unit costs; in wholesale trade, unit labor costs declined, while total unit costs increased; and in retail trade, unit labor costs declined, while total unit costs were unchanged.

In 1997, unit labor costs increased 2.1 percent in all private industries, while total unit costs increased 1.7 percent. Unit labor costs increased in all private industry groups except agriculture, forestry, and fishing; durable goods manufacturing; wholesale trade; and retail trade. Unit labor costs in manufacturing declined 0.1 percent: Durable goods manufacturing fell 2.3 percent, marking the fifth consecutive year that unit labor costs fell in this industry group, but nondurable goods manufacturing increased. The largest increases in unit labor costs were in construction, FIRE, and services. In construction, unit labor costs rose faster than total unit costs for the first time since 1992, while unit costs for property-type income decreased (4.2 percent) for the first time since 1992.

Changes in the Methodology

This section of the article describes changes in source data and estimating methods that affect the GPO estimates.²⁰

NIPA sources

The GPO estimates incorporate several changes in methodology from the annual revision of the

20. For a detailed description of the GPO methodology, see Yuskavage, "Improved Estimates," 143–149.

NIPA's released in July 1998. These changes include an improved adjustment to remove capital gains from the trading-account activity of security brokers and dealers, and new gross output price measures for several services components of personal consumption expenditures (PCE).²¹ The capital gains adjustment affected the estimates of current-dollar GPO and gross output of security and commodity brokers. The new PCE price measures incorporated the new geometric-mean-type consumer price indexes from the Bureau of Labor Statistics (BLS). These new PCE deflators affected the estimates of gross output and prices. For example, the PCE price index for "auto rental, leasing, and other," which now incorporates the BLS prices at a more detailed level, was used to

derive real gross output estimates for the auto repair, services, and parking industry.

GPO sources

The GPO estimates of real gross output and real intermediate inputs incorporate BEA's price indexes for semiconductors and extend them to 1997 using producer price indexes from BLS.²² For digital telephone-switching equipment, the BEA price index was extended to 1997 using the price index developed for the NIPA's. The new price index that was developed for PCE cellular telephone services was used to separately deflate cellular telephone services in the telephone and telegraph industry.

Tables 10 through 16 follow. 

21. See Seskin, "Annual Revision of the National Income and Product Accounts," 20 and 31.

22. Semiconductor prices also affect exports and imports in the NIPA's.

Table 11.—Components of Gross Product and As a Percentage of Gross Domestic Product by Industry Group, 1992–97

Line		Billions of current dollars						Percent					
		1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
1	Gross domestic product	6,244.4	6,558.1	6,947.0	7,269.6	7,661.6	8,110.9	100.0	100.0	100.0	100.0	100.0	100.0
2	Compensation of employees	3,645.0	3,817.0	4,014.5	4,211.6	4,411.8	4,690.3	58.4	58.2	57.8	57.9	57.6	57.8
3	Indirect business tax and nontax liabilities	505.6	532.5	568.5	581.2	606.4	627.2	8.1	8.1	8.2	8.0	7.9	7.7
4	Property-type income	2,049.0	2,156.0	2,349.4	2,503.3	2,675.6	2,849.2	32.8	32.9	33.8	34.5	34.9	35.2
5	Statistical discrepancy ¹	44.8	52.6	14.6	-26.5	-32.2	-55.8	.7	.8	.2	-4	-4	-7
6	Private industries	5,370.8	5,655.4	6,013.5	6,306.9	6,667.9	7,083.3	100.0	100.0	100.0	100.0	100.0	100.0
7	Compensation of employees	2,893.2	3,041.2	3,213.8	3,388.0	3,563.3	3,812.9	53.9	53.8	53.4	53.7	53.4	53.8
8	Indirect business tax and nontax liabilities	505.6	532.5	568.5	581.2	606.4	627.2	9.4	9.4	9.5	9.2	9.1	8.9
9	Property-type income	1,927.2	2,029.1	2,216.6	2,364.2	2,530.4	2,699.0	35.9	35.9	36.9	37.5	38.0	38.1
10	Statistical discrepancy ¹	44.8	52.6	14.6	-26.5	-32.2	-55.8	.8	.9	.2	-4	-5	-8
11	Agriculture, forestry, and fishing	112.4	106.1	119.2	109.5	130.4	131.7	100.0	100.0	100.0	100.0	100.0	100.0
12	Compensation of employees	30.7	32.9	34.8	37.1	39.7	42.1	27.3	31.0	29.2	33.9	30.4	32.0
13	Indirect business tax and nontax liabilities	6.0	5.9	6.5	6.8	7.1	7.4	5.3	5.6	5.5	6.2	5.4	5.6
14	Property-type income	75.7	67.3	77.9	65.6	83.6	82.2	67.4	63.4	65.3	59.9	64.2	62.4
15	Mining	92.2	94.6	94.9	98.7	113.8	120.5	100.0	100.0	100.0	100.0	100.0	100.0
16	Compensation of employees	32.5	32.3	32.7	32.9	33.6	36.0	35.2	34.1	34.5	33.3	29.5	29.9
17	Indirect business tax and nontax liabilities	10.7	10.6	10.4	10.1	11.0	10.8	11.6	11.2	11.0	10.2	9.7	9.0
18	Property-type income	49.0	51.7	51.8	55.7	69.2	73.7	53.2	54.7	54.5	56.5	60.8	61.1
19	Construction	229.7	242.4	268.7	286.4	311.9	328.8	100.0	100.0	100.0	100.0	100.0	100.0
20	Compensation of employees	158.7	165.2	182.0	193.6	208.9	227.6	69.1	68.2	67.7	67.6	67.0	69.2
21	Indirect business tax and nontax liabilities	5.0	5.3	5.7	6.0	6.3	6.6	2.2	2.2	2.1	2.1	2.0	2.0
22	Property-type income	66.0	71.9	81.0	86.8	96.7	94.6	28.7	29.6	30.2	30.3	31.0	28.8
23	Manufacturing	1,063.6	1,116.5	1,216.1	1,282.2	1,309.1	1,378.9	100.0	100.0	100.0	100.0	100.0	100.0
24	Compensation of employees	723.4	753.3	792.0	813.9	829.6	877.6	68.0	67.5	65.1	63.5	63.4	63.6
25	Indirect business tax and nontax liabilities	44.6	46.0	47.4	47.5	48.6	49.7	4.2	4.1	3.9	3.7	3.7	3.6
26	Property-type income	295.6	317.2	376.7	420.8	430.9	451.6	27.8	28.4	31.0	32.8	32.9	32.8
27	Durable goods	573.4	615.7	679.2	711.6	737.3	784.0	100.0	100.0	100.0	100.0	100.0	100.0
28	Compensation of employees	439.1	459.5	486.8	502.8	511.9	545.6	76.6	74.6	71.7	70.7	69.4	69.6
29	Indirect business tax and nontax liabilities	15.0	15.6	16.4	16.8	17.5	18.3	2.6	2.5	2.4	2.4	2.4	2.3
30	Property-type income	119.3	140.6	176.0	192.0	207.9	220.1	20.8	22.9	25.9	26.9	28.2	28.1
31	Nondurable goods	490.3	500.8	536.9	570.5	571.8	594.9	100.0	100.0	100.0	100.0	100.0	100.0
32	Compensation of employees	284.3	293.8	305.2	311.1	317.7	332.1	58.0	58.7	56.8	54.5	55.6	55.8
33	Indirect business tax and nontax liabilities	29.6	30.4	31.0	30.6	31.1	31.4	6.0	6.1	5.8	5.4	5.4	5.3
34	Property-type income	176.4	176.6	200.7	228.8	223.0	231.4	36.0	35.2	37.4	40.1	39.0	38.9
35	Transportation and public utilities	528.7	561.7	598.7	616.4	649.3	676.3	100.0	100.0	100.0	100.0	100.0	100.0
36	Compensation of employees	240.0	251.3	265.6	276.4	287.0	304.2	45.4	44.7	44.4	44.8	44.2	45.0
37	Indirect business tax and nontax liabilities	53.4	55.6	60.5	61.7	61.9	66.9	10.1	9.9	10.1	10.0	9.5	9.9
38	Property-type income	235.3	254.8	272.6	278.3	300.4	305.2	44.5	45.4	45.5	45.2	46.3	45.1
39	Wholesale trade	406.4	423.3	468.0	491.4	519.8	562.8	100.0	100.0	100.0	100.0	100.0	100.0
40	Compensation of employees	239.1	244.7	259.8	276.1	289.4	310.7	58.8	57.8	55.5	56.2	55.7	55.2
41	Indirect business tax and nontax liabilities	92.1	99.0	111.4	114.7	119.4	121.7	22.7	23.4	23.8	23.3	23.0	21.6
42	Property-type income	75.2	79.6	96.8	100.6	111.0	130.4	18.5	18.8	20.7	20.5	21.3	23.2
43	Retail trade	544.3	573.2	615.3	641.0	673.0	712.9	100.0	100.0	100.0	100.0	100.0	100.0
44	Compensation of employees	331.8	344.7	365.7	382.9	399.5	421.5	61.0	60.1	59.4	59.7	59.4	59.1
45	Indirect business tax and nontax liabilities	100.6	106.5	113.9	120.4	126.4	131.5	18.5	18.6	18.5	18.8	18.8	18.4
46	Property-type income	111.9	122.0	135.7	137.7	147.1	159.9	20.5	21.3	22.1	21.5	21.8	22.5
47	Finance, insurance, and real estate	1,147.9	1,218.1	1,267.6	1,362.3	1,448.6	1,570.3	100.0	100.0	100.0	100.0	100.0	100.0
48	Compensation of employees	277.2	300.5	310.2	324.7	353.8	384.6	24.1	24.7	24.5	23.8	24.4	24.5
49	Indirect business tax and nontax liabilities	163.6	171.0	177.6	177.1	186.4	191.5	14.3	14.0	14.0	13.0	12.9	12.2
50	Property-type income	707.1	746.6	779.8	860.5	908.4	994.2	61.6	61.3	61.5	63.2	62.7	63.3
51	Services	1,200.8	1,267.0	1,350.4	1,445.4	1,544.2	1,656.8	100.0	100.0	100.0	100.0	100.0	100.0
52	Compensation of employees	859.8	916.3	971.0	1,050.5	1,121.8	1,208.6	71.6	72.3	71.9	72.7	72.6	72.9
53	Indirect business tax and nontax liabilities	29.6	32.6	35.0	36.9	39.4	41.0	2.5	2.6	2.6	2.6	2.6	2.5
54	Property-type income	311.4	318.1	344.4	358.0	383.0	407.2	25.9	25.1	25.5	24.7	24.8	24.6
55	Government	873.6	902.7	933.5	962.7	993.7	1,027.6	100.0	100.0	100.0	100.0	100.0	100.0
56	Compensation of employees	751.9	775.8	800.7	823.6	848.5	877.5	86.1	85.9	85.8	85.6	85.4	85.4
57	Indirect business tax and nontax liabilities	0	0	0	0	0	0	0	0	0	0	0	0
58	Property-type income	121.7	126.9	132.8	139.1	145.2	150.1	13.9	14.1	14.2	14.4	14.6	14.6

1. Equals GDP measured as the sum of expenditures less gross domestic income.

Table 13.—Real Gross Domestic Product by Industry, 1992–97

[Billions of chained (1992) dollars]

Line		1992	1993	1994	1995	1996	1997
1	Gross domestic product	6,244.4	6,389.6	6,610.7	6,761.7	6,994.8	7,269.8
2	Private industries	5,370.8	5,517.4	5,763.6	5,896.5	6,119.9	6,395.3
3	Agriculture, forestry, and fishing	112.4	102.3	119.1	106.2	114.2	127.6
4	Farms	80.5	70.9	84.9	72.0	78.6	90.3
5	Agricultural services, forestry, and fishing	31.9	31.6	34.9	34.7	36.2	38.0
6	Mining	92.2	96.4	102.5	107.4	103.0	109.9
7	Metal mining	5.5	5.6	5.7	5.5	5.7	6.2
8	Coal mining	13.6	13.8	15.5	15.4	17.2	18.1
9	Oil and gas extraction	65.0	68.6	72.2	77.4	70.6	75.4
10	Nonmetallic minerals, except fuels	8.2	8.3	9.2	9.3	10.2	10.8
11	Construction	229.7	234.3	249.8	254.2	268.5	274.4
12	Manufacturing	1,063.6	1,100.8	1,193.2	1,271.6	1,293.8	1,369.9
13	Durable goods	573.4	608.3	671.3	727.0	769.0	838.6
14	Lumber and wood products	32.0	28.5	29.8	31.7	31.4	33.1
15	Furniture and fixtures	16.2	17.9	18.0	18.7	18.6	19.7
16	Stone, clay, and glass products	25.1	24.5	27.0	27.2	27.6	29.3
17	Primary metal industries	39.0	43.2	45.0	44.1	46.9	48.0
18	Fabricated metal products	70.1	73.4	84.5	87.8	88.6	93.0
19	Industrial machinery and equipment	108.6	115.1	131.5	162.9	183.2	215.2
20	Electronic and other electric equipment	98.6	118.3	145.8	178.7	213.2	261.2
21	Motor vehicles and electric	52.8	66.7	78.0	77.7	73.2	77.8
22	Other transportation equipment	56.5	52.3	47.6	43.3	43.9	44.1
23	Instruments and related products	54.2	48.7	45.1	42.0	40.2	36.3
24	Miscellaneous manufacturing industries	20.1	20.5	21.5	22.8	23.3	23.1
25	Nondurable goods	490.3	492.5	522.0	545.1	527.8	537.6
26	Food and kindred products	102.1	103.8	106.5	125.8	105.7	106.7
27	Tobacco products	18.4	16.1	22.3	23.8	22.5	21.3
28	Textile mill products	25.4	26.0	26.3	26.4	25.6	25.7
29	Apparel and other textile products	27.2	27.2	28.3	28.6	27.0	28.2
30	Paper and allied products	45.8	50.2	52.1	44.4	46.4	48.9
31	Printing and publishing	79.7	75.3	78.0	77.1	76.1	76.7
32	Chemicals and allied products	120.5	120.6	131.2	139.6	140.3	141.2
33	Petroleum and coal products	28.2	27.8	27.6	30.4	32.3	32.4
34	Rubber and miscellaneous plastics products	38.1	41.3	45.4	47.1	49.5	53.7
35	Leather and leather products	4.8	4.5	4.5	4.7	4.1	4.3
36	Transportation and public utilities	528.7	551.9	584.1	592.2	626.4	644.3
37	Transportation	192.8	201.1	214.3	216.1	229.7	241.5
38	Railroad transportation	22.1	23.0	25.9	26.1	28.2	28.2
39	Local and interurban passenger transit	10.9	11.0	11.0	11.4	11.3	11.3
40	Trucking and warehousing	82.2	86.2	88.7	89.1	86.5	87.3
41	Water transportation	10.3	10.5	10.8	11.0	10.7	11.0
42	Transportation by air	43.0	44.2	51.4	50.6	63.5	72.6
43	Pipelines, except natural gas	4.9	5.2	4.8	4.9	6.3	6.8
44	Transportation services	19.6	21.0	21.7	23.2	24.0	25.1
45	Communications	161.1	171.8	176.9	180.7	191.5	196.4
46	Telephone and telegraph	129.7	133.6	137.9	138.6	152.4	160.6
47	Radio and television	31.5	38.1	38.8	41.8	39.5	37.3
48	Electric, gas, and sanitary services	174.7	179.0	193.1	195.5	205.3	206.3
49	Wholesale trade	406.4	416.5	448.6	455.8	486.6	532.0
50	Retail trade	544.3	566.2	601.2	626.4	665.9	713.5
51	Finance, insurance, and real estate	1,147.9	1,174.3	1,196.9	1,206.2	1,246.0	1,286.0
52	Depository institutions	200.1	198.6	197.0	193.4	192.0	191.9
53	Nondepository institutions	28.3	32.3	33.9	32.6	35.4	39.3
54	Security and commodity brokers	49.5	65.3	83.0	78.4	104.1	120.5
55	Insurance carriers	83.4	91.5	91.3	91.2	87.6	93.5
56	Insurance agents, brokers, and service	39.5	39.7	41.6	42.1	41.7	43.1
57	Real estate	734.9	736.7	758.3	776.6	799.5	814.8
58	Nonfarm housing services	553.5	552.4	573.3	588.4	600.0	616.1
59	Other real estate	181.4	184.3	185.0	188.2	199.7	199.7
60	Holding and other investment offices	12.3	12.9	12.9	12.6	12.5	12.2
61	Services	1,200.8	1,223.5	1,256.5	1,305.3	1,349.1	1,398.6
62	Hotels and other lodging places	51.0	51.8	54.4	56.2	57.5	56.8
63	Personal services	41.0	42.6	42.6	43.2	42.4	44.1
64	Business services	218.9	234.2	247.1	271.3	295.7	323.1
65	Auto repair, services, and parking	51.1	51.1	53.3	56.5	60.2	64.4
66	Miscellaneous repair services	17.5	17.1	16.7	16.9	15.2	14.7
67	Motion pictures	20.0	23.2	21.8	24.4	25.2	26.6
68	Amusement and recreation services	47.9	46.0	47.5	50.5	52.7	56.2
69	Health services	369.1	365.2	369.7	373.3	377.3	379.0
70	Legal services	90.1	87.2	86.0	85.7	86.0	87.0
71	Educational services	46.3	47.5	48.9	49.0	49.4	50.4
72	Social services	36.9	39.1	41.6	43.4	44.6	46.3
73	Membership organizations	38.9	40.8	42.1	42.6	43.3	44.1
74	Other services	162.2	167.8	175.4	183.7	192.8	201.3
75	Private households	10.1	10.3	10.4	10.8	10.5	10.2
76	Statistical discrepancy ¹	44.8	51.3	13.9	-23.1	-27.1	-45.4
77	Government	873.6	875.8	878.3	876.5	877.8	884.0
78	Federal	321.4	315.1	306.9	296.8	290.2	286.9
79	General government	274.4	267.7	258.4	248.2	240.7	235.4
80	Government enterprises	47.0	47.4	48.6	48.6	49.8	51.9
81	State and local	552.2	560.7	571.3	579.7	587.6	597.4
82	General government	506.6	514.5	524.2	532.1	540.8	551.3
83	Government enterprises	45.6	46.2	47.1	47.5	46.8	46.2
84	Not allocated by industry ²	0	-7.8	-60.4	-53.7	-68.8	-114.3

1. Equals the current-dollar statistical discrepancy deflated by the implicit price deflator for gross domestic business product.

2. Equals GDP less the statistical discrepancy and the sum of GPO of the detailed industries.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 14.—Gross Output and Intermediate Inputs by Industry, 1992–97

[Billions of dollars]

Line	Gross output						Intermediate inputs					
	1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
1	Gross domestic product ¹											
2	Private industries ¹											
3	Agriculture, forestry, and fishing											
4	224.5	224.9	242.1	239.6	269.9	277.2	112.1	118.8	122.9	130.1	139.5	145.4
5	187.7	186.5	202.9	196.7	222.1	225.3	107.2	113.5	119.4	124.4	130.5	135.1
6	36.8	38.4	39.2	42.9	47.8	51.9	4.9	5.3	3.5	5.6	9.0	10.3
7	Mining											
8	160.0	160.2	157.5	156.5	185.1	190.2	67.7	65.7	62.6	57.8	71.4	69.7
9	11.4	10.6	12.0	13.2	12.4	11.8	5.9	5.6	6.1	6.4	6.3	6.0
10	28.9	26.0	27.8	26.8	27.2	27.6	15.4	13.6	14.7	14.8	14.3	14.4
11	105.5	109.4	102.0	100.2	128.5	132.7	40.5	40.2	35.3	29.6	44.2	42.6
12	14.1	14.2	15.6	16.4	17.0	18.0	5.9	6.2	6.4	7.0	6.6	6.6
13	Construction											
14	432.1	457.4	493.1	516.2	554.3	592.7	202.5	215.0	224.4	229.8	242.4	263.9
15	Manufacturing											
16	2,961.2	3,096.6	3,313.3	3,558.0	3,674.5	3,891.1	1,897.6	1,980.1	2,097.2	2,275.8	2,365.4	2,512.3
17	1,510.3	1,613.6	1,770.3	1,907.5	1,983.0	2,137.3	937.0	997.9	1,091.1	1,195.9	1,245.8	1,353.3
18	84.3	97.4	106.6	108.6	109.6	114.7	52.3	62.8	68.2	67.7	70.5	71.9
19	43.2	46.2	49.7	52.9	55.2	60.6	27.0	28.5	31.2	33.5	34.7	38.5
20	61.5	64.4	70.0	75.1	81.3	88.8	36.5	39.3	41.2	44.9	50.0	55.2
21	138.0	142.8	161.1	180.4	178.6	188.1	99.1	100.7	114.9	128.7	127.1	134.9
22	164.9	172.7	188.8	202.5	212.0	224.2	94.8	99.0	104.5	114.9	118.9	124.9
23	251.2	272.2	305.8	347.5	371.4	399.5	142.5	161.2	183.4	206.1	222.6	240.6
24	210.2	228.6	261.9	296.8	313.8	344.2	111.6	114.0	129.0	160.1	172.2	186.9
25	235.6	265.0	312.5	325.0	326.6	343.3	182.8	193.5	225.2	239.7	244.2	257.9
26	149.1	146.2	132.9	128.8	135.9	156.9	92.6	92.8	83.4	82.7	86.9	106.3
27	131.0	133.8	134.4	140.8	147.3	159.0	76.7	82.9	85.7	91.7	91.8	103.1
28	41.3	44.3	46.6	49.1	51.3	58.1	21.1	23.2	24.4	25.8	26.8	33.2
29	1,450.9	1,483.0	1,543.0	1,650.5	1,691.5	1,753.9	960.6	982.2	1,006.1	1,079.9	1,119.6	1,159.0
30	398.3	412.8	420.6	436.6	450.9	460.4	296.2	309.5	311.0	313.5	334.9	341.9
31	39.9	33.6	35.3	38.3	39.5	43.7	21.6	18.4	19.0	21.0	22.5	25.3
32	70.5	74.0	77.7	79.4	79.7	83.6	45.1	48.6	52.3	54.9	55.0	58.1
33	70.9	73.0	76.7	75.6	75.6	77.5	43.7	45.6	47.8	49.3	48.9	49.1
34	131.9	132.2	141.9	172.8	159.3	160.5	86.1	84.5	90.6	113.8	102.7	105.5
35	170.0	176.0	180.7	192.0	199.6	209.0	90.3	96.0	94.7	107.3	107.3	110.6
36	299.5	307.1	325.8	352.2	358.4	379.9	179.0	182.4	185.2	196.1	202.6	221.1
37	148.1	143.3	142.1	149.6	171.2	175.6	119.8	112.0	111.7	121.3	141.6	140.4
38	112.2	121.2	133.5	143.9	148.1	154.3	74.1	79.9	89.2	98.9	99.6	102.3
39	9.5	9.9	9.4	9.0	9.0	9.2	4.7	5.3	4.7	3.8	4.6	4.4
40	Transportation and public utilities ¹											
41	Transportation ¹											
42	33.0	33.6	35.8	37.5	38.1	38.9	10.9	11.5	11.6	14.6	14.6	14.7
43	15.9	16.7	17.4	18.4	19.7	20.8	5.0	5.6	6.0	6.2	6.7	7.0
44	167.9	178.3	196.0	204.5	218.1	238.8	85.8	91.3	101.0	106.5	125.3	140.9
45	Water transportation ¹											
46	92.7	100.2	104.6	111.9	116.8	128.2	49.8	52.4	52.9	58.0	51.6	53.8
47	8.4	8.2	8.6	9.0	8.6	8.4	3.5	3.4	4.0	4.1	3.3	2.9
48	Transportation services ¹											
49	247.6	263.3	277.0	300.8	326.1	347.1	86.5	87.7	92.3	107.5	118.7	135.4
50	188.5	196.8	207.4	225.4	242.0	258.0	58.8	62.2	65.3	80.2	85.0	95.5
51	59.1	66.5	69.5	75.4	84.1	89.1	27.7	25.5	27.0	27.3	33.7	36.0
52	264.9	274.5	269.1	270.3	274.2	278.2	90.2	91.7	75.0	73.2	69.3	69.0
53	Wholesale trade											
54	585.8	625.2	680.1	744.6	768.4	801.5	179.4	201.9	212.1	253.2	248.6	238.7
55	Retail trade											
56	864.8	916.1	977.9	1,017.6	1,062.3	1,108.3	320.5	342.9	362.6	376.6	389.3	395.4
57	Finance, insurance, and real estate ¹											
58	Depository institutions ¹											
59	Nondepository institutions ¹											
60	96.1	118.0	128.0	144.9	182.3	219.7	46.6	54.1	49.5	71.5	85.8	113.1
61	164.5	191.2	202.6	215.5	221.6	239.7	81.1	84.7	93.8	97.0	99.6	93.8
62	59.6	63.0	69.1	72.6	73.8	76.2	20.1	21.5	24.0	26.0	25.8	25.6
63	Real estate ¹											
64	615.2	639.7	677.6	713.7	748.7	789.8	61.8	70.9	70.3	70.6	73.0	77.1
65	Nonfarm housing services											
66	Other real estate ¹											
67	Holding and other investment offices ¹											
68	Services ¹											
69	85.5	90.6	97.8	103.0	108.8	112.2	34.6	36.8	40.4	41.7	43.2	43.2
70	73.5	77.2	81.6	87.2	91.0	95.5	32.5	33.0	35.8	39.8	43.2	43.9
71	Hotels and other lodging places											
72	Personal services											
73	Business services ¹											
74	93.9	100.6	109.5	118.2	126.9	134.4	42.8	46.4	50.2	54.6	58.6	61.1
75	39.9	40.8	44.3	49.2	50.5	52.8	22.4	21.8	25.1	28.7	28.9	29.6
76	49.2	54.1	58.5	62.5	65.9	72.9	29.2	30.7	35.5	36.2	37.6	42.4
77	75.5	83.4	89.9	101.5	112.2	119.4	27.6	35.6	38.5	44.9	50.9	52.6
78	590.8	614.3	645.8	682.7	713.4	749.6	211.8	227.7	235.6	253.8	267.9	289.5
79	118.7	122.3	124.5	126.1	135.4	142.5	28.5	30.7	30.7	29.5	34.6	35.9
80	84.7	89.3	95.1	101.3	107.7	115.8	38.5	40.5	42.8	46.0	49.6	54.3
81	Educational services ¹											
82	Social services ¹											
83	Membership organizations ¹											
84	Other services ¹											
85	Private households ¹											
86	Government ¹											
87	Federal ¹											
88	General government ¹											
89	Government enterprises ¹											
90	State and local ¹											
91	General government ¹											
92	Government enterprises ¹											

1. Estimates for gross output and for intermediate inputs are not shown for this item, because data are not available. See footnote 11 in the text.

Table 16.—Chain-Type Quantity and Price Indexes for Intermediate Inputs by Industry, 1992–97

Line	Quantity indexes (1992=100)						Price indexes (1992=100)					
	1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
1	Gross domestic product ¹											
2	Private industries ¹											
3	Agriculture, forestry, and fishing											
4	100.00	103.99	105.27	110.31	111.39	113.64	100.00	101.88	104.12	105.21	111.74	114.18
5	100.00	103.98	107.06	110.51	109.03	110.24	100.00	101.81	103.99	105.04	111.66	114.32
	100.00	104.25	66.69	103.20	157.59	181.53	100.00	103.59	107.58	111.84	116.96	116.42
6	Mining											
7	100.00	95.73	92.37	83.82	93.75	90.90	100.00	101.31	100.09	101.84	112.45	113.21
8	100.00	96.03	99.91	100.00	98.02	93.50	100.00	99.81	103.79	109.07	108.63	109.24
9	100.00	88.96	95.55	94.96	91.16	91.37	100.00	99.58	100.21	101.19	102.20	102.45
10	100.00	97.33	88.32	73.16	92.36	88.45	100.00	102.10	98.78	100.00	118.18	119.04
	100.00	101.87	103.99	109.46	100.66	100.05	100.00	101.65	104.11	107.09	109.86	111.52
11	Construction											
12	Manufacturing											
13	100.00	103.53	107.84	112.27	117.22	125.79	100.00	100.79	102.48	106.83	106.35	105.25
14	100.00	105.38	112.84	121.01	129.34	142.12	100.00	101.07	103.20	105.48	102.80	101.63
15	100.00	106.40	112.36	112.21	116.03	114.67	100.00	112.85	111.61	115.32	116.22	119.96
16	100.00	101.78	107.81	111.53	114.95	126.17	100.00	103.87	107.21	111.47	111.95	112.96
17	100.00	105.76	107.24	112.18	123.50	134.33	100.00	101.88	105.48	109.81	111.10	112.61
18	100.00	102.62	109.80	112.85	114.82	121.07	100.00	99.12	105.62	115.10	111.72	112.45
19	100.00	103.40	105.29	108.44	114.38	119.30	100.00	100.96	104.67	111.73	109.58	110.39
20	100.00	114.05	129.16	144.48	162.64	181.62	100.00	99.17	99.64	100.07	96.00	92.92
21	100.00	102.33	115.11	144.56	165.46	186.39	100.00	99.84	100.41	99.27	93.30	89.86
22	100.00	104.80	119.88	124.83	127.07	134.51	100.00	101.00	102.76	105.09	105.17	104.92
23	100.00	98.79	87.31	84.68	88.84	108.39	100.00	101.41	103.20	105.50	105.65	105.87
24	100.00	108.65	112.63	124.00	134.58	159.38	100.00	99.44	99.18	96.40	88.92	84.36
25	100.00	108.73	110.90	111.84	116.25	144.05	100.00	101.05	104.18	109.25	109.06	109.20
26	100.00	101.72	102.94	103.72	105.51	110.22	100.00	100.51	101.75	108.39	110.47	109.46
27	100.00	101.94	102.05	99.78	103.86	106.00	100.00	102.52	102.89	106.07	108.86	108.91
28	100.00	84.87	86.24	90.08	96.66	110.45	100.00	100.73	102.26	108.25	107.88	106.19
29	100.00	106.90	111.53	111.87	112.27	119.27	100.00	100.75	103.96	108.80	108.67	108.06
30	100.00	103.15	106.95	106.71	105.18	105.42	100.00	101.01	102.29	105.69	106.28	106.57
31	100.00	97.58	101.51	111.81	106.37	111.08	100.00	100.59	103.67	118.28	112.18	110.38
32	100.00	105.63	102.50	104.67	106.49	111.41	100.00	100.65	102.29	113.53	111.56	109.97
33	100.00	100.37	98.92	99.62	101.79	110.22	100.00	101.53	104.56	109.97	111.21	112.06
34	100.00	100.64	103.87	103.78	104.49	110.32	100.00	92.84	89.77	97.53	113.08	106.23
35	100.00	106.20	114.77	117.12	119.93	122.88	100.00	101.45	104.78	113.94	112.01	112.35
	100.00	110.96	96.39	75.10	90.56	86.12	100.00	102.11	103.78	107.84	107.88	109.53
36	Transportation and public utilities ¹											
37	Transportation ¹											
38	100.00	102.55	101.63	125.16	120.00	119.93	100.00	102.58	104.40	106.47	111.55	112.27
39	100.00	111.96	119.65	119.20	123.47	126.89	100.00	99.96	101.50	104.73	109.28	110.34
40	100.00	106.38	114.72	117.51	132.88	151.66	100.00	100.10	102.71	105.70	109.94	108.34
41	Water transportation ¹											
42	100.00	104.70	105.29	112.49	93.21	97.50	100.00	100.61	100.96	103.67	111.15	110.89
43	100.00	93.01	108.58	108.55	85.30	72.12	100.00	102.50	104.26	107.33	110.46	113.09
44	Transportation services ¹											
45	100.00	101.90	109.69	124.98	144.89	170.57	100.00	99.50	97.32	99.43	94.69	91.81
46	100.00	107.36	117.72	140.91	161.42	197.12	100.00	98.54	94.32	96.78	89.52	85.80
47	100.00	90.34	92.71	91.53	110.04	115.38	100.00	101.92	105.34	107.69	110.56	112.70
48	100.00	98.07	79.40	79.85	69.81	68.20	100.00	103.71	104.72	101.68	110.12	112.23
49	Wholesale trade											
50	Retail trade											
51	Finance, insurance, and real estate ¹											
52	Depository institutions ¹											
53	Nondepository institutions ¹											
54	100.00	115.21	104.49	149.12	178.32	233.62	100.00	100.76	101.59	102.83	103.22	103.90
55	100.00	100.73	108.55	109.26	108.79	99.94	100.00	103.58	106.45	109.45	112.84	115.64
56	100.00	104.08	113.38	118.73	114.92	111.11	100.00	102.67	105.28	108.61	111.39	114.24
57	Real estate ¹											
58	100.00	111.22	109.10	108.15	108.99	110.47	100.00	103.26	104.29	105.65	108.35	112.94
59	Other real estate ¹											
60	Holding and other investment offices ¹											
61	Services ¹											
62	100.00	104.14	111.23	111.56	112.80	110.25	100.00	102.27	105.11	108.21	110.89	113.32
63	100.00	99.12	104.99	113.46	120.25	119.24	100.00	102.30	104.87	107.90	110.46	113.28
64	Business services ¹											
65	100.00	106.34	112.73	119.74	125.06	128.18	100.00	101.76	103.95	106.44	109.47	111.25
66	100.00	96.56	110.23	128.06	134.48	142.44	100.00	100.66	101.36	100.09	95.66	92.74
67	100.00	103.09	114.64	112.99	112.41	123.21	100.00	101.93	106.04	109.69	114.39	117.89
68	100.00	126.06	132.91	150.48	165.68	166.53	100.00	102.11	104.77	108.00	111.06	114.34
69	100.00	105.10	106.22	111.25	115.90	123.04	100.00	102.30	104.73	107.73	109.15	111.09
70	100.00	105.34	103.35	96.56	110.98	112.39	100.00	102.16	104.17	107.15	109.36	111.84
71	100.00	102.98	106.87	111.30	118.18	126.51	100.00	102.18	104.26	107.57	109.22	111.63
72	Social services ¹											
73	Membership organizations ¹											
74	Other services ¹											
75	Private households ¹											
76	Government ¹											
77	Federal ¹											
78	General government ¹											
79	Government enterprises ¹											
80	State and local ¹											
81	General government ¹											
82	Government enterprises ¹											

1. Estimates for intermediate inputs are not shown for this item, because data are not available. See footnote 11 in the text.

Reconciliation of the U.S.-Canadian Current Account, 1996 and 1997

By Anthony J. DiLullo and Hugh Henderson

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ON THE reconciled basis, the U.S.-Canadian current account shows a larger U.S. deficit, or Canadian surplus, than on the U.S.-published basis for both 1996 and 1997. Compared with the Canadian published estimates, however, the reconciled current account shows a smaller U.S. deficit, or Canadian surplus. The U.S.-published current-account balance with Canada is a U.S. deficit of \$7.0 billion for 1996 and a U.S. deficit of \$0.8 billion for 1997.¹ The corresponding Canadian-published balance is a Canadian surplus (U.S. deficit) of \$13.9 billion for 1996 and a Canadian surplus of \$6.7 billion for 1997. On the reconciled basis, the U.S. deficit, or Canadian surplus, is \$12.9 billion for 1996 and \$4.4 billion for 1997 (chart 1, table 1).²

This article presents the results of the reconciliation of the bilateral current-account estimates of Canada and the United States for 1996 and

1997.³ The details of the current-account reconciliation for 1996 and 1997 are presented in the tables that follow this article. Tables 2.1 and 2.2 show the major types of reconciliation adjustments—definitional, methodological, and statistical—that were made to the major current-account components. Tables 3.1 and 3.2 present the published estimates, the reconciled estimates, and the amounts of the adjustments for each major component. Tables 4–8 present the reconciliation details for each current-account component.⁴

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

2. The reconciled estimates are intended to show how the current-account estimates would appear if both countries used the same definitions, methodologies, and data sources. The reconciliation of the U.S.-Canadian current account does not necessarily result in revisions to the published accounts.

3. The reconciliation of the current account has been undertaken each year since 1970. Summary results of the reconciliations were published in the United States in the following issues of the SURVEY OF CURRENT BUSINESS: June 1975, September 1976 and 1977, December 1979, June 1981, and December 1981 through 1991. Complete details of the reconciliations for 1990 forward were published in the following issues of the SURVEY: November 1992, October 1993 through 1995, and November 1996 and 1997. In Canada, the results were published in the following issues of *Canada's Balance of International Payments* (catalogue 67-001), a publication of Statistics Canada: Fourth Quarter 1973, Second Quarter 1976 and 1977, Third Quarter 1978 and 1979, First Quarter 1981, and Third Quarter 1981 through 1997.

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

Table 1.—Major U.S.-Canadian Balances

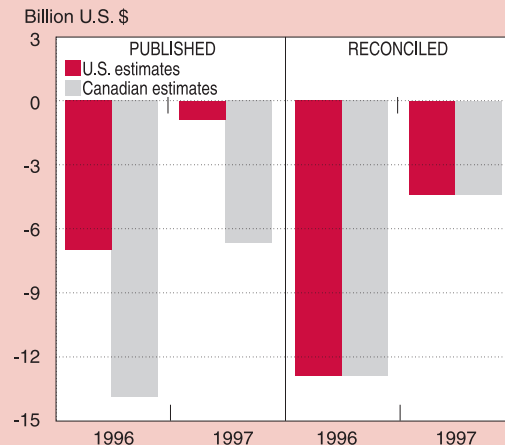
[Billions of U.S. dollars]

	Published estimates		Reconciled estimates	
	United States	Canada	United States	Canada
1996				
Goods	-24.2	30.9	-31.7	31.7
Services	7.1	-5.9	6.6	-6.6
Investment income	10.4	-12.5	12.6	-12.6
Goods, services, and income	-6.6	12.5	-12.5	12.5
Unilateral transfers, net	-3	1.4	-4	.4
Current account	-7.0	13.9	-12.9	12.9
1997				
Goods	-19.0	23.5	-25.3	25.3
Services	6.4	-4.5	5.9	-5.9
Investment income	12.2	-13.8	15.5	-15.5
Goods, services, and income	-4	5.2	-4.0	4.0
Unilateral transfers, net	-4	1.5	-4	-4
Current account	-0.8	6.7	-4.4	4.4

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

CHART 1

U.S.-Canadian Current-Account Balance¹



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

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

Reconciled Current-Account Balances for 1996 and 1997

In the U.S. current account, the reconciliation adjustments resulted in increases of \$5.9 billion in the 1996 U.S. deficit and \$3.6 billion in the 1997 U.S. deficit. In both years, the changes reflect larger adjustments to the U.S. southbound estimates (U.S. payments) than to the northbound estimates (U.S. receipts) (tables 2.1 and 2.2).⁵ The largest increases in the U.S. southbound estimates result from the addition of Canadian reexports to U.S. goods imports (a definitional adjustment), from an increase for undercoverage in the U.S. inland freight adjustment to U.S. goods imports (a statistical adjustment), and from an increase for undercoverage of some services payments (a statistical adjustment). The largest increases in the U.S. northbound estimates result from upward adjust-

ments to investment income for undercoverage of income on U.S. holdings of Canadian bonds (a statistical adjustment).

In the Canadian current account, the reconciliation adjustments resulted in decreases of \$1.0 billion in the 1996 Canadian surplus and \$2.3 billion in the 1997 Canadian surplus. In both years, the changes reflect larger downward adjustments to the Canadian southbound estimates (Canadian receipts) than to the Canadian northbound estimates (Canadian payments). The Canadian southbound estimates were adjusted downward to account for definitional differences, mainly in unilateral transfers; for methodological differences, mainly in investment income; and for statistical differences, mainly in "other" services. In the Canadian northbound estimates, downward adjustments for definitional and methodological differences, mainly in "other" investment income, were partly offset by upward adjustments for statistical differences, mainly in direct investment income.

5. In this article, the term "northbound" refers to U.S. receipts, or Canadian payments; the term "southbound" refers to U.S. payments, or Canadian receipts.

Note on the U.S.-Canadian Current-Account Reconciliation

The U.S.-Canadian current-account reconciliation is undertaken because of the extensive economic links between the two countries and the need to explain differences in the published Canadian and U.S. estimates of the bilateral current account. In principle, the bilateral current account of one country should mirror the bilateral current account of the other country.

Differences occur in the bilateral U.S. and Canadian current accounts as published by the Bureau of Economic Analysis (BEA) and by Statistics Canada because of differences in the definitions, methodologies, and statistical sources used by each agency. In addition, some of the differences for 1997 are in components of the current account for which data are still preliminary and subject to revision; these differences may be eliminated when final data for these components become available. The reconciled estimates are intended to assist analysts who use both countries' statistics and to show how the current-account estimates would appear if both countries used common definitions, methodologies, and data sources.¹

The longstanding Canadian-U.S. current-account reconciliation is among the leading examples of the benefits that can be derived from international data sharing. The reconciliation process and the exchange of data have

resulted in greater accuracy of the published estimates of transactions between Canada and the United States and in increased efficiency in producing the estimates. The exchange of data between Canada and the United States for transactions such as trade in goods, travel, passenger fares, Canadian and U.S. Government transactions, and some transportation transactions cover more than 80 percent of the value of the Canadian and U.S. current account and has led to the elimination of some differences in the Canadian- and U.S.-published estimates. Wider opportunities for international data sharing may result from the 1997 yearend coordinated benchmark survey of international portfolio investment that was undertaken by more than 30 countries, including Canada and the United States, under the auspices of the International Monetary Fund.

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

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

Effect of Annual Revisions on the Reconciliation

Once each year, BEA and Statistics Canada revise their published estimates of international transactions to incorporate methodological and statistical revisions. Some of the revisions eliminate or reduce differences in the U.S.- and Canadian-published estimates and thus have a direct impact on the reconciliation process. For example, changes in the Canadian-published estimates last year to make them conform more closely to the International Monetary Fund's *Balance of Payment Manual* (fifth edition) resulted in the elimination of four major reconciliation adjustments.⁶ This year, several of the revisions to the U.S.-published estimates have further reduced the number of adjustments needed for reconciliation.

First, one of the major statistical adjustments to U.S. southbound estimates of U.S. Government income payments was virtually eliminated, as a result of the incorporation of the results of the U.S. Treasury Department's 1994 benchmark survey of foreign investment in U.S. long-term securities and a new methodology for estimating interest payments on U.S. Government agency securities. Last year, this adjustment accounted for \$1.3 billion of the reconciliation adjustments for 1996; this year, the adjustment was only \$35 million for 1996 and \$4 million for 1997.

Second, in the U.S. accounts, the need for the methodological adjustment (reclassification) required to reconcile operational leasing was eliminated. More complete coverage of opera-

6. See Anthony J. DiLullo and Lucie Laliberté, "Reconciliation of the U.S.-Canadian Current Account, 1995 and 1996," in *SURVEY* 77 (November 1997): 87 and in *Canada's Balance of International Payments, Third Quarter 1997*: 22-23.

Acknowledgments

The reconciliations were carried out under the direction of Hugh Henderson, Chief, Current Account, in Statistics Canada's Balance of Payments and Financial Flows Division, and Anthony DiLullo, assistant chief of BEA's Balance of Payments Division. At Statistics Canada, Lucie Laliberté, Robert Théberge, Denis Caron, Rick Murat, and Linda Tassé participated in the reconciliation of the Canadian accounts; Denis Caron was responsible for the production and coordination of the reconciliation tables. At BEA, Russell Scholl, assisted by Jane Newstedt, was responsible for reconciling the U.S. portfolio income accounts; Mark New, for the accounts related to U.S. direct investment in Canada; Gregory M. Fouch, for the accounts related to Canadian direct investment in the United States; Kwok Lee, for goods; and Michael Mann, for services.

tional leasing and the reclassification of leasing of transportation equipment without crew to the "other" private services account from the "other" transportation account have brought the U.S. treatment of operational leasing closer to the current Canadian treatment.

Finally, revisions in 1997 to the Canadian methodology for compiling data on inland freight for northbound shipments of goods, which are the source data for the U.S.-published estimates, resulted in a reduction in the U.S.-published estimates. These revisions reduced the amount of statistical adjustment needed to reconcile the northbound goods account. Last year, the Canadian estimate of northbound inland freight for 1996 was adjusted upward \$1.3 billion to reconcile with the U.S. estimate. This year, the upward adjustment was \$0.4 billion for 1996 and \$0.5 billion for 1997.


Tables 2.1 through 8.2 follow. 

Table 2.1.—Summary of Reconciliation Adjustments, Northbound

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	United States	Canada	Reclassification		Gross or net		United States	Canada	United States	Canada
			United States	Canada	United States	Canada				
1996										
Goods		-342	186				-1,864	1,065	-1,678	723
Services		-91	-186				542	-699	356	-790
Transfers under U.S. military agency sales contracts								146		146
Travel			554				-66	91	488	91
Passenger fares							-213		-213	
Other transportation				174			46	67	46	241
Other services		-91	-740	-174			775	-1,003	35	-1,268
Affiliated		-41	-280				-226	-1,290	-506	-1,331
Unaffiliated		-50	-460	-174			990	271	530	47
Government							11	16	11	16
Investment income		-1,002			-543	-1,667	2,934	906	2,391	-1,763
Direct		-279		-74		-124	-362	1,792	-362	1,315
Other		-723		74	-543	-1,543	3,296	-886	2,753	-3,078
Unilateral transfers		-182			319		-50		269	-182
Total adjustments		-1,617			-224	-1,667	1,562	1,272	1,339	-2,011
1997										
Goods		-249	138				26	190	164	-59
Services		-152	-138				234	90	96	-62
Transfers under U.S. military agency sales contracts								93		93
Travel			575				-83	84	492	84
Passenger fares							-214		-214	
Other transportation				180			57	29	57	209
Other services		-152	-713	-180			474	-116	-239	-448
Affiliated		-79	-255				-228	-435	-483	-514
Unaffiliated		-73	-458	-180			694	323	236	70
Government							8	-4	8	-4
Investment income		-1,137			-766	-2,534	3,551	2,082	2,785	-1,589
Direct		-358		-65		-137	-267	2,680	-267	2,120
Other		-779		65	-766	-2,397	3,818	-598	3,052	-3,709
Unilateral transfers		-223			318		-46		271	-223
Total adjustments		-1,761			-448	-2,534	3,765	2,362	3,316	-1,932

Table 2.2.—Summary of Reconciliation Adjustments, Southbound

[Millions of U.S. dollars]

	Definitional		Methodological				Statistical		Total	
	Canada	United States	Reclassification		Gross or net		Canada	United States	Canada	United States
			Canada	United States	Canada	United States				
1996										
Goods	-28	4,378	307	20			1,250	1,480	1,529	5,878
Services	-143		-307	-20			-1,039	936	-1,489	916
Direct defense expenditures			32	-20			-5		27	-20
Travel				10				76		86
Passenger fares								1		1
Other transportation	-80		97				44	-164	61	-164
Other services	-63		-436	-10			-1,078	1,023	-1,577	1,013
Affiliated	-6			-65			-722		-728	-65
Unaffiliated	-57		-404	55			-324	1,010	-785	1,065
Government			-32				-32	13	-64	13
Investment income	-130				-1,667	-543	-68	689	-1,865	147
Direct	-46				-124		191	-108	21	-108
Other	-84				-1,543	-543	-259	797	-1,886	254
Unilateral transfers	-1,146					319	-15		-1,161	319
Total adjustments	-1,447	4,378			-1,667	-224	128	3,105	-2,984	7,259
1997										
Goods	625	5,004	298	40			822	1,465	1,745	6,509
Services	-142		-298	-40			-1,010	622	-1,450	581
Direct defense expenditures			41	-40			-24		17	-40
Travel				12				72		84
Passenger fares										
Other transportation	-84		100				22	-217	38	-217
Other services	-58		-439	-12			-1,008	767	-1,505	755
Affiliated	-1			-73			-769		-770	-73
Unaffiliated	-57		-398	61			-228	754	-683	815
Government			-41				-11	13	-52	13
Investment income	-1,165				-2,534	-765	502	284	-3,197	-481
Direct	-1,073				-137		304	-49	-906	-49
Other	-92				-2,397	-765	198	333	-2,291	-432
Unilateral transfers	-1,322					318	-4		-1,326	318
Total adjustments	-2,004	5,004			-2,534	-448	310	2,371	-4,228	6,926

Table 3.1.—U.S.-Canadian Current-Account Reconciliation, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates	
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada
1996								
Goods and services	154,600	153,345	1,255	153,278	153,278	.....	-1,322	-67
Goods	134,516	132,115	2,401	132,838	132,838	.....	-1,678	723
Services	20,084	21,230	-1,146	20,440	20,440	.....	356	-790
Transfers under U.S. military agency sales contracts	146	(¹)	146	146	146	.....	.....	146
Travel	6,842	7,239	-397	7,330	7,330	.....	488	91
Passenger fares	1,331	1,118	213	1,118	1,118	.....	-213	.....
Other transportation	2,394	2,199	195	2,440	2,440	.....	46	241
Royalties and license fees	1,541	1,468	73	(²)	(²)	.....	-1,541	-1,468
Other services	7,830	9,206	-1,376	9,406	9,406	.....	1,576	200
Investment income	18,119	22,273	-4,154	20,510	20,510	.....	2,391	-1,763
Direct investment	9,024	7,347	1,677	8,662	8,662	.....	-362	1,315
Other private assets/liabilities	9,095	14,926	-5,831	11,848	11,848	.....	2,753	-3,078
U.S. Government assets .....	.....	(³)	.....	(³)	(³)	.....	.....	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	451	-451	269	269	.....	269	-182
Current account, northbound	172,719	176,069	-3,350	174,058	174,058	.....	1,339	-2,011
1997								
Goods and services	172,692	173,073	-381	172,952	172,952	.....	260	-121
Goods	152,047	152,270	-223	152,211	152,211	.....	164	-59
Services	20,645	20,803	-158	20,741	20,741	.....	96	-62
Transfers under U.S. military agency sales contracts	93	(¹)	93	93	93	.....	.....	93
Travel	6,824	7,232	-408	7,316	7,316	.....	492	84
Passenger fares	1,409	1,195	214	1,195	1,195	.....	-214	.....
Other transportation	2,384	2,232	152	2,441	2,441	.....	57	209
Royalties and license fees	1,561	1,574	-13	(²)	(²)	.....	-1,561	-1,574
Other services	8,374	8,570	-196	9,696	9,696	.....	1,322	1,126
Investment income	20,540	24,914	-4,374	23,325	23,325	.....	2,785	-1,589
Direct investment	10,692	8,305	2,387	10,425	10,425	.....	-267	2,120
Other private assets/liabilities	9,848	16,609	-6,762	12,900	12,900	.....	3,052	-3,709
U.S. Government assets .....	.....	(³)	.....	(³)	(³)	.....	.....	.....
Unilateral transfers, net .....	.....	.....	.....	.....	.....	.....	.....	.....
Unilateral transfers, gross .....	.....	494	-494	271	271	.....	271	-223
Current account, northbound	193,232	198,480	-5,248	196,548	196,548	.....	3,316	-1,932

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

2. Royalties and license fees are included in "other" services for reconciliation.

3. Income on U.S. Government assets is included in income on "other" private assets in the Canadian published accounts.

Table 3.2.—U.S.-Canadian Current-Account Reconciliation, Southbound

(Millions of U.S. dollars)

	Published estimates			Reconciled estimates			Adjustments to published estimates	
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States
1996								
Goods and services	178,365	171,611	6,754	178,405	178,405	.....	40	6,794
Goods	163,018	158,669	4,349	164,547	164,547	.....	1,529	5,878
Services	15,347	12,942	2,405	13,858	13,858	.....	-1,489	916
Direct defense expenditures	(¹)	47	-47	27	27	.....	27	-20
Travel	4,756	4,670	86	4,756	4,756	.....	.....	86
Passenger fares	392	391	1	392	392	.....	.....	1
Other transportation	2,565	2,790	-224	2,626	2,626	.....	61	-164
Royalties and license fees	275	217	58	(²)	(²)	.....	-275	-217
Other services	7,359	4,827	2,532	6,057	6,057	.....	-1,302	1,230
Investment income	9,747	7,724	2,023	7,882	7,870	12	-1,865	147
Direct investment	3,166	3,295	-129	3,187	3,187	.....	21	-108
Other private assets/liabilities	5,504	3,387	2,117	3,636	3,624	12	-1,868	237
U.S. Government liabilities	1,077	1,042	35	1,059	1,059	.....	-18	17
Unilateral transfers, net .....	.....	348	-348	.....	.....	.....	.....	-348
Unilateral transfers, gross	1,827	.....	1,827	666	666	.....	-1,161	666
Current account, southbound	189,938	179,683	10,255	186,954	186,942	12	-2,984	7,259
1997								
Goods and services	192,080	185,285	6,795	192,375	192,375	.....	295	7,090
Goods	175,788	171,024	4,764	177,533	177,533	.....	1,745	6,509
Services	16,292	14,260	2,032	14,842	14,842	.....	-1,450	581
Direct defense expenditures	(¹)	57	-57	17	17	.....	17	-40
Travel	4,985	4,901	84	4,985	4,985	.....	.....	84
Passenger fares	470	470	.....	470	470	.....	.....	.....
Other transportation	2,783	3,037	-255	2,821	2,821	.....	38	-217
Royalties and license fees	250	317	-67	(²)	(²)	.....	-250	-317
Other services	7,805	5,478	2,327	6,550	6,550	.....	-1,255	1,072
Investment income	11,081	8,353	2,728	7,884	7,872	12	-3,197	-481
Direct investment	4,072	3,215	857	3,166	3,166	.....	-906	-49
Other private assets/liabilities	5,950	4,083	1,867	3,658	3,651	8	-2,291	-432
U.S. Government liabilities	1,059	1,055	4	1,059	1,055	4	.....	.....
Unilateral transfers, net .....	.....	366	-366	.....	.....	.....	.....	-366
Unilateral transfers, gross	2,010	.....	2,010	684	684	.....	-1,326	684
Current account, southbound	205,172	194,003	11,169	200,944	200,932	12	-4,228	6,926

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

2. Royalties and license fees are included in "other" services for reconciliation.

Table 4.1.—Trade in Goods, Northbound

[Millions of U.S. dollars]

	U.S. receipts	Canadian payments	Type of adjustment
1996			
Balance of payments basis, published	134,516	132,115	
Reconciliation adjustments:			
Inland freight	-1,867	436	Statistical
Repair of equipment	186	.....	Reclassification
Other balance of payments adjustments	4	-342	Definitional
Statistical adjustments .....	.....	630	Statistical
Reconciled	132,838	132,838	
1997			
Balance of payments basis, published	152,047	152,270	
Reconciliation adjustments:			
Inland freight .....	.....	522	Statistical
Repair of equipment	138	.....	Reclassification
Other balance of payments adjustments	26	-249	Definitional
Statistical adjustments .....	.....	-331	Statistical
Reconciled	152,211	152,211	

Table 4.2.—Trade in Goods, Southbound

[Millions of U.S. dollars]

	Canadian receipts	U.S. payments	Type of adjustment
1996			
Balance of payments basis, published	163,018	158,669	
Reconciliation adjustments:			
Canadian reexports .....	.....	4,314	Definitional
Inland freight	978	1,341	Statistical
Other balance of payments adjustments	139	223	Definitional and reclassification
Statistical adjustments	412	.....	Statistical
Reconciled	164,547	164,547	
1997			
Balance of payments basis, published	175,788	171,024	
Reconciliation adjustments:			
Canadian reexports .....	.....	4,945	Definitional
Inland freight	913	1,264	Statistical
Other balance of payments adjustments	789	300	Definitional and reclassification
Statistical adjustments	43	.....	Statistical
Reconciled	177,533	177,533	

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

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1996									
Travel	6,842	7,239	-397	7,330	7,330	.....	488	91	
Business and personal	6,842	6,776	66	6,776	6,776	.....	-66	.....	Statistical
Education .....	.....	402	-402	425	425	.....	425	23	Reclassification and statistical
Medical .....	.....	61	-61	129	129	.....	129	68	Reclassification and statistical
Passenger fares	1,331	1,118	213	1,118	1,118	.....	-213	.....	Statistical
Other transportation	2,394	2,199	195	2,440	2,440	.....	46	241	
Freight	1,816	1,793	23	1,837	1,837	.....	21	44	
Ocean	32	191	-159	139	139	.....	107	-52	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	1,393	1,193	200	1,258	1,258	.....	-135	65	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	579	389	190	587	587	.....	8	198	
Vessel operators	61	29	32	29	29	.....	-32	.....	Statistical
Airline operators	358	357	1	358	358	.....	.....	1	Statistical
Other	160	3	157	200	200	.....	40	197	Reclassification and statistical
Other .....	.....	17	-17	17	17	.....	17	.....	Statistical
1997									
Travel	6,824	7,232	-408	7,316	7,316	.....	492	84	
Business and personal	6,824	6,741	83	6,741	6,741	.....	-83	.....	Statistical
Education .....	.....	427	-427	443	443	.....	443	16	Reclassification and statistical
Medical .....	.....	64	-64	132	132	.....	132	68	Reclassification and statistical
Passenger fares	1,409	1,195	214	1,195	1,195	.....	-214	.....	Statistical
Other transportation	2,384	2,232	152	2,441	2,441	.....	57	209	
Freight	1,880	1,894	-14	1,912	1,912	.....	32	18	
Ocean	54	208	-154	155	155	.....	101	-53	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	1,435	1,272	163	1,310	1,310	.....	-125	38	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	504	320	184	511	511	.....	7	191	
Vessel operators	64	29	35	29	29	.....	-35	.....	Statistical
Airline operators	287	287	0	287	287	.....	.....	.....	Statistical
Other	153	4	149	195	195	.....	42	191	Reclassification and statistical
Other .....	.....	18	-18	18	18	.....	18	.....	Statistical

^D Data suppressed to avoid disclosure of data of individual companies.

Table 5.2.—Travel, Passenger Fares, and Other Transportation, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1996									
Travel	4,756	4,670	86	4,756	4,756	.....	.....	86	
Business and personal	4,651	4,670	-19	4,651	4,651	.....	.....	-19	Statistical
Education	61	.....	61	61	61	.....	.....	61	Reclassification and statistical
Medical	43	.....	43	43	43	.....	.....	43	Reclassification and statistical
Passenger fares	392	391	1	392	392	.....	.....	1	Statistical
Other transportation	2,565	2,790	-224	2,626	2,626	.....	61	-164	
Freight	2,125	2,249	-124	2,136	2,136	.....	11	-113	
Ocean	101	113	-12	113	113	.....	12	.....	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	1,896	2,054	-158	1,896	1,896	.....	.....	-158	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	346	541	-195	480	480	.....	134	-61	
Vessel operators	28	131	-103	65	65	.....	37	-66	Statistical
Airline operators	262	328	-66	262	262	.....	.....	-66	Statistical
Other	56	82	-26	153	153	.....	97	71	Reclassification and statistical
Other	95	.....	95	11	11	.....	-84	11	Definitional and statistical
1997									
Travel	4,985	4,901	84	4,985	4,985	.....	.....	84	
Business and personal	4,883	4,901	-18	4,883	4,883	.....	.....	-18	Statistical
Education	57	.....	57	57	57	.....	.....	57	Reclassification and statistical
Medical	44	.....	44	44	44	.....	.....	44	Reclassification and statistical
Passenger fares	470	470	.....	470	470	.....	.....	.....
Other transportation	2,783	3,037	-255	2,821	2,821	.....	38	-216	
Freight	2,325	2,415	-90	2,298	2,298	.....	-27	-117	
Ocean	100	131	-31	131	131	.....	31	.....	Statistical
Air	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Land	2,074	2,178	-104	2,016	2,016	.....	-58	-162	Statistical
Other	(^D)	(^D)	(^D)	(^D)	(^D)	.....	(^D)	(^D)	Statistical
Port services	359	623	-264	512	512	.....	153	-111	
Vessel operators	27	165	-138	80	80	.....	53	-85	Statistical
Airline operators	275	373	-98	275	275	.....	.....	-98	Statistical
Other	57	85	-28	157	157	.....	100	72	Reclassification and statistical
Other	99	.....	99	11	11	.....	-88	11	Definitional and statistical

^D Data suppressed to avoid disclosure of data of individual companies.

Table 6.1.—Other Services, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1996									
Total	9,371	10,675	-1,304	9,406	9,406	.....	35	-1,268	
Private:									
Affiliated	5,371	6,196	-825	4,865	4,865	.....	-506	-1,331	Definitional, reclassification, and statistical
Royalties and license fees	1,279	1,277	2	(1)	(1)	.....	(1)	(1)	
Other services	4,092	4,919	-827	(1)	(1)	.....	(1)	(1)	
Unaffiliated	3,846	4,330	-484	4,377	4,377	.....	531	47	
Royalties, license fees, and selected services	659	506	153	659	659	.....	.....	153	Statistical
Insurance	343	519	-176	408	408	.....	65	-111	Statistical
Financial services	599	555	44	599	599	.....	.....	44	Statistical
Education	443	19	424	18	18	.....	-425	-1	Reclassification and statistical
Communications	295	637	-342	349	349	.....	54	-288	Reclassification and statistical
Business services	1,309	1,107	202	1,576	1,576	.....	267	469	Reclassification and statistical
Sports and entertainment	198	788	-590	768	768	.....	570	-20	Reclassification and statistical
Other .....	.....	199	-199	.....	.....	.....	.....	-199	
Commissions .....	.....	25	-25	.....	.....	.....	.....	-25	Definitional
Railway port services .....	.....	174	-174	.....	.....	.....	.....	-174	Reclassification
Government:									
United States	63	47	16	63	63	.....	.....	16	Statistical
Canada	91	102	-11	102	102	.....	11	.....	Statistical
1997									
Total	9,935	10,145	-210	9,696	9,696	.....	-239	-448	
Private:									
Affiliated	5,647	5,678	-31	5,164	5,164	.....	-483	-514	Definitional, reclassification, and statistical
Royalties and license fees	1,332	1,369	-37	(1)	(1)	.....	(1)	(1)	
Other services	4,315	4,309	6	(1)	(1)	.....	(1)	(1)	
Unaffiliated	4,145	4,312	-167	4,382	4,382	.....	237	70	
Royalties, license fees, and selected services	994	605	389	886	886	.....	-108	281	Statistical
Insurance	353	590	-237	400	400	.....	47	-190	Statistical
Financial services	571	533	38	571	571	.....	.....	38	Statistical
Education	461	17	444	21	21	.....	-440	4	Reclassification and statistical
Communications	272	539	-267	296	296	.....	24	-243	Reclassification and statistical
Business services	1,311	1,083	228	1,506	1,506	.....	195	423	Reclassification and statistical
Sports and entertainment	183	738	-555	702	702	.....	519	-36	Reclassification and statistical
Other .....	.....	207	-207	.....	.....	.....	.....	-207	
Commissions .....	.....	27	-27	.....	.....	.....	.....	-27	Definitional
Railway port services .....	.....	180	-180	.....	.....	.....	.....	-180	Reclassification
Government:									
United States	51	55	-4	51	51	.....	.....	-4	Statistical
Canada	92	100	-8	100	100	.....	8	.....	Statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 6.2.—Other Services, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1996									
Total	7,634	5,091	2,543	6,084	6,084	.....	-1,550	993	
Private:									
Affiliated	3,377	2,714	663	2,649	2,649	.....	-728	-65	Definitional, reclassification, and statistical
Royalties and license fees	185	128	57	(¹)	(¹)	.....	(¹)	(¹)	
Other services	3,192	2,586	606	(¹)	(¹)	.....	(¹)	(¹)	
Unaffiliated	4,109	2,230	1,879	3,293	3,293	.....	-816	1,063	
Royalties, license fees, and selected services	690	351	339	681	681	.....	-9	330	Statistical
Insurance	287	459	-172	400	400	.....	113	-59	Statistical
Financial services	316	178	138	178	178	.....	-138	.....	Statistical
Education	22	31	-9	22	22	.....	.....	-9	Reclassification and statistical
Communications	737	350	387	360	360	.....	-377	10	Reclassification and statistical
Business services	1,270	735	535	1,151	1,151	.....	-119	416	Reclassification and statistical
Sports and entertainment	611	126	485	501	501	.....	-110	375	Statistical
Other	176	.....	176	.....	.....	.....	.....	.....	.....
Commissions	47	.....	47	.....	.....	.....	-47	.....	Definitional
Railway port services	97	.....	97	.....	.....	.....	-97	.....	Reclassification
U.S. defense expenditures	32	.....	32	.....	.....	.....	-32	.....	Reclassification
Government:									
Canada	13	.....	13	13	13	.....	.....	13	.....
United States	133	148	-15	128	128	.....	-5	-20	Statistical
1997									
Total	8,055	5,852	2,203	6,567	6,567	.....	-1,488	715	
Private:									
Affiliated	3,692	2,995	697	2,922	2,922	.....	-770	-73	Definitional, reclassification, and statistical
Royalties and license fees	169	200	-31	(¹)	(¹)	.....	(¹)	(¹)	
Other services	3,523	2,795	728	(¹)	(¹)	.....	(¹)	(¹)	
Unaffiliated	4,200	2,658	1,542	3,475	3,475	.....	-725	817	
Royalties, license fees, and selected services	741	389	352	739	739	.....	-2	350	Statistical
Insurance	309	534	-225	317	317	.....	8	-217	Statistical
Financial services	389	244	145	244	244	.....	-145	.....	Statistical
Education	24	34	-10	24	24	.....	.....	-10	Reclassification and statistical
Communications	643	352	291	352	352	.....	-291	.....	Reclassification and statistical
Business services	1,298	939	359	1,298	1,298	.....	.....	359	Reclassification and statistical
Sports and entertainment	601	166	435	501	501	.....	-100	335	Statistical
Other	195	.....	195	.....	.....	.....	.....	-195	.....
Commissions	54	.....	54	.....	.....	.....	-54	.....	Definitional
Railway port services	100	.....	100	.....	.....	.....	-100	.....	Reclassification
U.S. defense expenditures	41	.....	41	.....	.....	.....	-41	.....	Reclassification
Government:									
Canada	13	.....	13	13	13	.....	.....	13	Statistical
United States	150	197	-47	157	157	.....	7	-40	Statistical

1. Royalties and license fees are combined with "other" services for reconciliation.

Table 7.1.—Direct Investment Income, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1996									
Direct investment income	9,024	7,347	1,677	8,662	8,662	.....	-362	1,315	
Earnings of incorporated affiliates	8,117	6,367	1,750	7,632	7,632	.....	-485	1,265	
Dividends	2,218	2,805	-587	2,307	2,307	.....	89	-498	Definitional, reclassification, and statistical
Reinvested earnings	5,899	3,562	2,337	5,325	5,325	.....	-574	1,763	Statistical
Earnings of unincorporated affiliates	507	245	262	507	507	.....	.....	262	Definitional, reclassification, and statistical
Net interest	400	735	-335	523	523	.....	123	-212	Reclassification, net to gross, and statistical
1997									
Direct investment income	10,692	8,305	2,387	10,425	10,425	.....	-267	2,120	
Earnings of incorporated affiliates	9,868	7,349	2,519	9,435	9,435	.....	-433	2,086	
Dividends	4,536	3,784	752	4,536	4,536	.....	.....	752	Definitional, reclassification, and statistical
Reinvested earnings	5,332	3,565	1,767	4,899	4,899	.....	-433	1,334	Statistical
Earnings of unincorporated affiliates	521	263	258	521	521	.....	.....	258	Definitional, reclassification, and statistical
Net interest	303	693	-390	469	469	.....	166	-224	Reclassification, net to gross, and statistical

Table 7.2.—Direct Investment Income, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1996									
Direct investment income	3,166	3,295	-129	3,187	3,187	.....	21	-107	
Earnings of incorporated affiliates	1,943	2,612	-669	2,399	2,399	.....	456	-213	
Dividends	422	308	114	347	347	.....	-75	39	Statistical
Reinvested earnings	1,521	2,304	-783	2,052	2,052	.....	531	-252	Statistical
Earnings of unincorporated affiliates	974	534	440	640	640	.....	-334	106	Definitional and statistical
Net interest	248	148	100	148	148	.....	-100	.....	Gross to net and statistical
1997									
Direct investment income	4,072	3,215	857	3,166	3,166	.....	-906	-49	
Earnings of incorporated affiliates	2,939	3,012	-73	2,571	2,571	.....	-368	-441	
Dividends	1,323	539	784	399	399	.....	-924	-140	Statistical
Reinvested earnings	1,616	2,473	-857	2,172	2,172	.....	556	-301	Statistical
Earnings of unincorporated affiliates	913	-80	993	312	312	.....	-601	392	Definitional and statistical
Net interest	221	283	-62	283	283	.....	62	.....	Gross to net and statistical

Table 8.1.—Other Investment Income, Northbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	U.S. receipts	Canadian payments	Difference	U.S. receipts	Canadian payments	Remaining difference	United States	Canada	Type of adjustment
1996									
Other investment income	9,095	14,926	-5,831	11,848	11,848	.....	2,753	-3,078	
Securities	6,147	9,886	-3,739	9,114	9,114	.....	2,967	-772	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,051	805	246	1,051	1,051	.....	.....	246	
Interest on bonds	5,096	9,081	-3,985	8,063	8,063	.....	2,967	-1,018	
U.S. claims/ Canadian liabilities	2,948	5,039	-2,091	2,734	2,734	.....	-214	-2,305	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	1,213	2,690	-1,477	1,023	1,023	.....	-190	-1,667	
Other private U.S. claims	1,735	2,349	-614	1,711	1,711	.....	-24	-638	
1997									
Other investment income	9,847	16,609	-6,762	12,900	12,900	.....	3,052	-3,709	
Securities	6,115	10,554	-4,439	9,725	9,725	.....	3,610	-829	Definitional, reclassification, and statistical Definitional and statistical
Dividends	1,222	846	376	1,222	1,222	.....	.....	376	
Interest on bonds	4,893	9,708	-4,815	8,503	8,503	.....	3,610	-1,205	
U.S. claims/ Canadian liabilities	3,732	6,055	-2,323	3,175	3,175	.....	-557	-2,880	Net to gross, gross to net, and statistical Net to gross and statistical
U.S. bank claims	3,055	3,544	-489	1,255	1,255	.....	-1,800	-2,289	
Other private U.S. claims	677	2,511	-1,834	1,920	1,920	.....	1,243	-591	

Table 8.2.—Other Investment Income, Southbound

[Millions of U.S. dollars]

	Published estimates			Reconciled estimates			Adjustments to published estimates		
	Canadian receipts	U.S. payments	Difference	Canadian receipts	U.S. payments	Remaining difference	Canada	United States	Type of adjustment
1996									
Other investment income	6,581	4,429	2,152	4,695	4,683	12	-1,886	254	
Securities	1,624	1,737	-113	1,703	1,703	.....	79	-34	Definitional and statistical Definitional and statistical
Dividends	1,220	1,268	-48	1,268	1,268	.....	48	.....
Interest on bonds	404	469	-65	435	435	.....	31	-34	
Canadian claims/ U.S. liabilities	3,879	1,650	2,229	1,933	1,921	12	-1,946	271	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,490	1,428	2,062	1,716	1,704	12	-1,774	276	
Other Canadian claims	389	222	167	217	217	.....	-172	-5	
U.S. Government liabilities	1,077	1,042	35	1,059	1,059	.....	-18	17	Statistical
1997									
Other investment income	7,009	5,138	1,871	4,717	4,706	11	-2,291	-432	
Securities	1,823	2,101	-278	2,028	2,028	.....	205	-73	Definitional and statistical Definitional and statistical
Dividends	1,192	1,320	-128	1,320	1,320	.....	128	.....
Interest on bonds	631	781	-150	708	708	.....	77	-73	
Canadian claims/ U.S. liabilities	4,127	1,982	2,145	1,630	1,623	7	-2,497	-359	Net to gross, gross to net, and statistical Net to gross and statistical
Canadian bank claims	3,712	1,704	2,008	1,397	1,390	7	-2,315	-314	
Other Canadian claims	415	278	137	233	233	.....	-182	-45	
U.S. Government liabilities	1,059	1,055	4	1,059	1,055	4	.....	.....	Statistical

Manufacturing Earnings in BEA Component Economic Areas, 1996

By G. Andrew Bernat, Jr.

ECONOMISTS HAVE long been interested in why there is so much geographical variation in wages and salaries in the United States. This article takes a new look at this question by analyzing manufacturing earnings per job among BEA component economic areas (CEA's) in 1996, the most recent year for which data are available from BEA's regional accounts.¹

The key findings of this analysis follow:

- High-earnings CEA's—the one-fifth of CEA's with the highest average manufacturing earnings per job—have a greater proportion of manufacturing jobs than do low-earnings CEA's—the one-fifth of CEA's with the lowest average manufacturing earnings per job. High-earnings CEA's also have a higher proportion of their manufacturing jobs in industry clusters, allowing establishments in these CEA's to take advantage of benefits associated with clustering, such as economies in transportation and access to common input suppliers. These CEA's also have large, well-educated, and diverse populations from which to draw their workers.
- Results from regression analysis show that industry mix is the most important factor associated with average manufacturing earnings per job in CEA's. The results suggest that high-wage industries tend to locate in regions with clusters of similar industries and with a large, well-educated workforce. The association between average manufacturing earnings per job and the mix of

regional amenities in CEA's is weaker, though significant.²

The remainder of this introduction discusses why manufacturing was chosen as the focus of the article and why CEA's are used in the analysis. The second section discusses the geographic variation of manufacturing earnings per job and the factors associated with manufacturing earnings per job. The third section discusses the regression analysis. The three appendixes at the end of the article provide supplementary technical information.

The article focuses on manufacturing because manufacturing continues to play an important role in the economy in many areas, despite a long-run decline in manufacturing's share of the Nation's earnings and jobs. As measured by share of total earnings for 1996, manufacturing was the largest of the 11 industry groups in 105 of the 348 CEA's and the second largest in another 87 CEA's, and it accounted for at least 25 percent of total earnings in 94 CEA's.³ Manufacturing's importance to regional economies goes beyond its share of earnings because it is part of the economic base in many regions.⁴ As part of the economic base, manufacturing industries support a substantial number of jobs in nonmanufacturing industries through local spending by manufacturing workers and through local purchases by manufacturing establishments.

Also as part of the economic base, manufacturing may play a unique role in the process of regional economic growth. Other industries—such as farming, mining, and producer services—are often part of the economic base of a region,

1. CEA's are the counties or groups of counties that make up BEA's economic areas. The CEA's were defined during the 1995 redefinition of the BEA economic areas. The redefinition procedure consisted of three major elements. The first was the identification of "economic nodes," which are the metropolitan areas or similar areas that serve as centers of economic activity. The second was the assignment of counties to CEA's, where a CEA consists of a single economic node and the surrounding counties that are economically related to the node; the primary criterion for determining whether counties were economically related to a node was the level of commuting between counties. The third was the aggregation of the CEA's to the economic areas. For more information, see Kenneth Johnson, "Redefinition of the BEA Economic Areas," *SURVEY OF CURRENT BUSINESS* 75 (February 1995): 75–81.

2. A regional amenity is a characteristic of a region or location that people value but that is neither bought nor sold—for example, a pleasant climate.

3. The other 10 industry groups are farming; agricultural services, forestry, fishing, and other; mining; construction; transportation and public utilities; finance, insurance, and real estate; wholesale trade; retail trade; services; and government and government enterprises.

4. The economic base of a region consists of the industries that export their products outside the region. See Charles M. Tiebout, *The Community Economic Base Study* (New York: Committee for Economic Development, 1962) and Gordon F. Mulligan, "Multiplier Effects and Structural Change: Applying Economic Base Analysis to Small Economies," *Review of Urban and Regional Development Studies* 6 (1994): 3–21.

but manufacturing is viewed by some regional economists as having the greatest potential to lead a region's growth because many manufacturing industries have extensive interindustry linkages, exhibit increasing returns to scale, and have the ability to innovate.⁵

Because of the importance of manufacturing as an employer of local workers, as part of the economic base, and as a potential source of economic growth, manufacturing is often the focus of local economic development efforts. For this reason, identifying the factors most closely associated with regional manufacturing earnings per job is relevant to the formulation of local and regional economic development policies. However, policy prescription is beyond the scope of this article, which attempts only to provide a broad overview of some of the key factors associated with the geographic variation in manufacturing earnings per job.

Manufacturing earnings is the most widely used measure of the income generated from participation in current manufacturing production within CEA's.⁶ Because manufacturing earnings per job is correlated relatively strongly with per capita income (the correlation coefficient between manufacturing earnings per job in CEA's and per capita income is 0.60 for 1996), a better understanding of its variation among CEA's may help explain why per capita income varies among regions, a question of longstanding interest in economics.⁷

CEA's are used in this analysis because they are large enough to encompass most of the economic activity in a local area yet small enough to permit the measurement of relatively local phenomena that may be important in determining the level of earnings. Counties are inappropriate for this analysis because a significant number of workers commute across county boundaries. As a result of commuting, the correspondence between per capita income and manufacturing earnings per

job at the county level is relatively low because per capita income is measured on a place-of-residence basis, but manufacturing earnings per job is measured on a place-of-work basis. In contrast, CEA's are defined in such a way that relatively few workers commute across CEA borders, so the correspondence between per capita income and manufacturing earnings per job is relatively high.

States and BEA economic areas are inappropriate for this analysis because they often include more than one center or node of economic activity. Recent research indicates that industry clusters—groups of establishments in the same industry or in related industries located in close proximity to each other—play an important role in local economic growth and in determining the level of average wages. Using either of the large geographic units would increase the difficulty of measuring the association between industry clusters and manufacturing earnings per job.

Factors associated with the geographic variation in manufacturing earnings per job

One of the most striking aspects of the U.S. economy is the wide and persistent variation in wages and earnings per job among regions, the subject of many studies over the years.⁸ Wages and earnings per job vary substantially among regions for most major industry groupings, but for manufacturing, the variation is particularly large. As shown in [chart 1](#), high-earnings and low-earnings CEA's are found in every BEA region. In 1996, average manufacturing earnings per job for high-earnings CEA's was \$51,600, 43.7 percent higher than the average for the middle-quintile CEA's, while the average for low-earnings CEA's was \$27,100, 24.5 percent lower than the middle-quintile average ([table 1](#)).

In theory, such a large range between high- and low-earnings CEA's would not exist, because if either capital or labor is mobile among regions, the mobile factor(s) will move from regions with low returns to regions with high returns and thereby reduce the differences in earnings per job.⁹ While there is by no means a consensus on all the factors that contribute to regional variation in earnings per job, most recent studies have identified three

5. R.I.D. Harris, "The Role of Manufacturing in Regional Growth," *Regional Studies* 21 (1987): 301-312. For similar arguments in a national context, see Stephen S. Cohen and John Zysman, *Manufacturing Matters: The Myth of the Post-Industrial Economy* (New York: Basic Books, 1987).

6. Manufacturing earnings is the sum of three components of personal income—wage and salary disbursements, other labor income, and proprietors' income. Each of these components is measured before the deduction of personal contributions for social insurance, which is excluded from personal income. For more information, see U.S. Department of Commerce, Bureau of Economic Analysis, *State Personal Income, 1929-93* (Washington, DC: U.S. Government Printing Office, June 1995): M-53; and Bureau of Economic Analysis, *State Personal Income, 1958-96* [CD-ROM] (Washington, DC: September 1998).

7. See, for example, Daniel H. Garnick and Howard L. Friedenberg, "Accounting for Regional Differences in Per Capita Personal Income Growth, 1929-79," *SURVEY* 62 (September 1982): 24-34 and Daniel H. Garnick, "Accounting for Regional Differences in Per Capita Personal Income Growth: An Update and Extension," *SURVEY* 70 (January 1990): 29-40.

8. While this study examines earnings per job, most other studies examined hourly wages. See, for example, Edward Montgomery, "Evidence on Metropolitan Wage Differences Across Industries and Over Time," *Journal of Urban Economics* 31 (1992): 69-83 and Stephen C. Farber and Robert J. Newman, "Accounting for South/Non-South Real Wage Differentials and for Changes in Those Differentials Over Time," *The Review of Economics and Statistics* 69 (May 1987): 215-223.

9. Farber and Newman, "Accounting for South/Non-South Real Wage Differentials and for Changes in Those Differentials Over Time," 216.

broad groups of factors: Worker characteristics, regional amenities, and various demand factors.

Over all but relatively short periods of time, the variation in regional manufacturing earnings per job is the result of a complex growth process that involves the interactions among these factors and among a host of other factors, such as technological change, economic policy, and historical circumstances. Thus, many of these factors can be said to contribute to average manufacturing earnings per job at a point in time, but over longer periods of time they will be affected by the level of average manufacturing earnings per job and by each other. Analysis of this process is beyond the scope of this article.

Worker characteristics.—Previous studies found that the most important factors are characteristics of individual workers, such as education, experience, gender, race, health, and occupation.¹⁰ Some of these characteristics—

particularly education—relate directly to a worker’s productivity.¹¹ Occupation, experience, and health also have clear relationships to an individual’s productivity and, therefore, to wages and earnings. Other characteristics, such as gender and race, have no direct relationship to an individual’s productivity but have nevertheless been shown to be systematically related to an individual’s wages and earnings.

Regional amenities.—The second group of factors is regional amenities. While many of the earliest studies of regional wage variation focused primarily on worker characteristics, most of the recent research follows a hedonic approach, first used by Sherwin Rosen, in which regional

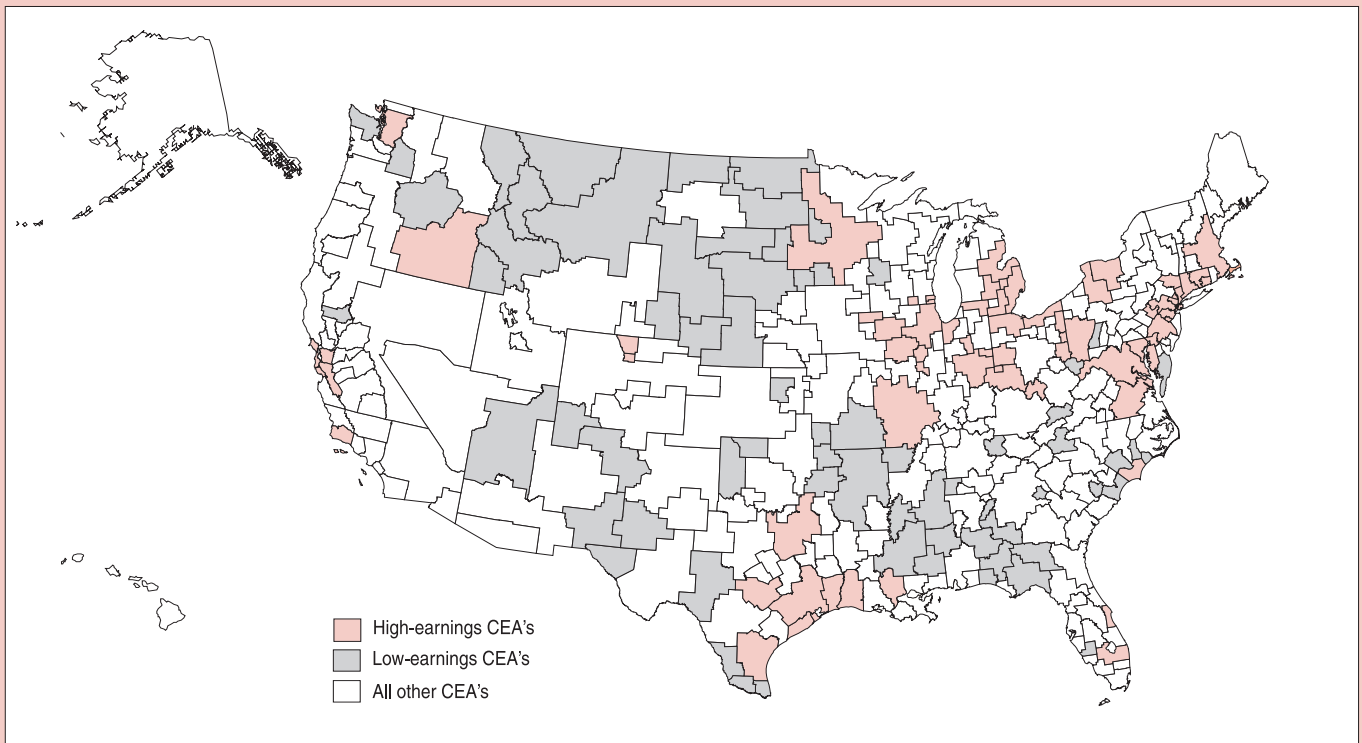
10. See, for example, Patricia Beeson, “Amenities and Regional Differences in Returns to Worker Characteristics,” *Journal of Urban Economics* 30 (1991): 224–241; Jennifer Roback, “Wages, Rents, and Amenities: Differences Among Workers and Regions,” *Economic Enquiry* 26 (January 1988): 23–41; Glenn C. Blomquist, John P. Hoehn, and Mark C. Berger, “New Estimates of Quality

of Life in Urban Areas,” *American Economic Review* 78 (1988): 89–107; John P. Hoehn, Mark C. Berger, and Glenn C. Blomquist, “A Hedonic Model of Interregional Wages, Rents, and Amenity Values,” *Journal of Regional Science* 27 (1987): 605–620; and Richard Voith, “Capitalization of Local and Regional Attributes into Wages and Rents: Differences Across Residential, Commercial, and Mixed-Use Communities,” *Journal of Regional Science* 31 (1991): 127–145.

11. There is some disagreement over whether the strong relationship between education and earnings is due to education providing skills that increase the productivity of an individual or whether the educational level is a screening device for identifying more capable individuals.

CHART 1

Manufacturing Earnings Per Job, 1996



amenities play an important explanatory role.¹² Climate is perhaps the most obvious example of a regional amenity; other examples include proximity to beaches and mountains or proximity to cultural and entertainment facilities, such as museums, theaters, and shopping districts.¹³

According to Rosen's hedonic model, workers choose a location for their residence based on their preferences for the bundle of characteristics associated with each location. A worker who places a relatively high value on a particular amenity will favor locations with a high value of the amenity, even if wages are lower than at other locations. For example, a location with a warm climate will attract workers with a strong preference for warm weather. If enough workers are attracted to the location because of its warm climate, labor supply will rise relative to colder but otherwise similar locations, resulting in lower wages than at the colder locations.¹⁴ In the case

of a disamenity—for example, a high crime rate or air pollution—wages will tend to be higher in locations with high disamenities than in other locations because employers will have to offer relatively high wages to compensate workers for the presence of the disamenities.

Regional amenities contribute to regional variation in earnings per job because amenities are distributed unevenly across the country and are valued unequally by workers. Workers with a given set of characteristics who value a particular amenity will accept lower earnings per job to work in an area with high levels of that amenity, while workers who do not value the amenity will tend to work for higher earnings per job in locations with lower values of the amenity. Consequently, earnings per job are expected to be lower in high-amenity areas than in low-amenity areas, all other factors being equal.¹⁵

Demand factors.—The third group of factors is included to account for regional differences in the demand for workers that have different characteristics. One of the most important demand factors is the mix of industries in the region. Because earnings per job differ substantially among industries, regions with a high proportion of jobs in high-wage industries will have higher overall

12. Sherwin Rosen, "Wage-Based Indexes of Urban Quality of Life," in *Current Issues in Urban Economics*, ed. P. Meiskowski and M. Straszheim (Baltimore, MD: Johns Hopkins University Press, 1979): 74–104.

13. Economists distinguish between pure amenities, such as natural characteristics of a location that do not change, and produced amenities, such as good schools, which may change. See Joseph Gyourko and Joseph Tracy, "The Importance of Local Fiscal Conditions in Analyzing Local Labor Markets," *Journal of Political Economy* 91 (1988): 1208–1231.

14. High-amenity locations may also tend to have higher land rents than low-amenity locations because the additional population attracted to a location by the amenity leads to a bidding up of land rents. There is some evidence that ignoring the effect of amenities on land rents may bias estimates of the value of the amenities downward; see Philip E. Graves and Donald M. Waldman, "Multimarket Amenity Compensation and the Behavior of the Elderly," *American Economic Review* 81 (1991): 1374–1381. However, this bias may only be important for smaller geographic areas such as cities and coun-

ties; for example, see J. Vernon Henderson, "Evaluating Consumer Amenities and Interregional Welfare Differences," *Journal of Urban Economics* 11 (1982): 32–59.

15. The regional difference in wages for workers of similar characteristics is often used as a measure of the value of amenities.

Table 1.—Characteristics of CEA's

	Units	Quintiles				
		1 (High- earnings CEA's)	2	3	4	5 (Low- earnings CEA's)
Manufacturing earnings per job	Thousands of dollars	51.6	40.8	35.9	32.2	27.1
Worker characteristics:						
Percentage of workforce with college degree	Percent	21.0	17.9	16.7	16.6	15.1
Percentage of workforce that did not finish high school	Percent	22.7	24.6	26.1	27.1	29.7
Percentage of population that is nonwhite	Percent	16.2	15.8	13.6	14.4	16.8
Percentage of the labor force that is female	Percent	45.5	45.4	45.6	45.5	45.7
Regional amenities:						
Cooling degree days	Hundreds	49.2	44.6	43.9	43.7	46.5
Average January temperature	Degrees	31.4	33.1	34.2	34.3	32.7
Average July temperature	Degrees	73.8	74.8	74.7	75.6	75.8
Average precipitation	Inches	37.9	35.7	38.0	37.4	34.7
Average elevation	Feet	741.0	932.8	1,239.4	1,065.4	1,656.5
Average commuting time	Minutes	21.1	19.6	19.0	18.0	16.8
Crime rate	Rate × 100	6.0	5.0	5.0	5.0	4.0
Demand factors:						
Industry-mix wages and salaries	Thousands of dollars	38.5	36.2	35.6	34.6	33.6
Manufacturing share of total jobs	Percent	25.0	22.0	19.0	16.0	15.0
Unemployment rate	Rate × 100	5.3	5.6	5.9	6.1	6.3
Population	Thousands	1,414.7	1,006.1	636.3	463.0	289.6
Population density	People per square mile	550.5	445.0	138.3	112.3	56.1
Percentage of manufacturing jobs in clusters	Percent	48.9	35.7	21.2	14.5	6.2

earnings per job than will regions with a large proportion of jobs in low-earnings industries. Previous studies used highly aggregated industry groups to account for industry mix and found a significant relationship between an individual's wages and the industry in which the individual worked.¹⁶

A second demand factor is the unemployment rate. It is often assumed that a high unemployment rate in a region indicates that labor supply exceeds labor demand, implying a negative relationship between earnings per job and the unemployment rate. At any given time, however, the relationship between earnings per job and the unemployment rate may be positive because labor markets adjust slowly.¹⁷ One reason regional labor markets adjust slowly is that it takes time for workers to find new jobs or to move to another region. In addition, a region will have high average wages and a high unemployment rate if recently unemployed workers remain unemployed in the hope that a high-wage job will become available, rather than taking a low-wage job or migrating to another region, as economic theory suggests.¹⁸

A third demand factor is the relative productivity of the regional labor force. One potential source of productivity differences is the quality of the regional labor force, which reflects the characteristics of the workers. Another source of productivity differences is the agglomeration of economic activity, which is defined as the geographic concentration of a large number of establishments. For example, a city is an agglomeration of establishments in a wide variety of industries. Another type of agglomeration is an industry cluster, which is defined as an agglomeration of establishments in the same or related industries. To the extent that agglomerations raise output per worker, agglomeration will affect the regional variation in earnings per job because of the positive relationship between productivity and earnings.¹⁹

Regression analysis

This section describes the regression analysis used to measure the association between aver-

16. For example, Beeson, in "Amenities and Regional Differences," used three broad industries (manufacturing, government, and construction) to represent industry mix.

17. For example, see the discussion in Olivier Jean Blanchard and Lawrence F. Katz, "Regional Evolutions," *Brookings Papers on Economic Activity* 1 (1992).

18. This is called wait unemployment; see Blanchard and Katz, "Regional Evolutions," 30.

19. See appendix A for a more detailed discussion of agglomeration and industry clustering.

age manufacturing earnings per job in CEA's and characteristics of CEA's. The analysis largely follows earlier studies, with three major differences. First, only manufacturing is examined, rather than all industries. Second, the dependent variable in the regression is average earnings per job for each CEA rather than hourly wages for workers, as in most previous studies. Earnings per job is a more comprehensive measure of labor compensation than wages per hour because it includes proprietors as well as wage and salary workers. In addition, data on earnings per job are available for all CEA's, whereas data on hourly wages are unavailable for many sub-State regions. The disadvantages of earnings per job are that it does not account for differences in hours worked and that it includes both full-time and part-time jobs.

Third, the unit of analysis for this article is the CEA, whereas the unit of analysis in most previous studies was the individual worker. As a result, all regions of the United States can be included in the analysis. In contrast, most previous studies use data only for metropolitan areas because the survey data that must be used in order to focus on individual workers are available only for metropolitan areas and States. However, use of the CEA's means that it is not possible to match the characteristics of individual workers with their earnings. Consequently, the variables representing individual characteristics do not have as much explanatory power as in previous studies.

The remainder of this section describes the variables used in estimating the regression model.

Worker characteristics.—Four variables representing worker characteristics are used in this analysis. The first two, the proportion of the working-age population (persons 25 years or older) without a high school education and the proportion with a college degree, relate directly to the educational attainment of workers. The other two variables, the percentage of the CEA's population that is nonwhite and the percentage of the CEA's civilian workforce that is female, are included because previous studies of individual workers have shown these two variables to be significantly related to a worker's wages.

Table 1 shows that high-earnings CEA's have a slightly better educated work force than other CEA's.²⁰ The average proportion of working-age adults without a high school education ranged

20. The data are from *USA Counties, 1996* [CD-ROM] (Washington, DC: Bureau of the Census, May 1997).

from 22.7 percent in high-earnings CEA's to 29.7 percent in low-earnings CEA's. The proportion of working-age adults with a college education showed a relatively stronger contrast: 21.0 percent in high-earnings CEA's, compared with 15.1 percent for low-earnings CEA's. The proportion of total population that is nonwhite declines from the top quintile to the middle quintile and then increases from the middle quintile to the bottom quintile. The proportion of the workforce that is female shows little or no systematic variation among the five quintile averages.

Regional amenities.—Because economic theory gives little guidance on which amenity variables should be included in this type of study, many different amenity variables have been used in previous studies. The amenity variables included in this study, representing five pure amenities and two produced amenities, were chosen based on the availability of data for all CEA's and on the results of previous studies. The pure amenities are cooling-degree days, average January temperature, average July temperature, average annual precipitation, and average elevation.²¹ Of these variables, only average elevation exhibits a systematic relationship with the average manufacturing earnings by quintile.

The produced-amenity variables are average number of serious crimes per 10,000 population and average commuting time. The quintile with the highest average manufacturing earnings per job had the highest crime rate, and the lowest quintile had the lowest crime rate. The average length of commute declined with quintile, with the highest quintile having the longest average commuting time.

Demand factors.—The six variables representing demand factors are industry mix, manufacturing's share of total jobs, the unemployment rate, population, population density, and the share of manufacturing jobs in industry clusters. The industry-mix variable is constructed in the following way. First, average wages and salaries per job by manufacturing industry at the national level is calculated using data on employment and on wages and salaries for four-digit Standard

Industrial Classification (SIC) industries.²² The earnings-per-job estimates from BEA's regional accounts are not used, because these estimates are available only for two-digit SIC industries.

Second, for each CEA, the number of jobs in each manufacturing industry is multiplied by the national-average rate for wages and salaries per job in that industry. The results are summed to arrive at an estimate of what total manufacturing wages and salaries would have been for the CEA if the national-average rate for each industry were paid. This estimate is divided by total manufacturing jobs in the CEA to arrive at an estimate of average wages and salaries per job at national-average rates (henceforth called the industry-mix wages and salaries per job).

Table 1 shows that high-earnings CEA's have higher average industry-mix wages and salaries than low-earnings CEA's. However, the range in industry-mix wages and salaries between high- and low-earnings CEA's is much narrower than the range in earnings per job, indicating that industry mix does not explain all the regional variation in earnings per job.

Manufacturing's share of total jobs in a CEA is included to account for the industry composition of the overall CEA economy and is similar to the industry-mix variables used in previous studies. Manufacturing industries employed a larger share of the labor force in high-earnings CEA's than in low-earnings CEA's: 25 percent of total jobs in high-earnings CEA's compared with 15 percent in low-earnings CEA's.

The unemployment rate is included to account for imbalances in labor supply and demand. The average unemployment rate increases from a low of 5.3 percent in high-earnings CEA's to a high of 6.3 percent in low-earnings CEA's.

The remaining three variables are intended to measure the effects of agglomeration on manufacturing earnings per job. Following relatively standard practice, population is used to

21. A cooling-degree day is a day in which the average temperature is one degree above the reference temperature of 65 degrees. Cooling degree days are commonly used in studies of regional wage variation as a broad measure of climate throughout the year, while average January and July temperatures are included to account for seasonal extremes. The data for cooling degree days, average annual rainfall, serious crimes per 10,000 people, and average commuting time are from the Bureau of the Census' *USA Counties, 1996*. Average January and July temperatures and average elevation were calculated from historical climate data from the U.S. Historical Climatology Network, National Oceanic and Atmospheric Administration.

22. The data used in constructing the industry-mix variable are based on special internal tabulations of data provided by the Bureau of Labor Statistics (BLS) for BEA's use in constructing its regional accounts. The data are summarized by county and by four-digit SIC industry on form ES-202 by the State employment security agencies (ESA's). Each quarter, the ESA's send these data to BLS, which edits the data and makes the tabulations available to BEA. The summarized data are from quarterly State unemployment insurance (UI) contribution reports, which are filed with an ESA by the employers in the industries that are covered by, and subject to, that State's UI laws. Under most of these laws, wages and salaries include bonuses, tips, and the cash value of meals and lodging provided by the employer—that is, pay-in-kind. Unlike the earnings-per-job data, these data do not cover proprietors. For more information, see Bureau of Economic Analysis, *State Personal Income, 1929-93, M-8—M-21*; and Bureau of Economic Analysis (BEA), *Regional Economic Information System, 1969-96* [CD-ROM] (Washington, DC: BEA, May 1998).

account for urbanization economies.²³ As expected, high-earnings CEA's were more populous than low-earnings CEA's: High-earnings CEA's had an average population of 1,414,700, compared with an average of 289,600 for low-earnings CEA's. In order to account for the wide range in both population and geographic size of CEA's, population per square mile is also included; as expected, high-earnings CEA's had substantially higher average population density than low-earnings CEA's.

Localization economies are represented by the share of CEA manufacturing employment in an industry cluster, where clusters were identified using the local Moran statistic.²⁴ As table 1 shows, high-earnings CEA's have a substantially higher proportion of manufacturing jobs in clusters than low-earnings CEA's: For high-earnings CEA's, the average is 48.9 percent; for low-earnings CEA's, it is only 6.2 percent.

The final group of variables included in the regression are dummy variables representing the location of each CEA in terms of the eight BEA regions. These variables are included to account for differences unaccounted for by the other variables but that are systematically related to the broad geographic location of each CEA.

CEA characteristics associated with manufacturing earnings per job

Table 2 summarizes the regression results, presenting only the variables that were statistically

23. Many researchers use population and population density in studies of agglomeration economies, though some researchers have criticized their use. For a discussion, see Ronald Moomaw, "Is Population Scale a Worthless Surrogate for Business Agglomeration Economies?" *Regional Science and Urban Economics* 13 (1983): 525-545.

24. See appendix B for a discussion of the process of identifying clusters using the local Moran statistic.

significant (for more detailed results, see appendix C). The third column shows the value of the estimated coefficient for each explanatory variable. These coefficients indicate the change in average manufacturing earnings per job in a CEA that would be associated with a one-unit change in the row variable, holding all other variables constant. For example, an increase of 1 percentage point in the proportion of the working-age population with at least a college degree is associated with an increase of \$192 in average manufacturing earnings per job. Because the dependent variables are measured in different units, the estimated coefficients do not provide a good basis for comparison.

One way to assess the relative effects of the dependent variables is to calculate elasticities from the regression coefficients. An elasticity shows the percent change in one variable that is associated with a 1-percent change in another variable. The elasticities of average manufacturing earnings per job with respect to the explanatory variables, evaluated at the average values of the explanatory variables, are presented in the fourth column. Industry mix has by far the largest elasticity: A 1-percent change in industry-mix wages and salaries is associated with a 2.3-percent change in average manufacturing earnings per job. However, even though the elasticities are in the same units (percent), comparisons may be misleading because some of the explanatory variables have a much larger range (difference between the highest and lowest value) than others. Consequently, a 1-percent change in a variable with a small range represents a much larger proportionate change than does a 1-percent change in a variable with a large range. For example, a 1-percent increase in the industry-mix wages and

Table 2.—Summary of Regression Results

Explanatory variables	Units	Coefficient	Elasticity	Beta coefficient
		Dollars	Percent	Dollars
Worker characteristics:				
Percentage of workforce with college degree	Percent	192	0.089	1,030
Percentage of workforce that did not finish high school	Percent	-148	-.103	-1,050
Percentage of population that is nonwhite	Percent	100	.041	1,170
Regional amenities:				
Average January temperature	Degrees	-120	-.106	-1,540
Average elevation	Hundreds of feet	-100	-.029	-1,340
Crime rate	Rate × 100	329	.044	710
Demand factors:				
Industry-mix wages and salaries	Thousands of dollars	2,452	2.333	5,380
Manufacturing share of total jobs	Percent	273	.141	2,680
Population	Thousands	917	.317	890
Population density	People per square mile	1	.005	570
Percentage of manufacturing jobs in clusters	Percent	24	.016	760

salaries for a CEA with the all-CEA average is equal to 2.7 percent of its total range while a 1-percent change in the proportion of manufacturing jobs in clusters for a CEA with the all-CEA average is equal to only 0.3 percent of this variable's total range.

To account for these very different variances, "beta coefficients" were calculated. Beta coefficients indicate the effect that a change of 1 standard deviation in an explanatory variable has on the dependent variable, in this case manufacturing earnings per job.²⁵ The beta coefficients are presented in the fifth column, in dollars of manufacturing earnings per job.

Worker characteristics.—Both education variables were statistically significant and had the expected signs. The coefficient of 0.192 on the percent of the working-age population with a college degree indicates that an increase of 1 percentage point in this proportion is associated with a \$192 increase in average manufacturing earnings per job, while a 1-percent increase in the percent of the work-age population that did not complete high school is associated with a \$148 decrease in average manufacturing earnings per job. However, the positive association between manufacturing earnings per job and the percent of the labor force that is nonwhite is the opposite of what other studies have found.

The beta coefficients indicate relatively larger effects than the estimated coefficients. For instance, a 1-standard-deviation increase in the college proportion would be associated with a \$1,030 increase in average manufacturing earnings per job, compared with a \$1,050 decrease for a 1-standard-deviation increase in the proportion of the working-age population without a high school education.

Regional amenities.—The results on regional amenities, consistent with previous studies, indicates that warmer climates are associated with lower earnings per job. Average January temperature and average elevation are the two pure amenities that were statistically significant. A higher average January temperature is associated with lower average manufacturing earnings per job (\$120 lower for a 1-degree increase and \$1,540 for a 1-standard-deviation increase). A 100-foot increase in average elevation is associated with a

\$100 decrease in manufacturing earnings per job, while a 1-standard-deviation increase is associated with a \$1,340 decrease.

As expected, higher crime rates are associated with higher earnings per job. A 1-percentage-point increase in the crime rate is associated with a \$329 increase in average manufacturing earnings per job, and a 1-standard-deviation increase in the crime rate is associated with a \$710 increase.

Demand factors.—The results of this study, unlike those of studies of individual workers, indicate that industry mix is the factor most strongly associated with average manufacturing earnings per job. The regression coefficient on the industry-mix variable indicates that a \$1,000 increase in industry-mix wages and salaries would be associated with a \$2,452 increase in manufacturing earnings per job. The associated elasticity is 2.3, and the beta coefficient indicates that a 1-standard-deviation increase in industry-mix wages and salaries would be associated with a \$5,380 increase in manufacturing earnings per job.

The regression coefficients for all the other demand factors except the unemployment rate were also statistically significant. The population variables indicate that larger, more densely populated CEAs have higher earnings per job, even after accounting for other factors. Manufacturing earnings per job are also higher in CEAs in which manufacturing accounts for a large share of total jobs. A 1-percentage-point increase in the share of manufacturing jobs is associated with a \$273 increase in manufacturing earnings per job, while a 1-standard-deviation increase is associated with a \$2,680 increase in earnings per job. Industry clusters are also associated with higher average earnings per job; a 1-percentage-point increase in the share is associated with a \$24 increase in earnings per job, while a 1-standard-deviation increase is associated with a \$760 increase in earnings per job.

Regional effects.—None of the regional dummy variables were statistically significant, indicating that no statistically significant regional variation remains after accounting for the other variables included in the regression analysis.

Appendix A: Agglomeration and industry clusters

Agglomerations exist for a variety of reasons. Establishments may cluster near input suppliers to reduce the transportation costs associated with acquiring inputs or near customers to reduce

25. The standard deviation is the most widely used statistical measure of the variation of a variable. A variable has a large standard deviation if many observations are much greater or much smaller than the average value. A variable has a small standard deviation if all observations are close to the average value. For more information about beta coefficients, see Robert Pindyck and Daniel Rubinfeld, *Econometric Models and Economic Forecasts* (New York: McGraw-Hill Book Company, 1976).

transportation costs related to the distribution of their products to customers. Establishments may also locate in clusters if establishments located in clusters are more productive than establishments outside of clusters. Productivity will be higher in clusters if there are external economies associated with clustering or “clustering-related externalities,” which are factors that are beyond the control of the establishment but that affect the productivity of capital, labor, or both. To the extent that clustering-related externalities raise output per worker, clustering will affect the regional variation in earnings per job because of the positive relationship between productivity and earnings.

Economists distinguish two types of clustering-related externalities: Those associated with the size and diversity of the local economy, called urbanization economies, and those associated with the clustering of similar industries, called localization economies.

Urbanization economies raise the productivity of establishments because a large local economy will tend to have a large, diverse labor force and a wide range of services and input suppliers. The availability of a diverse labor force raises average labor productivity by increasing the likelihood that the demands for different types of labor can readily be satisfied from the local labor market. A large local market makes it possible for input suppliers to specialize, raising overall productivity.²⁶

Localization economies raise productivity in at least two ways. First, the local labor market for an industry cluster is more likely to have a pool of workers with specialized skills than would the labor market for a relatively isolated establishment. The larger pool of skilled labor increases the likelihood that an establishment in the cluster will be able to hire workers with exactly the needed skills, when the workers are needed. The better matching of workers and jobs results in higher average labor productivity, all other things being equal. In addition, recent research indicates that the higher the quality of the overall labor force, the faster workers gain skills they need.²⁷ To the extent this is true, workers in clusters will

be more skilled and hence more productive than otherwise similar workers not in clusters.

Second, establishments located in clusters are likely to have better access to information about markets and technology than are establishments located in relative isolation because of what are called “knowledge spillovers” from nearby establishments. The term “knowledge spillover” refers to the spread from one firm or establishment to another of information about technology or markets. For example, suppose a firm develops an improved method of producing a particular product. A knowledge spillover occurs when other firms find out about the new method and use it to improve their production process. Because many knowledge spillovers occur informally—for example, when workers employed by the innovating firm take jobs at other firms—they are more likely to occur among establishments located in clusters than among isolated establishments.

When knowledge spillovers occur, innovations spread among establishments, raising the productivity of both capital and labor throughout the cluster. Commonly cited examples of this type of clustering are the computer and related establishments in the Silicon Valley of California and the Route 128 corridor in Massachusetts, the financial district in New York City, and carpet manufacturers in Dalton, Georgia.

Appendix B: Measuring clusters

The concept of an industry cluster involves the establishments’ proximity to one another, while the concept of agglomeration economies involves both proximity and the extent to which establishments are affected by nearby establishments. The local Moran statistic, or “local Moran,” which measures whether “neighbors” of a given spatial unit have higher or lower values than would be expected from a random distribution of values, was used to measure the proximity of establishments.²⁸ The local Moran for a given industry is calculated using the following formula:

$$LM_i = \frac{(x_i - \bar{x})}{\sum_j (x_j - \bar{x})^2} \sum_j w_{i,j} (x_j - \bar{x})$$

where LM_i is the local Moran for county i ; x_i and x_j are the number of establishments in counties i and j , respectively; \bar{x} is the mean

²⁸ For more information on the local Moran statistic, see Luc Anselin, “Local Indicators of Spatial Association—LISA,” *Geographical Analysis* 2 (1995): 93–115.

²⁶ See John M. Quigly, “Urban Diversity and Economic Growth,” *Journal of Economic Perspectives* 12 (Spring 1998): 127–138 and Francisco L. Rivera-Batiz, “Increasing Returns, Monopolistic Competition, and Agglomeration Economies in Consumption and Production,” *Regional Science and Urban Economics* 18 (1988): 125–153.

²⁷ E.L. Glaeser and D.C. Maré, “Cities and Skills,” NBER Working Paper No. 4728 (1994) and Robert Gibbs and G. Andrew Bernat, Jr., “Rural Industry Clusters Raise Local Earnings,” *Rural Development Perspectives* 12 (1998): 18–25.

number of establishments for all counties; and w is the spatial weights matrix. A spatial weights matrix has a row and a column for each county. If two counties are “neighbors,” defined as having geographic centers 100 miles or less apart, the corresponding element of w is equal to one. If the counties are not neighbors, the element of w is zero. The spatial weights matrix used in calculating the local Moran is normalized so that the sum of each row is equal to one.


Table 3.—Regression Results

	Coefficient	t-value	p-value
Intercept	-56.7383	-4.0292	0.0001
Worker characteristics:			
Percentage of workforce with college degree .....	.1917	2.8613	.0045
Percentage of workforce that did not finish high school	-.1478	-2.2074	.0280
Percentage of population that is nonwhite .....	.0999	3.3221	.0010
Percentage of the labor force that is female	-.3162	-1.5984	.1109
Regional amenities:			
Cooling degree days	-.0151	-.4611	.6450
Average January temperature	-.1195	-2.4387	.0153
Average July temperature .....	.0011	1.5413	.1242
Average precipitation .....	.0143	.1504	.8806
Average elevation	-.0010	-3.4438	.0006
Average commuting time .....	.1366	1.2415	.2153
Crime rate .....	.3287	2.6279	.0090
Demand factors:			
Unemployment rate .....	.1922	1.6706	.0958
Population .....	.9169	3.1349	.0019
Population density .....	.0007	2.2330	.0262
Manufacturing share of total jobs .....	.2728	8.7338	0
Percentage of manufacturing jobs in clusters .....	.0242	2.3127	.0214
Industry-mix wages and salaries	2.4519	18.6565	0
Regional dummy variables:			
New England	-.3153	-.2342	.8149
Mideast	1.6486	1.8048	.0720
Southeast	-.8418	-.7048	.4815
Plains	-.8653	-.8432	.3998
Southwest	-.8136	-.6279	.5305
Rocky Mountain	-.3311	-.2109	.8331
Far West	1.1051	.7611	.4472

Measuring the extent to which nearby establishments affect each other is a more difficult task because there are so many ways this can occur. Input-output accounts show which industries are closely linked in terms of input purchases, but as yet no satisfactory measure has been developed that combines this information with a measure of spatial proximity.

The cluster variable used in the regression was constructed in the following way. First, the local Moran was calculated for each county and industry. If the local Moran for a given county and industry was statistically significant, then the county was considered part of a cluster for that industry, and all jobs in the county for that industry were considered to be in the cluster. Second, the total number of jobs in clusters in all counties within a given CEA were summed. Third, this sum was divided by the number of manufacturing jobs in the CEA to yield the share of total manufacturing jobs for that CEA that are in clusters.

Appendix C: Regression results

The regression equation was estimated using ordinary least squares. The adjusted R-squared was 0.83, and the F-statistic was 71.1, which is significant at the 1-percent level. One regional dummy variable—for the Great Lakes region—is omitted, as required for regressions with dummy variables. Even though many of these variables are interrelated, standard tests indicated that the results were not significantly affected by either multicollinearity or spatial autocorrelation, two commonly encountered problems with this type of regression analysis. The results of the regression are summarized in [table 3](#). 

Personal Income by State and Region, Second Quarter 1998

By Duke Tran

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

IN THE second quarter of 1998, U.S. personal income increased \$78.0 billion, or 1.1 percent (table A).¹ By region, the largest increase was in the Southeast, which accounted for 22 percent of the growth (chart 1). This increase was largely accounted for by Florida, Georgia, Virginia, and North Carolina. By State, California accounted for the largest share (16 percent) of the increase in U.S. personal income.

By type of income, most of the increase in U.S. personal income was accounted for by a \$62.1 billion increase in net earnings.² Dividends, interest, and rent increased \$9.1 billion, and transfer payments increased \$6.8 billion.

U.S. earnings by place of work increased \$66.3 billion (table B). Earnings increased in all the industries except manufacturing; the largest increases were in services (\$27.6 billion) and finance, insurance, and real estate (\$10.7 billion). The decline in manufacturing earnings partly reflected the effects of a strike in the motor vehicle industry.

Table 1 at the end of this article presents the quarterly estimates of personal income for each State and region, beginning with the first quarter of 1995. Table 2 presents the quarterly estimates of personal income by major source and of earnings by Standard Industrial Classification division, beginning with the first quarter of 1997.

1. This estimate of personal income for the Nation is derived as the sum of the State estimates; it differs from the estimate of personal income in the national income and product accounts (NIPAs) because of differences in coverage, in the methodologies used to prepare the estimates, and in the timing of the availability of source data. For a detailed description of the differences, see the box "Relation of Personal Income in the National Income and Product Accounts (NIPAs) and in the State Personal Income Series" in Wallace K. Bailey, "State Personal Income, Revised Estimates for 1982-97," SURVEY OF CURRENT BUSINESS 78 (October 1998): 21.

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

Net earnings is often used to analyze changes in the composition of personal income; earnings by place of work is often used to analyze changes in the industrial structure of earnings. For the definitions of the components of earnings, see U.S. Department of Commerce, Bureau of Economic Analysis, *State Personal Income, 1929-93* (Washington, DC: U.S. Government Printing Office, 1995), or go to BEA's Web site at <www.bea.doc.gov/bea/mp.htm>, and look under Regional programs for State Personal Income, 1929-93.

The quarterly estimates of State personal income have been revised back to the first quarter of 1982 to incorporate the results of the annual revision of the State estimates that were presented in the October 1998 SURVEY OF CURRENT BUSINESS.³

Growth rates by type of income, by industry, and by region

The second-quarter growth in personal income of 1.1 percent was smaller than the 1.4-percent growth rate in the first quarter.⁴ By type of income, growth decelerated in transfer payments (from 1.6 percent to 0.6 percent) and in net earnings (from 1.7 percent to 1.3 percent); growth accelerated in dividends, interest, and rent (from 0.3 percent to 0.8 percent). In the first quarter, transfer payments had been boosted by cost-of-living adjustments to benefits under social

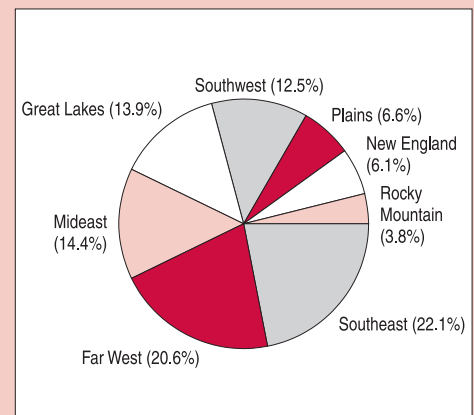
3. See Bailey, "State Personal Income," 20-41.

4. In this article, the percent changes are expressed at quarterly rates.

CHART 1

Regional Shares of the U.S. Dollar Change in Personal Income, 1998:I-1998:II

(U.S. dollar change=\$78 billion)



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

security and other Federal retirement and income support programs.

By industry, growth in earnings by place of work decelerated in the second quarter in all the industries except farms and retail trade.

By region, the deceleration in personal income growth was widespread: Personal income grew more slowly in all the regions except New England. In all these regions, growth decelerated in transfer payments and, except in the Plains and Southeast, in net earnings. In New England, personal income grew 1.1 percent after growing 0.5 percent; growth accelerated in net earnings and in dividends, interest, and rent.

Growth rates by State

In the second quarter, the growth rates in personal income in all the States and the District of Columbia exceeded the 0.2-percent increase in the prices paid by U.S. consumers (as measured by the price index for personal consumption expenditures).

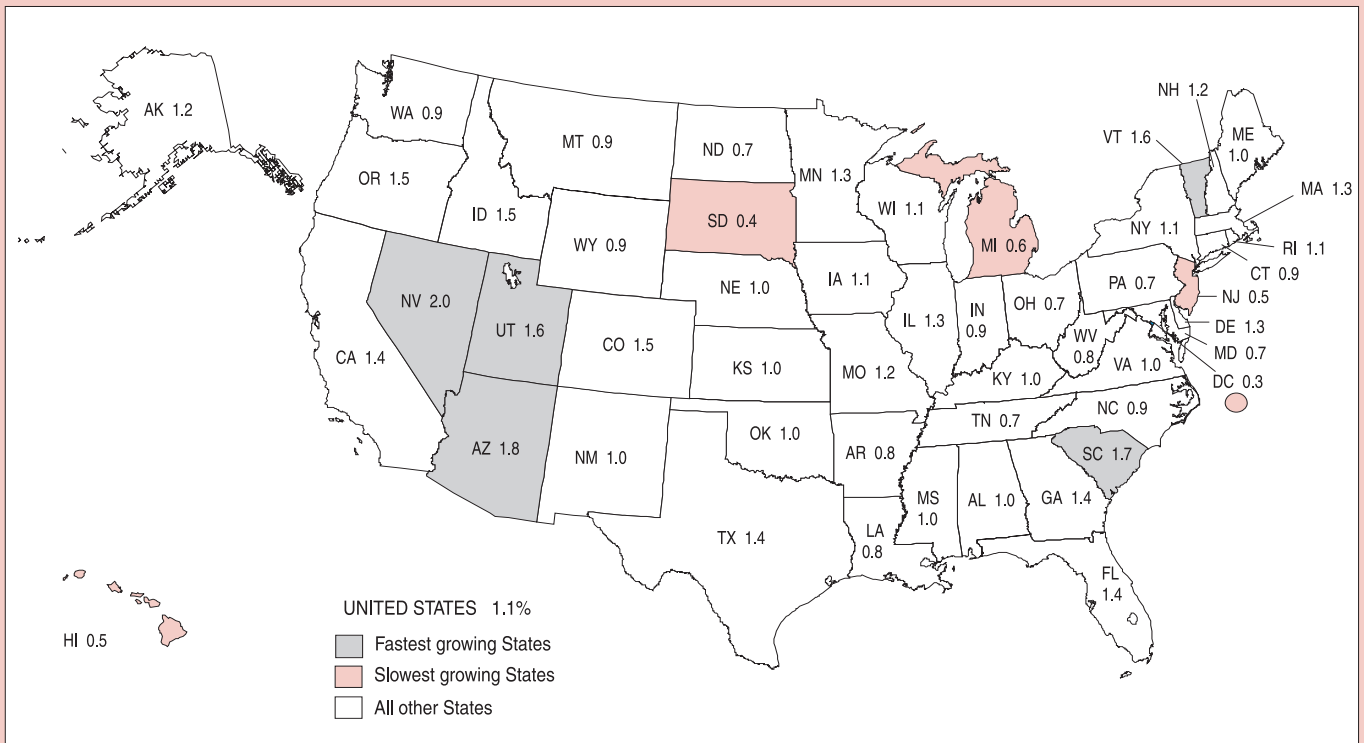
The States with the fastest rates of growth in personal income were Nevada (2.0 percent), Ari-

zona (1.8 percent), South Carolina (1.7 percent), Utah (1.6 percent), and Vermont (1.6 percent) (chart 2). By type of income, net earnings accounted for most of the personal income growth in all these States, but transfer payments and dividends, interest, and rent also contributed (table A). By industry, earnings in services was the major contributor to growth in earnings by place of work in all these States (tables C and D). In Nevada, earnings in construction, retail trade, and government also contributed substantially; the rapid growth in construction earnings reflected new construction of hotels and casinos. In Arizona, earnings in government and in finance, insurance, and real estate also contributed substantially; in South Carolina, earnings in manufacturing, retail trade, and government; and in Utah and Vermont, earnings in manufacturing and construction. In Utah, the rapid growth in construction earnings reflected new road construction.

The States with the slowest rates of growth in personal income were South Dakota (0.4 percent), Hawaii (0.5 percent), New Jersey (0.5

CHART 2

Personal Income: Percent Change, 1998:I-1998:II



percent), and Michigan (0.6 percent). By industry, the growth in earnings in all these States was slowed by declines in manufacturing earnings. In South Dakota, the decline in manufacturing earnings mainly reflected a stepdown in lump-sum payments from a high level in the first quarter, and in Michigan, it mainly reflected the effects of a strike in the motor vehicle industry in the second quarter. In South Dakota, a de-

cline in earnings in farms also contributed to the slow growth in earnings. In Hawaii, declines in earnings in government, construction, and transportation and public utilities also contributed. In New Jersey, a decline in earnings in finance, insurance, and real estate, mainly reflecting a stepdown in lump-sum payments from a high level in the first quarter of 1998, also contributed.


Tables A through D and 1 and 2 follow. 

Table A.—Personal Income by Component, 1998:I-1998:II

[Seasonally adjusted]

	Percent change ¹				Percent change in personal income ¹	Contribution to percent change in personal income (percentage points)			Dollar change (millions)			
	Personal income	Net earnings by place of residence ²	Dividends, interest, and rent	Transfer payments		Net earnings by place of residence ²	Dividends, interest, and rent	Transfer payments	Personal income	Net earnings by place of residence ²	Dividends, interest, and rent	Transfer payments
United States	1.1	1.3	0.8	0.6	1.1	0.9	0.1	0.1	77,986	62,053	9,137	6,796
New England	1.1	1.4	.8	.4	1.1	.9	.1	.1	4,786	3,920	588	278
Connecticut .....	.9	1.0	.7	.4	.9	.7	.1	.1	1,035	806	168	61
Maine	1.0	1.4	.6	.4	1.0	.8	.1	.1	282	232	29	21
Massachusetts	1.3	1.6	.9	.5	1.3	1.1	.2	.1	2,569	2,113	300	156
New Hampshire	1.2	1.4	.7	.5	1.2	1.0	.1	.1	396	330	45	22
Rhode Island	1.1	1.5	.5	.2	1.1	1.0	.1	0	286	252	23	11
Vermont	1.6	2.1	.8	.4	1.6	1.3	.2	.1	217	187	23	8
Mideast .....	.8	1.0	.6	.5	.8	.6	.1	.1	11,253	8,640	1,406	1,206
Delaware	1.3	1.6	.7	.7	1.3	1.1	.1	.1	278	230	28	20
District of Columbia .....	.3	.4	.4	.3	.3	.2	.1	.1	66	43	11	12
Maryland .....	.7	.8	.7	.6	.7	.5	.1	.1	1,100	784	179	138
New Jersey .....	.5	.5	.6	.4	.5	.3	.1	.1	1,291	847	301	143
New York	1.1	1.4	.6	.5	1.1	.9	.1	.1	6,256	5,134	568	555
Pennsylvania .....	.7	.8	.6	.6	.7	.5	.1	.1	2,262	1,602	320	340
Great Lakes .....	.9	1.1	.8	.4	.9	.8	.1	.1	10,809	8,585	1,459	765
Illinois	1.3	1.6	.8	.5	1.3	1.1	.1	.1	4,422	3,694	481	247
Indiana .....	.9	1.1	.8	.5	.9	.7	.1	.1	1,329	1,046	171	112
Michigan .....	.6	.7	.8	.2	.6	.5	.1	0	1,587	1,170	325	91
Ohio .....	.7	.8	.7	.5	.7	.5	.1	.1	2,054	1,515	300	239
Wisconsin	1.1	1.3	.8	.4	1.1	.9	.1	.1	1,418	1,160	182	76
Plains	1.1	1.4	.7	.5	1.1	.9	.1	.1	5,159	4,277	546	337
Iowa	1.1	1.3	.5	.5	1.1	.9	.1	.1	708	598	62	48
Kansas	1.0	1.2	.9	.3	1.0	.8	.2	.1	640	501	107	33
Minnesota	1.3	1.6	.7	.2	1.3	1.1	.1	0	1,655	1,472	143	40
Missouri	1.2	1.5	.7	.7	1.2	1.0	.1	.1	1,600	1,276	167	158
Nebraska	1.0	1.2	.4	.7	1.0	.8	.1	.1	398	325	32	40
North Dakota .....	.7	1.0	.7	0	.7	.6	.1	0	98	82	16	1
South Dakota .....	.4	.2	.7	.6	.4	.1	.1	.1	60	23	20	17
Southeast	1.1	1.3	.8	.7	1.1	.9	.1	.1	17,205	13,159	2,112	1,934
Alabama	1.0	1.0	.9	.7	1.0	.7	.1	.2	872	620	114	138
Arkansas .....	.8	.8	.9	.6	.8	.5	.1	.1	404	269	69	67
Florida	1.4	2.0	.7	.8	1.4	1.1	.2	.1	5,287	4,152	586	548
Georgia	1.4	1.6	1.0	.6	1.4	1.1	.1	.1	2,567	2,125	278	165
Kentucky	1.0	1.1	.8	.8	1.0	.7	.1	.2	819	588	102	130
Louisiana .....	.8	.9	.8	.6	.8	.6	.1	.1	760	530	108	122
Mississippi	1.0	1.1	.9	.7	1.0	.7	.1	.2	503	359	57	87
North Carolina .....	.9	1.0	1.1	.7	.9	.7	.2	.1	1,655	1,172	275	208
South Carolina	1.7	2.1	.9	.7	1.7	1.4	.1	.1	1,326	1,109	106	110
Tennessee .....	.7	.7	1.0	.7	.7	.5	.1	.1	937	617	164	156
Virginia	1.0	1.1	.7	.6	1.0	.8	.1	.1	1,799	1,409	223	166
West Virginia .....	.8	1.0	.6	.4	.8	.6	.1	.1	276	209	30	37
Southwest	1.4	1.6	.9	.9	1.4	1.1	.1	.1	9,712	7,896	862	954
Arizona	1.8	2.2	1.1	1.0	1.8	1.5	.2	.2	1,914	1,554	185	174
New Mexico	1.0	1.1	.8	.9	1.0	.7	.1	.2	336	231	44	61
Oklahoma	1.0	1.2	.8	.6	1.0	.8	.1	.1	690	523	80	87
Texas	1.4	1.6	.8	.9	1.4	1.2	.1	.1	6,773	5,588	554	631
Rocky Mountain	1.4	1.7	1.0	.6	1.4	1.2	.2	.1	2,978	2,457	339	182
Colorado	1.5	1.8	1.0	.6	1.5	1.2	.2	.1	1,650	1,371	191	88
Idaho	1.5	1.8	1.0	.6	1.5	1.2	.2	.1	378	312	42	24
Montana .....	.9	1.1	.7	.5	.9	.6	.1	.1	157	115	23	19
Utah	1.6	1.9	1.1	.7	1.6	1.4	.1	.1	690	588	62	40
Wyoming .....	.9	1.0	.8	.6	.9	.6	.2	.1	102	72	19	11
Far West	1.3	1.6	.9	.6	1.3	1.1	.2	.1	16,083	13,118	1,825	1,140
Alaska	1.2	1.3	.8	1.2	1.2	.9	.1	.2	187	136	15	36
California	1.4	1.7	.8	.6	1.4	1.2	.1	.1	12,362	10,286	1,284	791
Hawaii .....	.5	.3	.8	.8	.5	.2	.1	.1	144	62	41	41
Nevada	2.0	2.3	1.4	.9	2.0	1.6	.2	.1	916	750	112	55
Oregon	1.5	1.8	1.0	.8	1.5	1.2	.2	.1	1,167	928	140	100
Washington .....	.9	.9	.9	.5	.9	.6	.2	.1	1,307	957	233	117

1. Percent changes are expressed at quarterly rates and are calculated from unrounded data.

2. Net earnings by place of residence is earnings by place of work—the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income—less personal contributions for social insurance plus an ad-

justment to convert earnings by place of work to a place-of-residence basis.

NOTE.—Estimates may not add to totals because of rounding.

Table B.—Earnings by Place of Work: Dollar Change by Industry Group, 1998:I-1998:II

[Millions of dollars, seasonally adjusted]

	Earnings by place of work ¹	Private goods-producing industries				Private services-producing industries						Government
		Total ²	Farms	Construction	Manufacturing	Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	
United States	66,278	6,573	995	5,321	-46	52,958	1,206	5,033	8,458	10,688	27,574	6,747
New England	4,074	341	26	98	163	3,378	-318	283	392	830	2,193	355
Connecticut	748	146	8	-40	162	561	-426	112	47	333	495	41
Maine	246	24	0	4	14	213	13	17	39	46	97	9
Massachusetts	2,333	52	14	16	-1	2,100	84	110	209	348	1,350	181
New Hampshire	292	7	1	25	-24	224	4	32	50	43	96	61
Rhode Island	251	24	1	56	-36	168	6	5	24	44	88	60
Vermont	203	87	2	38	48	113	1	7	22	16	67	3
Mideast	9,166	-13	61	491	-669	8,544	-88	815	1,357	1,708	4,753	635
Delaware	289	59	6	-31	82	196	2	1	17	92	83	34
District of Columbia	-61	14	0	-6	13	-100	-26	3	8	30	-115	25
Maryland	819	78	16	-168	215	675	9	27	92	201	347	66
New Jersey	422	-255	6	15	-299	599	75	244	305	-1,200	1,175	77
New York	6,003	164	12	387	-276	5,414	-74	368	517	2,134	2,469	425
Pennsylvania	1,695	-73	22	294	-403	1,761	-75	171	418	451	794	7
Great Lakes	9,084	-307	-81	914	-1,204	8,168	94	911	1,403	1,581	4,179	1,223
Illinois	3,967	770	-34	143	632	2,897	170	299	372	668	1,388	299
Indiana	1,074	-5	-11	27	-20	891	-31	97	183	142	500	188
Michigan	1,228	-807	20	264	-1,109	1,767	25	207	398	232	904	269
Ohio	1,618	-373	-37	342	-689	1,704	-69	203	293	362	915	286
Wisconsin	1,197	108	-19	139	-18	909	0	104	157	176	472	181
Plains	4,676	554	-113	403	224	3,599	86	386	659	757	1,711	523
Iowa	654	70	-93	126	25	519	48	62	86	93	231	65
Kansas	496	-13	49	76	-140	466	22	23	113	70	238	44
Minnesota	1,611	276	-30	119	179	1,215	3	116	167	258	672	119
Missouri	1,443	219	-23	99	129	939	10	160	201	213	355	284
Nebraska	355	94	28	-55	109	255	0	10	50	81	115	6
North Dakota	89	37	2	30	6	63	1	0	8	13	41	-11
South Dakota	27	-129	-46	7	-84	141	3	16	34	28	61	15
Southeast	14,150	1,297	532	1,414	-706	11,566	279	964	1,765	2,101	6,457	1,288
Alabama	641	50	72	128	-145	530	-15	44	131	106	264	61
Arkansas	271	158	92	87	-30	49	27	33	-243	50	182	64
Florida	4,449	592	70	301	153	3,660	68	261	524	697	2,110	197
Georgia	2,263	579	179	125	241	1,467	74	115	272	351	655	217
Kentucky	643	-19	14	92	-114	657	58	45	115	78	360	5
Louisiana	560	-138	9	116	-184	622	67	53	105	73	324	76
Mississippi	384	51	15	32	7	252	1	43	53	40	116	81
North Carolina	1,243	-223	75	88	-408	1,321	-55	127	201	256	792	145
South Carolina	1,206	336	-6	132	200	705	32	79	180	123	291	166
Tennessee	641	-163	11	151	-337	595	-13	26	197	98	285	210
Virginia	1,632	23	-1	170	-163	1,595	51	134	198	213	999	14
West Virginia	217	50	2	-8	74	114	-15	4	31	17	78	52
Southwest	8,444	1,002	38	758	383	6,518	642	548	901	1,137	3,290	924
Arizona	1,662	207	58	65	92	1,098	35	81	153	243	586	357
New Mexico	246	-24	-29	42	-35	229	21	16	60	27	105	41
Oklahoma	561	-36	-61	46	4	526	39	22	83	66	315	71
Texas	5,974	854	70	605	322	4,664	547	429	605	801	2,283	455
Rocky Mountain	2,625	692	85	60	535	1,685	71	121	345	293	855	248
Colorado	1,464	257	23	-5	226	1,104	67	103	199	176	558	103
Idaho	336	182	26	-20	162	135	-9	2	50	38	54	19
Montana	123	10	25	-22	7	81	-15	5	22	16	54	32
Utah	626	217	5	85	138	324	29	9	62	56	167	84
Wyoming	75	26	7	23	1	40	-1	0	12	6	22	9
Far West	14,059	3,007	446	1,183	1,229	9,500	439	1,006	1,635	2,282	4,137	1,552
Alaska	157	-7	0	25	-32	143	38	2	31	20	52	22
California	11,019	1,467	371	805	167	8,349	302	766	1,124	1,808	4,349	1,204
Hawaii	63	-36	6	-6	-38	120	-26	3	14	28	100	-21
Nevada	815	198	2	141	65	518	20	12	96	87	303	100
Oregon	1,044	339	21	17	286	606	50	72	122	106	256	98
Washington	960	1,046	45	201	781	-236	55	151	248	234	-923	150

1. Earnings by place of work is the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income.

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

NOTE.—Estimates may not add to totals because of rounding.

Table C.—Earnings by Place of Work: Percent Change by Industry Group, 1998:I-1998:II

[Seasonally adjusted at quarterly rates]

	Earnings by place of work ¹	Private goods-producing industries				Private services-producing industries						Government
		Total ²	Farms	Construction	Manufacturing	Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	
United States	1.3	0.5	2.5	1.8	0	1.8	0.4	1.6	1.9	2.5	1.9	0.9
New England	1.4	.5	5.1	.7	.3	1.8	-1.9	1.5	1.5	2.7	2.3	1.0
Connecticut .....	.9	.7	6.0	-1.0	1.0	1.1	-9.0	2.0	.7	2.9	2.0	.5
Maine	1.4	.5	.2	.4	.4	2.0	1.2	1.8	1.8	3.7	1.9	.3
Massachusetts	1.6	.2	9.4	.2	0	2.2	1.1	1.1	1.7	2.4	2.7	1.1
New Hampshire	1.3	.1	2.4	1.8	-5	1.7	.3	2.0	2.0	2.7	1.6	2.6
Rhode Island	1.5	.6	3.0	6.7	-1.2	1.7	.7	.7	1.6	3.4	1.6	2.2
Vermont	2.1	3.0	2.2	5.3	2.4	2.2	.2	1.4	2.2	3.1	2.5	.2
Mideast	1.7	0	4.5	1.1	-5	1.4	-1	1.4	1.9	1.3	1.6	.4
Delaware	1.0	1.0	8.4	-2.6	1.8	2.1	.3	.2	1.2	3.8	2.1	1.7
District of Columbia	-2	.8	.....	-1.4	1.3	-5	-1.8	1.0	.9	1.5	-8	.2
Maryland .....	.9	.5	8.0	-2.6	2.4	1.2	.2	.5	1.0	2.7	1.1	.3
New Jersey .....	.2	-7	3.0	.2	-1.1	.5	.5	1.5	2.1	-6.8	2.1	.3
New York	1.5	.2	3.5	2.5	-6	1.9	-3	1.6	1.9	2.6	1.9	.8
Pennsylvania .....	.8	-1	3.8	2.5	-9	1.4	-5	1.4	2.1	2.6	1.2	0
Great Lakes	1.1	-1	-1.8	1.9	-5	1.8	.2	1.6	1.9	2.6	2.0	1.2
Illinois	1.6	1.2	-2.2	1.1	1.3	1.9	.9	1.6	1.9	2.6	1.9	1.0
Indiana	1.0	0	-1.1	.4	-1	1.8	-5	1.7	1.9	2.4	2.3	1.6
Michigan .....	.7	-1.1	3.7	2.7	-1.9	1.9	.3	1.7	2.5	2.3	2.0	1.1
Ohio .....	.8	-5	-2.7	3.0	-1.3	1.6	-6	1.5	1.5	2.7	1.8	1.1
Wisconsin	1.3	.3	-26.1	2.4	-1	2.0	0	1.8	1.9	2.9	2.2	1.5
Plains	1.4	.6	-1.5	1.9	.3	1.9	.3	1.6	2.1	3.0	2.0	1.1
Iowa	1.4	.4	-3.9	4.3	.2	2.1	1.6	1.9	1.9	2.7	2.2	.9
Kansas	1.1	-1	4.3	2.7	-1.6	1.9	.6	.7	2.5	2.6	2.2	.6
Minnesota	1.6	1.0	-3.2	2.0	.9	2.1	0	1.5	1.9	3.1	2.6	1.0
Missouri	1.5	.8	-2.3	1.6	.7	1.7	.1	2.5	2.2	2.9	1.4	2.2
Nebraska	1.2	1.2	2.2	-3.0	2.6	1.5	0	.5	1.8	3.8	1.5	.1
North Dakota .....	.9	1.9	1.1	4.2	.7	1.1	.1	0	.9	2.5	1.6	-6
South Dakota .....	.2	-3.7	-5.9	1.0	-5.0	2.3	.4	2.3	2.7	3.8	2.1	.8
Southeast	1.3	.5	4.9	2.1	-4	1.9	.4	1.5	1.6	2.9	2.2	.7
Alabama	1.0	.3	9.1	3.2	-1.1	1.6	-4	1.2	2.1	2.8	1.7	.5
Arkansas .....	.8	1.3	7.0	4.1	-4	.3	.9	1.8	-5.7	2.8	2.4	1.2
Florida	2.0	1.5	4.2	2.1	.8	2.4	.5	1.8	2.0	3.3	2.7	.6
Georgia	1.6	1.7	10.7	1.5	1.1	1.7	.6	.9	2.1	3.3	1.8	1.0
Kentucky	1.1	-1	1.3	2.6	-9	2.2	1.3	1.4	1.9	2.7	2.7	.1
Louisiana .....	.9	-8	2.0	2.3	-2.1	1.8	1.3	1.5	1.7	2.3	1.9	.7
Mississippi	1.1	.5	2.5	1.4	.1	1.5	0	2.5	1.5	2.6	1.4	1.2
North Carolina .....	.9	-5	3.3	1.0	-1.3	2.0	-7	1.6	1.6	3.1	2.6	.7
South Carolina	2.2	1.8	-1.5	3.4	1.5	2.6	1.0	2.7	2.9	4.0	2.4	1.7
Tennessee .....	.7	-6	4.1	2.6	-1.7	1.1	-2	.4	2.0	1.7	1.1	1.8
Virginia	1.3	.1	-2	2.2	-1.0	2.1	.6	1.9	1.8	2.3	2.6	.1
West Virginia	1.0	.8	.....	-6	2.2	1.0	-9	.4	1.4	1.9	1.4	1.3
Southwest	1.6	.7	.9	2.3	.5	2.2	1.5	1.6	1.8	3.1	2.4	1.2
Arizona	2.2	1.2	10.6	1.2	.9	2.4	.8	1.7	1.9	3.7	2.7	3.3
New Mexico	1.0	-5	-7.4	2.5	-1.8	1.8	1.4	1.6	2.2	2.3	1.6	.7
Oklahoma	1.2	-3	-7.1	2.1	.1	2.1	1.0	1.0	1.8	2.8	2.8	.8
Texas	1.6	.8	2.9	2.6	.5	2.1	1.6	1.7	1.8	3.0	2.3	.9
Rocky Mountain	1.7	1.8	4.4	.5	2.8	1.8	.5	1.4	2.2	2.6	2.0	1.0
Colorado	1.8	1.4	3.7	-1	2.3	2.1	.8	2.1	2.5	2.6	2.3	.9
Idaho	1.9	3.1	3.8	-1.3	5.1	1.4	-7	.2	2.6	4.1	1.3	.6
Montana	1.1	.4	7.2	-2.1	.8	1.2	-1.7	.8	1.5	2.4	1.7	1.4
Utah	1.9	2.6	2.7	3.1	2.8	1.6	1.2	.5	1.7	2.3	1.8	1.5
Wyoming	1.0	1.1	6.8	3.6	.3	1.2	-1	.2	1.5	1.9	1.6	.6
Far West	1.6	1.5	5.6	2.3	.9	1.8	.8	1.9	2.0	3.3	1.5	1.2
Alaska	1.3	-3	3.7	2.5	-5.1	2.4	2.8	.6	2.6	4.1	2.0	.6
California	1.7	1.0	6.1	2.4	.2	2.1	.7	1.9	2.0	3.3	2.1	1.3
Hawaii .....	.3	-1.4	3.7	-4	-4.6	.9	-1.4	.4	.5	1.6	1.5	-4
Nevada	2.4	2.9	4.4	3.5	3.9	2.2	1.0	.8	2.8	3.5	2.1	2.3
Oregon	1.8	2.0	3.5	.4	2.5	1.8	1.4	1.6	1.9	2.7	1.7	1.2
Washington .....	.9	3.8	4.2	2.9	4.2	-4	.7	2.2	2.4	-2.8	.....	.8

1. Earnings by place of work is the sum of wage and salary disbursements (payrolls), other labor income, and proprietors' income.

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

NOTE.—Percent changes are calculated from unrounded data.

Table D.—Earnings by Place of Work: Contribution to Percent Change by Industry Group, 1998:I-1998:II

[Seasonally adjusted]

	Percent change in earnings by place of work ¹	Percentage points										
		Private goods-producing industries				Private services-producing industries						Government
		Total ²	Farms	Construction	Manufacturing	Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	
United States	1.3	0.1	0	0.1	0	1.1	0	0.1	0.2	0.2	0.5	0.1
New England	1.4	.1	0	0	.1	1.2	-.1	.1	.1	.3	.7	.1
Connecticut .....	.9	.2	0	0	.2	.7	-.5	.1	.1	.4	.6	0
Maine	1.4	.1	0	0	.1	1.2	.1	.1	.2	.3	.5	.1
Massachusetts	1.6	0	0	0	0	1.5	.1	.1	.1	.2	.9	.1
New Hampshire	1.3	0	0	.1	-.1	1.0	0	.1	.2	.2	.4	.3
Rhode Island	1.5	.1	0	.3	-.2	1.0	0	0	.1	.3	.5	.4
Vermont	2.1	.9	0	.4	.5	1.2	0	.1	.2	.2	.7	0
Mideast	1.0	0	0	.1	-.1	.9	0	.1	.1	.2	.5	.1
Delaware	1.7	.3	0	-.2	.5	1.1	0	0	.1	.5	.5	.2
District of Columbia	-.2	0	0	0	0	-.3	-.1	0	0	.1	-.3	.1
Maryland .....	.9	.1	0	-.2	.2	.7	0	0	.1	.2	.4	.1
New Jersey .....	.2	-.1	0	0	-.2	.3	0	.1	.2	-.7	.7	0
New York	1.5	0	0	.1	-.1	1.3	0	.1	.1	.5	.6	.1
Pennsylvania .....	.8	0	0	.1	-.2	.8	0	.1	.2	.2	.4	0
Great Lakes	1.1	0	0	.1	-.1	1.0	0	.1	.2	.2	.5	.1
Illinois	1.6	.3	0	.1	-.3	1.2	.1	.1	.1	.3	.6	.1
Indiana	1.0	0	0	0	0	.9	0	.1	.2	.1	.5	.2
Michigan .....	.7	-.4	0	.1	-.6	.9	0	.1	.2	.1	.5	.1
Ohio .....	.8	-.2	0	.2	-.3	.8	0	.1	.1	.2	.5	.1
Wisconsin	1.3	.1	0	.2	0	1.0	0	.1	.2	.2	.5	.2
Plains	1.4	.2	0	.1	-.1	1.1	0	.1	.2	.2	.5	.2
Iowa	1.4	.1	-.2	.3	.1	1.1	.1	.1	.2	.2	.5	.1
Kansas	1.1	0	.1	.2	-.3	1.0	0	.1	.3	.2	.5	.1
Minnesota	1.6	.3	0	.1	.2	1.2	0	.1	.2	.3	.7	.1
Missouri	1.5	.2	0	.1	.1	1.0	0	.2	.2	.2	.4	.3
Nebraska	1.2	.3	.1	-.2	.4	.9	0	0	.2	.3	.4	0
North Dakota .....	.9	.4	0	.3	.1	.7	0	0	.1	.1	.4	-.1
South Dakota .....	.2	-.1	-.4	.1	-.7	1.2	0	.1	.3	.2	.5	.1
Southeast	1.3	.1	.1	.1	-.1	1.1	0	.1	.2	.2	.6	.1
Alabama	1.0	.1	.1	.2	-.2	.8	0	.1	.2	.2	.4	.1
Arkansas .....	.8	.4	.3	.2	-.1	.1	.1	.1	-.7	.1	.5	.2
Florida	2.0	.3	0	.1	.1	1.6	0	.1	.2	.3	.9	.1
Georgia	1.6	.4	.1	.1	.2	1.0	.1	.1	.2	.2	.5	.2
Kentucky	1.1	0	0	.2	-.2	1.1	.1	.1	.2	.1	.6	0
Louisiana .....	.9	-.2	0	.2	-.3	1.0	.1	.1	.2	.1	.5	.1
Mississippi	1.1	.1	0	.1	0	.7	0	.1	.2	.1	.3	.2
North Carolina .....	.9	-.2	.1	.1	-.3	1.0	0	.1	.2	.2	.6	.1
South Carolina	2.2	.6	0	.2	.4	1.3	.1	.1	.3	.2	.5	.3
Tennessee .....	.7	-.2	0	.2	-.4	.6	0	0	.2	.1	.3	.2
Virginia	1.3	0	0	.1	-.1	1.2	0	.1	.2	.2	.8	0
West Virginia	1.0	.2	.....	0	.3	.5	-.1	0	.1	.1	.4	.2
Southwest	1.6	.2	0	.1	.1	1.3	.1	.1	.2	.2	.6	.2
Arizona	2.2	.3	.1	.1	.1	1.5	0	.1	.2	.3	.8	.5
New Mexico	1.0	-.1	-.1	.2	-.1	1.0	.1	.1	.3	.1	.4	.2
Oklahoma	1.2	-.1	-.1	.1	0	1.1	.1	0	.2	.1	.7	.2
Texas	1.6	.2	0	.2	.1	1.3	.1	.1	.2	.2	.6	.1
Rocky Mountain	1.7	.4	.1	0	.3	1.1	0	.1	.2	.2	.6	.2
Colorado	1.8	.3	0	0	.3	1.3	.1	.1	.2	.2	.7	.1
Idaho	1.9	1.0	.1	-.1	.9	.7	-.1	0	.3	.2	.3	.1
Montana	1.1	.1	.2	-.2	.1	.7	-.1	0	.2	.1	.5	.3
Utah	1.9	.6	0	.3	.4	1.0	.1	0	.2	.2	.5	.2
Wyoming	1.0	.3	.1	.3	0	.5	0	0	.2	.1	.3	.1
Far West	1.6	.3	.1	.1	-.1	1.1	0	.1	.2	.3	.5	.2
Alaska	1.3	-.1	0	.2	-.3	1.1	.3	0	.2	.2	.4	.2
California	1.7	.2	.1	.1	0	1.3	0	.1	.2	.3	.7	.2
Hawaii .....	.3	-.2	0	0	-.2	.5	-.1	0	.1	.1	.5	-.1
Nevada	2.4	.6	0	.4	.2	1.5	.1	0	.3	.2	.9	.3
Oregon	1.8	.6	0	0	.5	1.0	.1	.1	.2	.2	.4	.2
Washington .....	.9	.9	0	.2	.7	-.2	0	.1	.2	.2	-.8	.1

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

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

NOTE.—Estimates may not add to totals because of rounding.

Table 2.—Personal Income by Major Source

[Millions of dollars, seasonally]

Line	Item	United States						New England					
		1997				1998		1997				1998	
		I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p
Income by Place of Residence													
1	Personal income (lines 4-11)	6,652,349	6,729,607	6,807,743	6,893,137	6,992,622	7,070,608	400,057	404,197	408,687	416,018	418,025	422,811
2	Nonfarm personal income	6,606,242	6,682,096	6,761,224	6,850,451	6,953,573	7,030,564	399,481	403,586	408,055	415,444	417,511	422,271
3	Farm income (line 17)	46,108	47,510	46,519	42,687	39,049	40,044	575	611	632	574	514	540
Derivation of Personal Income													
4	Earnings by place of work (lines 12-16 or 17-34)	4,717,528	4,786,270	4,855,971	4,936,687	5,021,193	5,087,471	277,890	281,354	285,001	292,076	292,911	296,986
5	Less: Personal contributions for social insurance ²	319,056	323,224	327,692	333,088	340,434	344,592	18,097	18,313	18,538	19,012	19,102	19,353
6	Plus: Adjustment for residence ³	-3,694	-3,776	-3,852	-3,925	-4,031	-4,098	5,541	5,515	5,656	5,731	5,792	5,889
7	Equals: Net earnings by place of residence	4,394,777	4,459,271	4,524,427	4,599,673	4,676,728	4,738,781	265,333	268,556	272,119	278,796	279,602	283,522
8	Plus: Dividends, interest, and rent ⁴	1,157,256	1,163,612	1,169,428	1,173,016	1,176,971	1,186,108	73,912	74,197	74,469	74,643	74,892	75,480
9	Plus: Transfer payments	1,100,316	1,106,724	1,113,868	1,120,448	1,138,923	1,145,719	60,812	61,444	62,098	62,580	63,531	63,809
10	State unemployment insurance benefits	20,448	19,444	19,172	18,944	19,195	19,183	1,494	1,398	1,377	1,336	1,373	1,309
11	Transfers excluding State unemployment insurance benefits	1,079,868	1,087,280	1,094,716	1,101,504	1,119,728	1,126,536	59,318	60,046	60,721	61,243	62,158	62,500
Earnings by Place of Work													
Components of earnings:													
12	Wage and salary disbursements	3,793,352	3,850,864	3,911,348	3,985,992	4,058,597	4,114,394	225,469	228,512	231,690	238,107	238,386	241,887
13	Other labor income	389,432	391,312	393,340	396,764	402,519	405,438	23,141	23,131	23,143	23,496	23,485	23,666
14	Proprietors' income ⁵	534,744	544,094	551,283	553,931	560,077	567,639	29,280	29,710	30,169	30,473	31,041	31,432
15	Farm proprietors' income	30,648	32,018	31,051	27,291	23,262	23,618	221	257	280	225	156	168
16	Nonfarm proprietors' income	504,096	512,076	520,232	526,640	536,815	544,021	29,059	29,453	29,889	30,248	30,884	31,264
Earnings by Industry													
17	Farm	46,108	47,510	46,519	42,687	39,049	40,044	575	611	632	574	514	540
18	Nonfarm	4,671,420	4,738,760	4,809,452	4,894,000	4,982,144	5,047,427	277,315	280,743	284,369	291,502	292,397	296,445
19	Private	3,963,644	4,026,308	4,091,856	4,171,680	4,251,317	4,309,853	243,895	247,080	250,449	257,280	258,529	262,222
20	Agricultural services, forestry, fishing, and other ⁶	28,996	29,920	30,848	31,208	32,006	33,012	1,499	1,537	1,595	1,617	1,703	1,757
21	Mining	41,620	42,232	42,832	43,748	44,095	43,391	225	233	236	242	244	244
22	Construction	268,364	272,492	275,820	282,400	290,434	295,755	13,740	13,720	13,932	14,397	14,919	15,016
23	Manufacturing	835,404	847,236	859,788	881,272	891,712	891,666	52,216	52,830	53,830	55,456	54,808	54,971
24	Durable goods	511,392	520,296	529,200	545,140	551,776	549,561	35,082	35,671	36,498	37,804	37,080	37,219
25	Nondurable goods	324,012	326,940	330,588	336,132	339,936	342,105	17,135	17,158	17,333	17,652	17,727	17,752
26	Transportation and public utilities	321,328	327,072	334,120	339,984	343,500	344,706	14,907	15,314	15,464	15,948	16,468	16,150
27	Wholesale trade	297,152	302,776	307,672	313,892	319,498	324,531	17,803	18,319	18,527	19,022	19,354	19,636
28	Retail trade	432,060	435,356	441,152	448,384	455,939	464,397	24,719	24,867	25,207	26,080	25,749	26,141
29	Finance, insurance, and real estate	400,736	406,528	415,356	423,048	435,477	446,165	28,869	28,990	29,208	29,468	30,656	31,485
30	Services	1,337,984	1,362,696	1,384,268	1,407,744	1,438,657	1,466,231	89,917	91,270	92,450	95,050	94,629	96,821
31	Government and government enterprises	707,776	712,452	717,596	722,320	730,827	737,574	33,420	33,663	33,920	34,222	33,868	34,224
32	Federal, civilian	135,264	134,600	133,684	133,544	135,582	136,216	5,519	5,465	5,414	5,437	5,481	5,528
33	Military	47,832	47,528	47,652	47,424	48,081	47,517	1,256	1,254	1,244	1,223	1,204	1,196
34	State and local	524,680	530,324	536,260	541,352	547,164	553,842	26,644	26,943	27,262	27,562	27,183	27,499

See footnotes at end of table.

and Earnings by Industry, 1997:I-1998:II

adjusted at annual rates]

Table with 17 columns: State (Connecticut, Maine, Massachusetts), Year (1997, 1998), Line (1-34). Each line represents an industry with two columns of data for each year.

Table with 17 columns: State (Vermont, Mideast, Delaware), Year (1997, 1998), Line (1-34). Each line represents an industry with two columns of data for each year.

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

Line	Item	District of Columbia						Maryland					
		1997				1998		1997				1998	
		I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p
Income by Place of Residence													
1	Personal income (lines 4-11)	18,518	18,556	18,785	18,810	19,109	19,174	143,530	145,008	146,626	149,076	150,167	151,267
2	Nonfarm personal income	18,518	18,556	18,785	18,810	19,109	19,174	143,297	144,773	146,388	148,859	149,964	151,048
3	Farm income (line 17)	0	0	0	0	0	0	234	235	238	216	203	219
Derivation of Personal Income													
4	Earnings by place of work (lines 12-16 or 17-34)	34,810	34,600	35,318	35,079	36,070	36,009	89,519	90,843	91,829	94,311	94,529	95,348
5	Less: Personal contributions for social insurance ²	2,250	2,235	2,285	2,266	2,341	2,332	6,117	6,200	6,258	6,425	6,458	6,506
6	Plus: Adjustment for residence ³	-21,097	-20,896	-21,355	-21,132	-21,795	-21,699	13,980	13,754	14,081	13,958	14,458	14,471
7	Equals: Net earnings by place of residence	11,464	11,470	11,678	11,681	11,935	11,978	37,382	38,398	39,652	41,844	42,529	43,313
8	Plus: Dividends, interest, and rent ⁴	3,157	3,139	3,125	3,118	3,120	3,131	25,174	25,284	25,388	25,455	25,528	25,707
9	Plus: Transfer payments	3,897	3,947	3,982	4,010	4,054	4,065	21,075	21,326	21,586	21,776	22,109	22,247
10	State unemployment insurance benefits	69	73	67	64	64	64	344	332	346	343	328	335
11	Transfers excluding State unemployment insurance benefits	3,828	3,874	3,915	3,946	3,990	4,006	20,731	20,994	21,240	21,433	21,782	21,912
Earnings by Place of Work													
Components of earnings:													
12	Wage and salary disbursements	29,929	29,734	30,397	30,192	31,074	31,008	74,489	75,667	76,531	78,784	78,883	79,592
13	Other labor income	2,642	2,601	2,632	2,582	2,658	2,639	7,010	7,036	7,036	7,178	7,166	7,199
14	Proprietors' income ⁵	2,240	2,265	2,289	2,304	2,338	2,362	8,020	8,140	8,262	8,349	8,480	8,557
15	Farm proprietors' income	0	0	0	0	0	0	119	120	123	103	87	98
16	Nonfarm proprietors' income	2,240	2,265	2,289	2,304	2,338	2,362	7,901	8,019	8,138	8,246	8,393	8,459
Earnings by Industry													
17	Farm	0	0	0	0	0	0	234	235	238	216	203	219
18	Nonfarm	34,810	34,600	35,318	35,079	36,070	36,009	89,285	90,608	91,591	94,095	94,327	95,129
19	Private	20,762	20,492	21,039	20,951	21,755	21,668	70,359	71,339	72,246	74,628	74,668	75,405
20	Agricultural services, forestry, fishing, and other ⁶	331	298	339	424	312	319	500	507	516	535	544	559
21	Mining	17	13	18	18	15	15	80	82	80	82	91	90
22	Construction	412	400	426	428	408	403	6,194	6,219	6,206	6,343	6,469	6,301
23	Manufacturing	953	957	989	961	998	1,010	8,163	8,240	8,376	8,934	9,154	9,369
24	Durable goods	126	107	115	124	129	120	4,381	4,430	4,544	4,970	5,095	5,265
25	Nondurable goods	827	849	874	837	869	890	3,782	3,810	3,832	3,964	4,059	4,104
26	Transportation and public utilities	1,357	1,302	1,332	1,396	1,451	1,426	5,172	5,237	5,320	5,460	5,407	5,416
27	Wholesale trade	309	289	323	324	320	323	5,023	5,126	5,230	5,330	5,332	5,359
28	Retail trade	883	868	869	850	882	889	8,573	8,557	8,672	8,897	8,927	9,019
29	Finance, insurance, and real estate	1,971	1,970	2,039	2,014	2,033	2,063	7,119	7,309	7,432	7,936	7,348	7,549
30	Services	14,530	14,395	14,705	14,536	15,335	15,220	29,534	30,061	30,413	31,111	31,396	31,742
31	Government and government enterprises	14,049	14,109	14,278	14,127	14,316	14,341	18,927	19,270	19,345	19,468	19,658	19,724
32	Federal, civilian	11,476	11,559	11,635	11,579	11,702	11,705	7,809	7,897	7,932	7,948	8,160	8,145
33	Military	727	726	727	733	742	739	1,328	1,357	1,357	1,354	1,377	1,353
34	State and local	1,846	1,824	1,916	1,816	1,871	1,897	9,789	10,016	10,056	10,165	10,122	10,226

See footnotes at end of table.

and Earnings by Industry, 1997:I-1998:II¹—Continued
adjusted at annual rates]

Table with 19 columns: Iowa (1997, 1998), Kansas (1997, 1998), Minnesota (1997, 1998), and Line. Rows include various industry codes and their corresponding revenue and earnings figures.

Table with 19 columns: North Dakota (1997, 1998), South Dakota (1997, 1998), Southeast (1997, 1998), and Line. Rows include various industry codes and their corresponding revenue and earnings figures.

and Earnings by Industry, 1997:I-1998:II ¹—Continued
adjusted at annual rates]

Table with columns for State (Florida, Georgia, Kentucky, North Carolina, South Carolina, Tennessee) and Line (1-34). Each state section includes sub-columns for years 1997 and 1998, with further breakdowns into quarters (I, II, III, IV) and other metrics (I', II').

Table 2.—Personal Income by Major Source

[Millions of dollars, seasonally]

Line	Item	Virginia						West Virginia					
		1997				1998		1997				1998	
		I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p
Income by Place of Residence													
1	Personal income (lines 4-11)	173,447	174,637	177,257	179,640	182,660	184,459	33,696	33,926	34,099	34,346	34,585	34,861
2	Nonfarm personal income	173,079	174,261	176,888	179,298	182,330	184,130	33,711	33,937	34,109	34,363	34,604	34,878
3	Farm income (line 17)	368	376	369	343	330	329	-16	-11	-10	-17	-19	-18
Derivation of Personal Income													
4	Earnings by place of work (lines 12-16 or 17-34)	120,194	121,103	123,346	125,749	128,271	129,903	21,166	21,343	21,453	21,645	21,734	21,951
5	Less: Personal contributions for social insurance ²	8,068	8,120	8,269	8,424	8,632	8,733	1,583	1,594	1,598	1,609	1,621	1,636
6	Plus: Adjustment for residence ³	5,671	5,582	5,700	5,549	5,693	5,572	238	244	261	286	310	317
7	Equals: Net earnings by place of residence	117,798	118,565	120,777	122,874	125,333	126,742	19,820	19,993	20,116	20,322	20,423	20,632
8	Plus: Dividends, interest, and rent ⁴	30,418	30,641	30,841	30,964	31,058	31,281	5,012	5,026	5,002	5,000	5,012	5,042
9	Plus: Transfer payments	25,231	25,431	25,638	25,802	26,269	26,436	8,864	8,927	8,981	9,023	9,149	9,187
10	State unemployment insurance benefits	188	165	171	157	168	164	140	145	141	134	141	134
11	Transfers excluding State unemployment insurance benefits	25,063	25,266	25,467	25,646	26,101	26,271	8,724	8,783	8,840	8,890	9,008	9,053
Earnings by Place of Work													
Components of earnings:													
12	Wage and salary disbursements	101,727	102,550	104,560	106,755	108,983	110,423	17,232	17,411	17,508	17,693	17,755	17,945
13	Other labor income	9,726	9,691	9,769	9,860	10,027	10,094	1,880	1,884	1,868	1,866	1,857	1,867
14	Proprietors' income ⁵	8,740	8,862	9,018	9,135	9,262	9,386	2,053	2,072	2,086	2,123	2,086	2,140
15	Farm proprietors' income	188	197	191	168	151	143	-42	-37	-36	-42	-45	-44
16	Nonfarm proprietors' income	8,552	8,665	8,826	8,966	9,111	9,243	2,095	2,085	2,113	2,128	2,168	2,184
Earnings by Industry													
17	Farm	368	376	369	343	330	329	-16	-11	-10	-17	-19	-18
18	Nonfarm	119,826	120,727	122,978	125,406	127,941	129,574	21,181	21,354	21,463	21,662	21,754	21,969
19	Private	93,039	94,142	96,057	98,489	100,654	102,273	17,131	17,280	17,402	17,608	17,651	17,814
20	Agricultural services, forestry, fishing, and other ⁶	621	631	649	667	685	708	72	72	75	83	89	92
21	Mining	638	645	661	683	614	608	1,466	1,505	1,487	1,511	1,391	1,372
22	Construction	7,643	7,509	7,599	7,774	7,799	7,969	1,450	1,320	1,354	1,346	1,396	1,388
23	Manufacturing	15,763	15,988	16,159	16,560	16,750	16,587	3,223	3,358	3,344	3,423	3,362	3,436
24	Durable goods	8,058	8,189	8,242	8,557	8,602	8,376	1,780	1,876	1,854	1,934	1,825	1,878
25	Nondurable goods	7,705	7,799	7,917	8,003	8,147	8,211	1,443	1,482	1,490	1,489	1,537	1,558
26	Transportation and public utilities	7,795	8,002	8,424	8,741	8,766	8,817	1,663	1,674	1,694	1,698	1,766	1,751
27	Wholesale trade	6,596	6,525	6,633	6,759	6,882	7,016	1,065	1,059	1,063	1,068	1,079	1,083
28	Retail trade	10,537	10,513	10,712	10,915	11,038	11,236	2,098	2,091	2,097	2,121	2,163	2,194
29	Finance, insurance, and real estate	8,355	8,613	8,831	8,861	9,407	9,621	848	897	882	889	861	877
30	Services	35,091	35,176	36,589	37,528	38,713	39,712	5,246	5,315	5,406	5,469	5,544	5,622
31	Government and government enterprises	26,787	26,585	26,921	26,917	27,288	27,301	4,050	4,074	4,061	4,054	4,103	4,155
32	Federal, civilian	8,704	8,607	8,777	8,470	8,601	8,581	904	919	931	941	953	953
33	Military	5,410	5,374	5,351	5,407	5,426	5,377	96	96	97	97	99	97
34	State and local	12,672	12,603	13,093	13,039	13,260	13,343	3,050	3,058	3,033	3,016	3,051	3,105

See footnotes at end of table.

Table 2.—Personal Income by Major Source

[Millions of dollars, seasonally]

Line	Item	Montana						Utah					
		1997				1998		1997				1998	
		I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p	I ^r	II ^r	III ^r	IV ^r	I ^r	II ^p
Income by Place of Residence													
1	Personal income (lines 4-11)	17,042	17,226	17,392	17,603	17,784	17,941	40,785	41,423	42,109	42,440	43,026	43,715
2	Nonfarm personal income	16,711	16,889	17,052	17,258	17,436	17,569	40,600	41,229	41,912	42,256	42,850	43,534
3	Farm income (line 17)	331	337	340	345	348	373	185	194	197	184	176	181
Derivation of Personal Income													
4	Earnings by place of work (lines 12-16 or 17-34)	11,134	11,279	11,409	11,598	11,713	11,836	31,767	32,366	33,016	33,301	33,795	34,421
5	Less: Personal contributions for social insurance ²	909	921	931	945	954	963	2,105	2,143	2,187	2,203	2,244	2,283
6	Plus: Adjustment for residence ³	-10	-9	-9	-10	-9	-9	7	7	5	7	8	9
7	Equals: Net earnings by place of residence	10,216	10,348	10,469	10,643	10,749	10,864	29,669	30,230	30,834	31,106	31,560	32,147
8	Plus: Dividends, interest, and rent ⁴	3,349	3,375	3,398	3,413	3,423	3,447	5,477	5,546	5,546	5,565	5,596	5,659
9	Plus: Transfer payments	3,477	3,502	3,525	3,547	3,612	3,630	5,639	5,681	5,729	5,770	5,869	5,909
10	State unemployment insurance benefits	69	64	59	56	64	62	73	72	78	81	82	85
11	Transfers excluding State unemployment insurance benefits	3,409	3,438	3,467	3,491	3,547	3,568	5,566	5,609	5,651	5,689	5,787	5,824
Earnings by Place of Work													
Components of earnings:													
12	Wage and salary disbursements	8,359	8,476	8,568	8,715	8,768	8,858	25,919	26,427	27,001	27,253	27,650	28,170
13	Other labor income	898	901	900	905	908	912	2,689	2,712	2,736	2,733	2,760	2,799
14	Proprietors' income ⁵	1,877	1,902	1,941	1,978	2,037	2,067	3,159	3,227	3,280	3,315	3,386	3,452
15	Farm proprietors' income	185	187	187	191	190	208	89	95	96	81	71	72
16	Nonfarm proprietors' income	1,692	1,715	1,754	1,787	1,848	1,859	3,070	3,133	3,183	3,234	3,314	3,381
Earnings by Industry													
17	Farm	331	337	340	345	348	373	185	194	197	184	176	181
18	Nonfarm	10,803	10,942	11,069	11,253	11,365	11,463	31,582	32,172	32,819	33,118	33,619	34,240
19	Private	8,637	8,739	8,855	9,019	9,134	9,200	26,344	26,850	27,377	27,706	28,146	28,682
20	Agricultural services, forestry, fishing, and other ⁶	90	93	99	102	107	111	120	128	132	138	132	138
21	Mining	288	299	297	303	280	276	448	465	449	451	452	435
22	Construction	816	840	899	947	1,038	1,016	2,546	2,623	2,611	2,645	2,701	2,786
23	Manufacturing	835	865	860	891	888	895	4,709	4,795	4,879	4,964	4,959	5,098
24	Durable goods	525	552	543	565	565	558	3,350	3,370	3,420	3,501	3,509	3,582
25	Nondurable goods	310	314	316	326	323	336	1,359	1,424	1,458	1,464	1,450	1,516
26	Transportation and public utilities	989	944	924	907	908	892	2,349	2,381	2,459	2,506	2,505	2,535
27	Wholesale trade	581	594	597	613	623	628	1,809	1,861	1,889	1,927	1,956	1,965
28	Retail trade	1,398	1,414	1,429	1,462	1,456	1,478	3,437	3,490	3,642	3,624	3,615	3,677
29	Finance, insurance, and real estate	603	624	635	641	677	693	2,342	2,415	2,435	2,465	2,503	2,559
30	Services	3,036	3,066	3,116	3,152	3,157	3,211	8,585	8,692	8,882	8,985	9,323	9,490
31	Government and government enterprises	2,166	2,203	2,213	2,234	2,231	2,263	5,236	5,442	5,442	5,412	5,473	5,558
32	Federal, civilian	535	534	526	533	552	554	1,318	1,321	1,317	1,324	1,365	1,375
33	Military	150	149	150	150	153	151	258	254	254	251	252	251
34	State and local	1,481	1,521	1,537	1,550	1,527	1,557	3,662	3,746	3,871	3,837	3,857	3,932

^r Preliminary.^p Revised.

1. The estimates of earnings for 1997-98 are based on the 1987 Standard Industrial Classification.

2. Personal contributions for social insurance are included in earnings by type and by industry, but they are excluded from personal income.

3. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers and for certain temporary and migratory workers: Wage and salary

disbursements to U.S. residents commuting or working temporarily outside U.S. borders less wage and salary disbursements to foreign residents commuting or working temporarily inside U.S. borders.

4. Rental income of persons includes the capital consumption adjustment.

National Data

A. Selected NIPA Tables

The tables in this section include the most recent estimates of gross domestic product and its components; these estimates were released on October 30, 1998 and include the "advance" estimates for the third quarter of 1998.

The selected set of NIPA tables shown in this section presents quarterly estimates, which are updated monthly. In most tables, the annual estimates are also shown. Most of the "annual only" NIPA tables were presented in the August 1998 SURVEY OF CURRENT BUSINESS; table 8.26 was presented in the September 1998 SURVEY; and the remaining "annual only" tables—tables 3.15–3.20 and 9.1–9.6—were presented in the October 1998 SURVEY.

The news release on gross domestic product (GDP) is available at the time of release, and the "Selected NIPA Tables" are available later that day, on STAT-USA's Economic Bulletin Board and Internet services; for information, call STAT-USA on 202-482-1986. In addition, the GDP news release is available the afternoon of the day of the release, and the "Selected NIPA Tables" a day or two later, on BEA's Web site <www.bea.doc.gov>.

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

1. National Product and Income

Table 1.1.—Gross Domestic Product

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,526.5
Personal consumption expenditures	5,215.7	5,493.7	5,438.8	5,540.3	5,593.2	5,676.5	5,773.7	5,843.0
Durable goods	643.3	673.0	659.9	681.2	682.2	705.1	720.1	715.5
Nondurable goods	1,539.2	1,600.6	1,588.2	1,611.3	1,613.2	1,633.1	1,655.2	1,670.7
Services	3,033.2	3,220.1	3,190.7	3,247.9	3,297.8	3,338.2	3,398.4	3,456.8
Gross private domestic investment	1,131.9	1,256.0	1,259.9	1,265.7	1,292.0	1,366.6	1,345.0	1,361.8
Fixed investment	1,099.8	1,188.6	1,176.4	1,211.1	1,220.1	1,271.1	1,305.8	1,303.0
Nonresidential	787.9	860.7	850.5	882.3	882.8	921.3	941.9	931.1
Structures	216.9	240.2	234.3	243.8	246.4	245.0	245.4	241.7
Producers' durable equipment	571.0	620.5	616.2	638.5	636.4	676.3	696.6	689.4
Residential	311.8	327.9	325.9	328.8	337.4	349.8	363.8	372.0
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.7
Net exports of goods and services	-91.2	-93.4	-86.8	-94.7	-98.8	-123.7	-159.3	-168.7
Exports	873.8	965.4	961.1	981.7	988.6	973.3	949.6	935.7
Goods	618.3	688.3	682.9	700.2	708.9	694.5	668.8	661.4
Services	255.5	277.1	278.2	281.5	279.7	278.8	280.8	274.3
Imports	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,104.4
Goods	809.0	888.3	879.2	902.7	912.4	920.9	931.8	928.5
Services	156.0	170.4	168.7	173.6	174.9	176.2	177.1	175.9
Government consumption expenditures and gross investment	1,405.2	1,454.6	1,451.5	1,459.5	1,468.1	1,464.9	1,481.2	1,490.5
Federal	518.4	520.2	522.9	521.0	520.1	511.6	520.7	518.7
National defense	351.0	346.0	349.1	347.1	346.5	331.6	339.8	343.5
Nondefense	167.4	174.3	173.8	173.9	173.6	180.0	180.9	175.2
State and local	886.8	934.4	928.6	938.5	947.9	953.3	960.4	971.8

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

Table 1.2.—Real Gross Domestic Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,559.5
Personal consumption expenditures	4,752.4	4,913.5	4,872.7	4,947.0	4,981.0	5,055.1	5,130.2	5,179.3
Durable goods	626.1	668.6	653.8	679.6	684.8	710.3	729.4	729.4
Nondurable goods	1,450.9	1,486.3	1,477.1	1,495.7	1,494.3	1,521.2	1,540.9	1,549.6
Services	2,676.7	2,761.5	2,743.6	2,775.4	2,804.8	2,829.3	2,866.8	2,905.4
Gross private domestic investment	1,084.1	1,206.4	1,211.3	1,215.8	1,241.9	1,321.8	1,306.5	1,330.0
Fixed investment	1,050.6	1,138.0	1,127.0	1,159.3	1,169.5	1,224.9	1,264.1	1,267.8
Nonresidential	776.6	859.4	848.2	882.2	886.2	931.9	960.4	958.1
Structures	189.7	203.2	199.3	205.2	205.7	203.1	201.9	198.6
Producers' durable equipment	589.8	660.9	653.8	682.6	686.4	738.8	771.3	773.3
Residential	275.9	282.8	282.5	282.3	287.9	298.5	309.1	314.3
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	57.2
Net exports of goods and services	-111.2	-136.1	-131.6	-142.4	-149.0	-198.5	-245.2	-262.5
Exports	860.0	970.0	963.6	988.1	998.8	991.9	972.1	965.0
Goods	629.4	726.5	719.1	740.6	754.9	748.5	726.3	725.5
Services	231.8	247.0	247.5	251.1	248.6	247.8	248.8	243.3
Imports	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,227.5
Goods	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,060.3
Services	147.3	161.8	159.2	165.2	167.5	171.3	171.0	170.1
Government consumption expenditures and gross investment	1,268.2	1,285.0	1,284.4	1,288.9	1,289.2	1,283.0	1,294.8	1,299.4
Federal	465.6	458.0	460.4	458.9	456.5	446.1	454.1	452.1
National defense	319.1	308.9	311.7	310.2	308.7	293.3	300.3	303.4
Nondefense	146.2	148.6	148.2	148.2	147.3	151.9	152.9	148.1
State and local	802.7	827.1	824.2	830.1	832.9	837.1	840.9	847.5
Residual	-1.5	-7.3	-6.7	-8.9	-8.9	-14.2	-8.4	-5.7

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

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

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

Table 1.3.—Gross Domestic Product by Major Type of Product

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,526.5
Final sales of domestic product	7,629.5	8,043.5	7,979.9	8,116.2	8,182.6	8,288.7	8,401.3	8,467.8
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.7
Goods	2,812.4	2,978.5	2,967.0	2,998.9	3,020.5	3,101.3	3,064.5	3,083.1
Final sales	2,780.3	2,911.1	2,883.6	2,944.3	2,948.7	3,005.8	3,025.3	3,024.3
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.7
Durable goods	1,249.5	1,343.8	1,342.5	1,357.0	1,368.2	1,426.9	1,385.4	1,391.8
Final sales	1,228.7	1,310.1	1,293.6	1,337.1	1,334.3	1,376.9	1,380.8	1,365.9
Change in business inventories	20.8	33.6	48.8	19.9	34.0	49.9	4.5	25.9
Nondurable goods	1,562.9	1,634.8	1,624.5	1,641.8	1,652.3	1,674.4	1,679.1	1,691.2
Final sales	1,551.6	1,601.0	1,589.9	1,607.2	1,614.4	1,628.8	1,644.4	1,658.4
Change in business inventories	11.4	33.8	34.6	34.7	37.9	45.6	34.7	32.8
Services	4,179.5	4,414.1	4,386.9	4,448.0	4,501.2	4,538.4	4,619.5	4,678.9
Structures	669.7	718.3	709.4	723.9	732.7	744.6	756.6	764.6
Addenda:								
Motor vehicle output	277.1	293.7	280.7	299.7	306.4	300.3	289.7	288.8
Gross domestic product less motor vehicle output	7,384.4	7,817.2	7,782.7	7,871.0	7,948.1	8,083.9	8,150.9	8,237.8

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

Table 1.4.—Real Gross Domestic Product by Major Type of Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,559.5
Final sales of domestic product	6,961.6	7,203.7	7,155.5	7,256.3	7,294.8	7,372.5	7,456.4	7,499.2
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	57.2
Residual	3.2	2.9	2.0	3.9	3.3	.8	4.0	3.1
Goods	2,708.8	2,867.9	2,852.6	2,890.2	2,917.0	3,000.8	2,969.7	2,991.4
Final sales	2,675.6	2,799.7	2,768.7	2,834.0	2,844.8	2,904.3	2,927.7	2,929.8
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	57.2
Durable goods	1,247.7	1,364.8	1,359.4	1,384.8	1,404.8	1,470.3	1,437.1	1,455.0
Final sales	1,227.7	1,331.9	1,311.2	1,365.8	1,371.4	1,420.4	1,434.1	1,429.4
Change in business inventories	19.5	31.6	45.8	18.7	32.2	47.3	4.2	24.7
Nondurable goods	1,464.2	1,509.6	1,499.7	1,512.7	1,520.4	1,541.6	1,541.6	1,546.4
Final sales	1,451.5	1,475.1	1,463.9	1,477.1	1,482.4	1,495.2	1,505.4	1,511.3
Change in business inventories	10.5	31.5	33.2	32.3	34.2	44.1	34.1	32.7
Services	3,701.7	3,798.7	3,784.9	3,816.4	3,841.1	3,854.8	3,907.3	3,942.3
Structures	588.5	612.5	607.9	614.6	617.2	625.2	632.1	636.1
Residual	-4.6	-11.5	-10.4	-13.7	-13.9	-22.3	-18.6	-17.0
Addenda:								
Motor vehicle output	246.3	260.8	249.6	265.1	274.7	268.5	260.7	256.7
Gross domestic product less motor vehicle output	6,748.4	7,008.8	6,986.8	7,046.0	7,089.7	7,195.9	7,237.6	7,302.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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 following change in business inventories is the difference between gross domestic product and the sum of final sales of domestic product and of change in business inventories; the residual line following structures is the difference between gross domestic product and the sum of the detailed lines of goods, of services, and of structures.

Percent changes from preceding period for selected items in this table are shown in table 8.1. Chain-type quantity indexes for the series in this table appear in table 7.17.

Table 1.5.—Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers

[Billions of dollars]

Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,526.5
Less: Exports of goods and services	873.8	965.4	961.1	981.7	988.6	973.3	949.6	935.7
Plus: Imports of goods and services	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,104.4
Equals: Gross domestic purchases	7,752.8	8,204.3	8,150.2	8,265.5	8,353.3	8,508.0	8,599.9	8,695.2
Less: Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.7
Equals: Final sales to domestic purchasers	7,720.7	8,136.9	8,066.7	8,210.9	8,281.4	8,412.5	8,560.6	8,636.5

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

Table 1.6.—Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers

[Billions of chained (1992) dollars]

Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,559.5
Less: Exports of goods and services	860.0	970.0	963.6	988.1	998.8	991.9	972.1	965.0
Plus: Imports of goods and services	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,227.5
Equals: Gross domestic purchases	7,101.1	7,396.5	7,359.4	7,443.1	7,502.1	7,644.9	7,718.6	7,794.5
Less: Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	57.2
Equals: Final sales to domestic purchasers	7,068.0	7,330.2	7,278.3	7,388.0	7,432.1	7,552.2	7,676.4	7,734.1

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

Percent changes from preceding period for selected items in this table are shown in table 8.1. Chain-type quantity indexes for the series in this table appear in table 7.2.

Table 1.7.—Gross Domestic Product by Sector

[Billions of dollars]

Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,526.5
Business ¹	6,432.9	6,836.5	6,792.9	6,890.9	6,967.0	7,083.1	7,126.3	7,198.6
Nonfarm ¹	6,341.3	6,746.3	6,700.6	6,799.7	6,880.0	6,999.3	7,041.4	7,116.2
Nonfarm less housing	5,679.2	6,047.2	6,004.4	6,096.8	6,170.6	6,285.4	6,315.0	6,377.2
Housing	662.1	699.1	696.2	702.9	709.4	713.9	726.4	739.1
Farm	91.6	90.2	92.2	91.2	87.0	83.8	84.9	82.3
Households and institutions ...	345.0	361.4	359.8	363.5	366.9	371.1	377.9	383.9
Private households	11.9	12.0	12.0	12.0	12.0	11.8	12.0	12.2
Nonprofit institutions	333.1	349.4	347.8	351.5	355.0	359.2	365.9	371.7
General government ²	883.6	912.9	910.7	916.3	920.5	930.1	936.3	944.1
Federal	279.2	281.3	282.4	281.0	278.8	282.1	281.2	281.7
State and local	604.4	631.7	628.3	635.3	641.7	648.0	655.2	662.4

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.7.

Table 1.8.—Real Gross Domestic Product by Sector

[Billions of chained (1992) dollars]

Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,559.5
Business ¹	5,903.5	6,164.9	6,133.3	6,203.0	6,255.6	6,352.3	6,382.6	6,438.8
Nonfarm ¹	5,824.3	6,074.3	6,042.3	6,109.2	6,165.8	6,260.4	6,290.5	6,344.8
Nonfarm less housing	5,236.0	5,470.5	5,438.9	5,504.4	5,559.6	5,655.9	5,680.5	5,729.1
Housing	588.7	604.5	604.0	605.6	607.3	606.2	611.5	617.2
Farm	78.6	90.3	90.7	93.7	88.8	91.1	91.4	93.4
Households and institutions ...	311.8	321.5	320.2	323.1	325.1	326.7	327.7	329.4
Private households	10.5	10.2	10.3	10.2	10.0	9.8	9.9	10.0
Nonprofit institutions	301.3	311.3	310.0	313.0	315.1	316.9	317.9	319.5
General government ²	781.2	786.2	785.7	788.1	787.3	789.6	792.2	795.5
Federal	240.7	235.4	236.3	235.5	232.5	232.4	231.9	232.3
State and local	540.8	551.3	549.9	553.2	555.5	557.9	561.1	564.1
Residual	-1.8	-3.7	-3.6	-4.4	-4.2	-5.5	-5.6	-6.1

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital as shown in table 3.8.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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. Chain-type quantity indexes for the series in this table appear in table 7.14.

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	7,661.6	8,110.9	8,063.4	8,170.8	8,254.5	8,384.2	8,440.6	8,526.5
Plus: Receipts of factor income from the rest of the world	235.5	265.5	268.3	274.3	266.3	270.3	270.6	.....
Less: Payments of factor income to the rest of the world	223.1	273.5	269.4	283.0	285.9	285.1	289.3	.....
Equals: Gross national product	7,674.0	8,102.9	8,062.3	8,162.0	8,234.9	8,369.4	8,421.8	.....
Less: Consumption of fixed capital	832.0	871.8	866.5	877.0	887.6	894.5	902.3	911.5
Private	684.3	720.2	714.9	725.2	734.7	741.1	748.5	756.7
Capital consumption allowances	719.7	760.5	754.3	765.8	778.2	790.5	803.2	818.8
Less: Capital consumption adjustment	35.4	40.4	39.4	40.6	43.5	49.4	54.7	62.1
Government	147.7	151.6	151.6	151.8	152.9	153.4	153.7	154.8
General government	125.3	128.3	128.3	128.3	129.1	129.4	129.6	130.3
Government enterprises	22.4	23.4	23.3	23.5	23.7	24.0	24.2	24.4
Equals: Net national product	6,842.0	7,231.1	7,195.8	7,285.1	7,347.3	7,474.9	7,519.6	.....
Less: Indirect business tax and nontax liability	606.4	627.2	625.0	632.0	634.5	641.9	647.7	655.7
Business transfer payments	33.8	35.1	35.0	35.4	35.6	36.0	36.0	36.6
Statistical discrepancy	-32.2	-55.8	-47.7	-65.1	-67.3	-54.1	-85.7	.....
Plus: Subsidies less current surplus of government enterprises	22.0	21.9	21.0	22.0	23.4	23.5	23.9	24.5
Equals: National income	6,256.0	6,646.5	6,604.5	6,704.8	6,767.9	6,875.0	6,945.5	.....
Less: Corporate profits with inventory valuation and capital consumption adjustments	750.4	817.9	815.5	840.9	820.8	829.2	820.6	.....
Net interest	418.6	432.0	431.8	433.3	432.4	440.5	447.1	.....
Contributions for social insurance	688.0	727.0	722.1	730.8	740.9	755.0	762.9	771.4
Wage accruals less disbursements	9.3	3.7	3.7	3.7	3.7	4.0	4.0	4.0
Plus: Personal interest income	719.4	747.3	745.7	750.5	753.0	757.0	763.0	767.6
Personal dividend income	248.2	260.3	259.9	260.4	261.3	261.6	262.1	263.0
Government transfer payments to persons	1,041.5	1,083.3	1,079.7	1,086.7	1,093.1	1,111.2	1,117.7	1,123.9
Business transfer payments to persons	26.4	27.2	27.1	27.3	27.5	27.8	28.1	28.3
Equals: Personal income	6,425.2	6,784.0	6,743.6	6,820.9	6,904.9	7,003.9	7,081.9	7,155.6
Addenda:								
Gross domestic income	7,693.8	8,166.7	8,111.1	8,235.9	8,321.8	8,438.4	8,526.3	.....
Gross national income	7,706.2	8,158.7	8,110.0	8,227.1	8,302.2	8,423.6	8,507.6	.....
Net domestic product	6,829.6	7,239.1	7,196.9	7,293.8	7,366.9	7,489.8	7,538.3	7,615.1

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

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	6,994.8	7,269.8	7,236.5	7,311.2	7,364.6	7,464.7	7,498.6	7,559.5
Plus: Receipts of factor income from the rest of the world	214.8	238.0	241.0	245.6	237.6	241.0	241.0	.....
Less: Payments of factor income to the rest of the world	200.9	240.7	237.5	248.9	250.5	249.6	252.8	.....
Equals: Gross national product	7,008.4	7,266.2	7,239.3	7,307.0	7,350.7	7,455.2	7,485.9	.....
Less: Consumption of fixed capital	777.2	808.8	799.2	814.0	829.3	841.1	854.4	867.8
Private	642.4	672.2	668.7	676.0	683.1	694.4	707.2	719.8
Government	135.5	137.4	137.2	137.7	138.1	138.6	139.0	139.8
General government	114.8	116.1	116.0	116.3	116.6	116.9	117.2	117.8
Government enterprises	20.1	20.6	20.6	20.7	20.9	21.0	21.1	21.3
Equals: Net national product	6,230.9	6,457.3	6,437.3	6,493.3	6,525.1	6,617.8	6,635.8	.....
Addenda:								
Gross domestic income ¹	7,024.1	7,319.7	7,279.3	7,369.5	7,424.7	7,512.9	7,574.8	.....
Gross national income ²	7,037.7	7,316.2	7,282.1	7,365.2	7,410.8	7,503.4	7,562.1	.....
Net domestic product	6,217.4	6,460.8	6,434.3	6,497.6	6,539.4	6,627.8	6,649.0	6,697.0

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

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

NOTE.—Except as noted in footnotes 1 and 2, chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

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

Table 1.11.—Command-Basis Real Gross National Product

[Billions of chained (1992) dollars]

Gross national product	7,008.4	7,266.2	7,239.3	7,307.0	7,350.7	7,455.2	7,485.9	.....
Less: Exports of goods and services and receipts of factor income from the rest of the world	1,075.2	1,208.2	1,205.2	1,234.2	1,235.8	1,232.8	1,213.7	.....
Plus: Command-basis exports of goods and services and receipts of factor income ¹	1,095.2	1,246.7	1,246.0	1,277.2	1,280.2	1,296.5	1,283.4	.....
Equals: Command-basis gross national product	7,028.3	7,304.7	7,280.1	7,350.1	7,395.1	7,518.9	7,555.6	.....
Addendum:								
Terms of trade ²	101.9	103.2	103.4	103.5	103.6	105.2	105.7	.....

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

2. Ratio of the implicit price deflator for exports of goods and services and receipts of factor income to the corresponding implicit price deflator for imports with the decimal point shifted two places to the right.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive.

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

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

Table 1.14.—National Income by Type of Income

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National income	6,256.0	6,646.5	6,604.5	6,704.8	6,767.9	6,875.0	6,945.5	.....
Compensation of employees ...	4,409.0	4,687.2	4,649.2	4,715.5	4,798.0	4,882.8	4,945.2	5,009.7
Wage and salary accruals	3,640.4	3,893.6	3,859.2	3,919.3	3,993.6	4,065.9	4,121.6	4,179.4
Government	640.9	664.2	661.6	666.7	671.4	679.5	685.8	692.4
Other	2,999.5	3,229.4	3,197.6	3,252.6	3,322.2	3,386.4	3,435.8	3,487.0
Supplements to wages and salaries	768.6	793.7	790.0	796.2	804.4	816.8	823.5	830.3
Employer contributions for social insurance	381.7	400.7	398.4	402.7	407.4	414.1	417.9	422.0
Other labor income	387.0	392.9	391.5	393.6	397.0	402.8	405.7	408.3
Proprietors' income with inventory valuation and capital consumption adjustments	527.7	551.2	549.9	556.5	558.0	564.2	571.7	574.9
Farm	38.9	35.5	37.8	36.3	31.4	27.4	27.7	24.2
Proprietors' income with inventory valuation adjustment	46.7	43.0	45.4	43.8	38.8	34.7	35.0	31.3
Capital consumption adjustment	-7.8	-7.5	-7.6	-7.5	-7.4	-7.3	-7.2	-7.1
Nonfarm	488.8	515.8	512.1	520.2	526.6	536.8	544.0	550.7
Proprietors' income	461.6	485.3	481.5	489.8	495.5	502.9	511.6	516.4
Inventory valuation adjustment	-6	.6	1.0	.4	.5	2.4	-.1	.8
Capital consumption adjustment	27.8	29.9	29.6	30.0	30.6	31.5	32.4	33.4
Rental income of persons with capital consumption adjustment	150.2	158.2	158.0	158.6	158.8	158.3	161.0	163.6
Rental income of persons	198.4	208.6	208.0	209.4	210.2	209.5	212.2	215.2
Capital consumption adjustment	-48.1	-50.4	-50.0	-50.8	-51.4	-51.2	-51.3	-51.6
Corporate profits with inventory valuation and capital consumption adjustments	750.4	817.9	815.5	840.9	820.8	829.2	820.6	.....
Corporate profits with inventory valuation adjustment	679.0	741.2	740.1	763.7	740.7	744.3	731.3	.....
Profits before tax	680.2	734.4	729.8	758.9	736.4	719.1	723.5	.....
Profits tax liability	226.1	246.1	241.9	254.2	249.3	239.9	241.6	.....
Profits after tax	454.1	488.3	487.8	504.7	487.1	479.2	481.8	.....
Dividends	261.9	275.1	274.7	275.1	276.4	277.3	278.1	279.0
Undistributed profits	192.3	213.2	213.2	229.5	210.6	201.8	203.7	.....
Inventory valuation adjustment	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	.....
Capital consumption adjustment	71.4	76.6	75.5	77.2	80.1	84.9	89.4	96.8
Net interest	418.6	432.0	431.8	433.3	432.4	440.5	447.1	.....
Addenda:								
Corporate profits after tax with inventory valuation and capital consumption adjustments	524.3	571.8	573.6	586.7	571.4	589.3	579.0	.....
Net cash flow with inventory valuation and capital consumption adjustments	714.4	774.1	772.6	792.3	782.6	804.5	798.7	.....
Undistributed profits with inventory valuation and capital consumption adjustments	262.4	296.7	299.0	311.5	295.0	312.0	300.9	.....
Consumption of fixed capital	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
Less: Inventory valuation adjustment	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	.....
Equals: Net cash flow	715.7	767.2	762.3	787.5	778.4	779.2	790.9	.....

Table 1.16.—Gross Domestic Product of Corporate Business in Current Dollars and Gross Domestic Product of Nonfinancial Corporate Business in Current and Chained Dollars

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
			Billions of dollars					
Gross domestic product of corporate business	4,607.8	4,960.9	4,911.3	5,015.5	5,090.8	5,160.6	5,210.0	.....
Consumption of fixed capital	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
Net domestic product	4,155.8	4,483.5	4,437.6	4,534.7	4,603.2	4,668.0	4,712.2	.....
Indirect business tax and nontax liability plus business transfer payments less subsidies	450.1	477.8	474.5	484.7	489.1	495.0	499.2	506.2
Domestic income	3,705.7	4,005.7	3,963.1	4,049.9	4,114.0	4,173.0	4,213.0	.....
Compensation of employees	2,926.5	3,139.8	3,109.1	3,160.8	3,228.8	3,283.2	3,327.8	3,373.9
Wage and salary accruals	2,449.1	2,644.4	2,615.0	2,664.1	2,728.3	2,773.3	2,813.7	2,855.5
Supplements to wages and salaries	477.4	495.5	494.1	496.7	500.5	509.9	514.1	518.3
Corporate profits with inventory valuation and capital consumption adjustments	654.0	718.9	710.2	738.6	728.8	730.6	723.3	.....
Profits before tax	583.8	635.4	624.4	656.6	644.5	620.5	626.2	.....
Profits tax liability	226.1	246.1	241.9	254.2	249.3	239.9	241.6	.....
Profits after tax	357.7	389.3	382.4	402.3	395.1	380.6	384.5	.....
Dividends	224.8	234.7	230.0	229.7	244.0	240.6	259.9	.....
Undistributed profits	132.9	154.5	152.4	172.7	151.2	140.0	124.6	.....
Inventory valuation adjustment	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	.....
Capital consumption adjustment	71.4	76.6	75.5	77.2	80.1	84.9	89.4	96.8
Net interest	125.2	147.1	143.9	150.5	156.4	159.2	161.9	.....
Gross domestic product of financial corporate business	473.4	546.4	535.6	553.6	577.7	586.4	591.2	.....
Gross domestic product of nonfinancial corporate business	4,134.4	4,414.5	4,375.7	4,461.9	4,513.2	4,574.2	4,618.8	.....
Consumption of fixed capital	393.4	415.4	412.2	418.4	424.4	428.5	433.1	437.4
Net domestic product	3,741.0	3,999.1	3,963.5	4,043.4	4,088.8	4,145.7	4,185.7	.....
Indirect business tax and nontax liability plus business transfer payments less subsidies	411.6	436.8	434.5	442.1	445.0	450.5	454.2	460.7
Domestic income	3,329.4	3,562.3	3,529.0	3,601.4	3,643.8	3,695.2	3,731.4	.....
Compensation of employees	2,679.7	2,871.2	2,843.4	2,889.8	2,952.6	3,002.3	3,043.1	3,085.2
Wage and salary accruals	2,240.7	2,416.6	2,389.7	2,434.3	2,494.2	2,534.5	2,571.4	2,609.6
Supplements to wages and salaries	439.0	454.6	453.7	455.5	458.4	467.8	471.7	475.6
Corporate profits with inventory valuation and capital consumption adjustments	548.5	594.2	586.7	615.2	599.3	599.3	593.2	.....
Profits before tax	473.1	505.4	495.6	528.0	509.8	484.2	491.8	.....
Profits tax liability	151.5	169.8	166.4	178.1	170.1	159.7	162.1	.....
Profits after tax	321.5	335.6	329.2	349.9	339.6	324.5	329.6	.....
Dividends	217.1	229.3	224.6	226.1	239.6	237.3	254.3	.....
Undistributed profits	104.4	106.3	104.6	123.8	100.1	87.2	75.3	.....
Inventory valuation adjustment	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	.....
Capital consumption adjustment	76.7	81.9	80.7	82.5	85.3	89.8	93.7	100.5
Net interest	101.2	96.9	99.0	96.3	91.9	93.6	95.2	.....
			Billions of chained (1992) dollars					
Gross domestic product of nonfinancial corporate business ¹	3,914.8	4,154.4	4,117.0	4,198.5	4,247.5	4,309.2	4,352.0	.....
Consumption of fixed capital ²	374.3	394.6	392.2	397.2	402.1	409.3	417.7	426.6
Net domestic product ³	3,540.5	3,759.8	3,724.9	3,801.3	3,845.5	3,899.9	3,934.3	.....

1. Chained-dollar gross domestic product of nonfinancial corporate business equals the current-dollar product deflated by the implicit price deflator for goods and structures in gross domestic product.

2. Chained-dollar consumption of fixed capital of nonfinancial corporate business is calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100.

3. Chained-dollar net domestic product of nonfinancial corporate business is the difference between the gross product and the consumption of fixed capital.

2. Personal Income and Outlays

Table 2.1.—Personal Income and Its Disposition

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Personal income	6,425.2	6,784.0	6,743.6	6,820.9	6,904.9	7,003.9	7,081.9	7,155.6
Wage and salary disbursements	3,631.1	3,889.8	3,855.5	3,915.5	3,989.9	4,061.9	4,117.6	4,175.4
Private industries	2,990.2	3,225.7	3,193.9	3,248.9	3,318.4	3,382.4	3,431.8	3,482.9
Goods-producing industries	909.0	975.0	965.4	979.4	1,003.7	1,019.0	1,023.2	1,026.8
Manufacturing	674.6	719.5	712.0	722.3	741.3	750.4	750.8	750.3
Distributive industries	823.3	879.8	870.2	886.3	904.5	918.9	932.2	946.0
Service industries	1,257.9	1,370.8	1,358.3	1,383.2	1,410.2	1,444.5	1,476.4	1,510.1
Government	640.9	664.2	661.6	666.7	671.4	679.5	685.8	692.4
Other labor income	387.0	392.9	391.5	393.6	397.0	402.8	405.7	408.3
Proprietors' income with inventory valuation and capital consumption adjustments	527.7	551.2	549.9	556.5	558.0	564.2	571.7	574.9
Farm	38.9	35.5	37.8	36.3	31.4	27.4	27.7	24.2
Nonfarm	488.8	515.8	512.1	520.2	526.6	536.8	544.0	550.7
Rental income of persons with capital consumption adjustment	150.2	158.2	158.0	158.6	158.8	158.3	161.0	163.6
Personal dividend income	248.2	260.3	259.9	260.4	261.3	261.6	262.1	263.0
Personal interest income	719.4	747.3	745.7	750.5	753.0	757.0	763.0	767.6
Transfer payments to persons	1,068.0	1,110.4	1,106.8	1,114.0	1,120.5	1,139.0	1,145.8	1,152.2
Old-age, survivors, disability, and health insurance benefits	538.0	565.9	563.9	568.3	572.2	581.6	585.0	588.7
Government unemployment insurance benefits	21.9	19.9	19.9	19.6	19.3	19.6	19.5	19.5
Veterans benefits	21.6	22.4	22.4	22.6	22.3	23.3	23.2	23.4
Government employees retirement benefits	141.3	151.4	150.7	152.2	153.8	156.8	158.4	160.0
Other transfer payments	345.0	350.8	349.9	351.3	352.9	357.6	359.6	360.7
Family assistance ¹	21.6	19.7	19.9	19.5	19.1	18.7	18.0	17.1
Other	323.5	331.1	330.0	331.8	333.8	338.9	341.6	343.6
Less: Personal contributions for social insurance	306.3	326.2	323.7	328.2	333.6	340.9	345.1	349.4
Less: Personal tax and nontax payments	890.5	989.0	975.8	999.0	1,025.5	1,066.8	1,092.9	1,113.2
Equals: Disposable personal income	5,534.7	5,795.1	5,767.9	5,821.8	5,879.4	5,937.1	5,988.9	6,042.4
Less: Personal outlays	5,376.2	5,674.1	5,616.0	5,723.3	5,781.2	5,864.0	5,963.3	6,036.4
Personal consumption expenditures	5,215.7	5,493.7	5,438.8	5,540.3	5,593.2	5,676.5	5,773.7	5,843.0
Interest paid by persons	143.6	161.5	159.0	163.5	168.2	168.3	169.8	172.9
Personal transfer payments to the rest of the world (net)	16.9	18.9	18.2	19.5	19.8	19.2	19.9	20.5
Equals: Personal saving	158.5	121.0	151.9	98.5	98.2	73.0	25.6	5.9
Addenda:								
Disposable personal income: Total, billions of chained (1992) dollars ²	5,043.0	5,183.1	5,167.5	5,198.4	5,235.8	5,287.1	5,321.5	5,356.0
Per capita:								
Current dollars	20,840	21,633	21,558	21,709	21,871	22,046	22,192	22,336
Chained (1992) dollars	18,989	19,349	19,315	19,385	19,478	19,632	19,719	19,799
Population (mid-period, millions)	265.6	267.9	267.5	268.2	268.8	269.3	269.9	270.5
Personal saving as a percentage of disposable personal income	2.9	2.1	2.6	1.7	1.7	1.2	.4	.1

Table 2.2.—Personal Consumption Expenditures by Major Type of Product

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Personal consumption expenditures	5,215.7	5,493.7	5,438.8	5,540.3	5,593.2	5,676.5	5,773.7	5,843.0
Durable goods	643.3	673.0	659.9	681.2	682.2	705.1	720.1	715.5
Motor vehicles and parts	264.8	269.5	260.7	274.5	271.6	277.0	288.8	278.6
Furniture and household equipment	256.0	271.4	269.2	273.8	276.0	288.5	288.9	293.7
Other	122.5	132.1	130.0	132.8	134.6	139.6	142.3	143.1
Nondurable goods	1,539.2	1,600.6	1,588.2	1,611.3	1,613.2	1,633.1	1,655.2	1,670.7
Food	755.0	780.9	775.8	785.3	787.1	796.9	810.2	817.6
Clothing and shoes	265.7	278.0	275.6	280.9	280.7	291.0	295.3	295.7
Gasoline and oil	124.5	126.5	123.7	125.7	125.9	116.2	111.6	112.1
Fuel oil and coal	12.2	11.2	11.5	11.2	10.7	9.5	9.8	9.8
Other	381.8	403.9	401.5	408.1	408.8	419.4	428.3	435.4
Services	3,033.2	3,220.1	3,190.7	3,247.9	3,297.8	3,338.2	3,398.4	3,456.8
Housing	787.4	829.8	824.0	835.4	847.0	859.1	871.9	883.8
Household operation	314.5	327.3	323.6	330.4	337.0	327.6	339.2	345.3
Electricity and gas	125.5	126.2	125.4	127.0	129.2	116.8	124.1	127.5
Other household operation	189.0	201.1	198.1	203.4	207.8	210.9	215.1	217.8
Transportation	222.3	240.3	238.4	242.2	246.3	249.5	253.2	252.7
Medical care	806.8	843.4	837.7	848.7	857.9	871.5	884.2	893.1
Other	902.3	979.3	967.1	991.3	1,009.5	1,030.5	1,049.8	1,081.9

Table 2.3.—Real Personal Consumption Expenditures by Major Type of Product

(Billions of chained (1992) dollars)

	1996	1997	1997	1997	1998	1998	1998	1998
Personal consumption expenditures	4,752.4	4,913.5	4,872.7	4,947.0	4,981.0	5,055.1	5,130.2	5,179.3
Durable goods	626.1	668.6	653.8	679.6	684.8	710.3	729.4	729.4
Motor vehicles and parts	235.0	239.3	230.8	244.4	242.7	247.8	258.9	248.3
Furniture and household equipment	277.5	307.7	303.7	312.7	318.1	335.8	339.3	351.5
Other	117.1	127.7	125.9	128.5	130.8	135.1	138.6	140.1
Nondurable goods	1,450.9	1,486.3	1,477.1	1,495.7	1,494.3	1,521.2	1,540.9	1,549.6
Food	692.6	699.3	697.3	700.6	699.9	706.8	716.3	717.9
Clothing and shoes	276.1	288.4	283.3	291.9	292.3	307.4	311.4	312.0
Gasoline and oil	116.0	117.9	118.3	118.4	118.1	118.5	118.4	121.5
Fuel oil and coal	11.2	10.3	10.4	10.7	10.1	9.2	9.7	10.0
Other	356.7	373.0	369.9	377.0	376.8	383.5	389.2	392.7
Services	2,676.7	2,761.5	2,743.6	2,775.4	2,804.8	2,829.3	2,866.8	2,905.4
Housing	700.9	717.4	715.1	719.5	723.9	728.7	732.7	737.0
Household operation	291.4	301.3	297.8	305.0	311.1	306.3	316.5	323.5
Electricity and gas	118.0	116.0	116.0	117.2	118.4	110.5	117.4	121.6
Other household operation	173.3	185.1	181.6	187.7	192.5	195.6	198.9	201.8
Transportation	200.5	212.2	210.7	213.7	215.9	217.9	221.4	221.5
Medical care	686.6	701.7	698.6	704.2	709.4	714.9	721.6	725.4
Other	798.6	830.5	823.0	834.8	846.6	862.9	876.7	900.3
Residual	-7.7	-13.0	-11.9	-14.3	-14.5	-19.5	-20.3	-22.3

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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. Chain-type quantity indexes for the series in this table appear in table 7.4.

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. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

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

3. Government Receipts, Current Expenditures, and Gross Investment

Table 3.1.—Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts	2,411.0	2,589.2	2,564.9	2,616.0	2,650.3	2,703.6	2,745.2	.....
Personal tax and nontax receipts	890.5	989.0	975.8	999.0	1,025.5	1,066.8	1,092.9	1,113.2
Corporate profits tax accruals	226.1	246.1	241.9	254.2	249.3	239.9	241.6	.....
Indirect business tax and nontax accruals	606.4	627.2	625.0	632.0	634.5	641.9	647.7	655.7
Contributions for social insurance	688.0	727.0	722.1	730.8	740.9	755.0	762.9	771.4
Current expenditures	2,398.7	2,476.1	2,469.6	2,479.8	2,506.7	2,504.6	2,529.5	2,534.8
Consumption expenditures	1,175.5	1,219.2	1,218.8	1,222.3	1,231.6	1,227.5	1,248.7	1,251.6
Transfer payments (net)	1,057.7	1,096.0	1,089.6	1,096.6	1,114.6	1,121.1	1,126.7	1,132.7
To persons	1,041.5	1,083.3	1,079.7	1,086.7	1,093.1	1,111.2	1,117.7	1,123.9
To the rest of the world (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	8.8
Net interest paid	157.1	153.8	154.9	153.7	152.3	148.2	146.2	141.9
Interest paid	315.7	316.9	317.7	317.7	317.2	314.3	314.5	312.0
To persons and business	248.3	229.4	230.1	226.9	226.5	224.4	223.4	.....
To the rest of the world	67.4	87.5	87.6	90.8	90.7	89.9	91.0	.....
Less: Interest received by government	158.6	163.1	162.8	164.0	164.9	166.1	168.3	170.1
Less: Dividends received by government	13.7	14.8	14.7	14.8	15.2	15.7	16.0	16.0
Subsidies less current surplus of government enterprises	22.0	21.9	21.0	22.0	23.4	23.5	23.9	24.5
Subsidies	34.0	33.4	33.6	33.3	32.7	31.8	31.4	31.0
Less: Current surplus of government enterprises	12.0	11.5	12.6	11.3	9.3	8.4	7.5	6.5
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	12.3	113.1	95.3	136.2	143.6	199.0	215.7	.....
Social insurance funds	125.0	138.5	135.2	140.8	148.5	152.0	158.3	164.3
Other	-112.7	-25.4	-39.9	-4.6	-4.9	47.0	57.4	.....

Table 3.2.—Federal Government Receipts and Current Expenditures

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts	1,584.7	1,719.9	1,703.6	1,739.6	1,765.5	1,809.1	1,838.3	.....
Personal tax and nontax receipts	687.0	769.1	759.1	776.9	798.6	836.5	855.7	868.9
Income taxes	666.9	745.8	735.8	753.7	774.2	810.0	826.3	842.1
Estate and gift taxes	17.5	20.6	20.6	20.5	21.6	23.5	26.2	23.3
Nontaxes	2.6	2.7	2.6	2.7	2.8	3.0	3.2	3.5
Corporate profits tax accruals	193.0	210.0	206.5	217.0	212.8	204.8	206.2	.....
Federal Reserve banks	20.1	20.6	20.2	20.8	21.2	21.6	21.5	.....
Other	172.9	189.5	186.3	196.2	191.6	183.2	184.7	.....
Indirect business tax and nontax accruals	94.5	93.8	95.5	95.1	93.8	93.9	95.2	97.3
Excise taxes	55.9	59.5	60.5	59.7	60.8	60.7	61.9	63.2
Customs duties	19.2	19.6	20.4	20.5	18.9	19.1	19.3	20.4
Nontaxes	19.4	14.6	14.6	14.9	14.2	14.1	13.9	13.7
Contributions for social insurance	610.2	647.0	642.4	650.6	660.3	673.9	681.2	689.0
Current expenditures	1,695.0	1,741.0	1,738.4	1,739.9	1,763.4	1,750.3	1,763.9	1,760.2
Consumption expenditures	450.9	460.4	464.8	460.0	460.1	450.9	464.0	458.5
Transfer payments (net)	764.2	791.9	787.1	791.2	805.9	808.5	811.1	814.5
To persons	748.0	779.2	777.3	781.2	784.4	798.6	802.1	805.6
To the rest of the world (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	8.8
Grants-in-aid to State and local governments	218.9	225.0	223.2	224.4	231.8	228.7	226.9	227.6
Net interest paid	228.4	231.2	231.6	231.9	231.8	228.8	228.3	225.6
Interest paid	252.4	253.6	254.5	254.4	253.8	250.7	250.6	248.0
To persons and business	185.0	166.1	166.9	163.6	163.1	160.7	159.6	.....
To the rest of the world	67.4	87.5	87.6	90.8	90.7	89.9	91.0	.....
Less: Interest received by government	24.0	22.4	22.8	22.5	22.0	21.8	22.3	22.4
Subsidies less current surplus of government enterprises	32.7	32.5	31.6	32.5	33.7	33.4	33.5	33.9
Subsidies	33.7	33.0	33.3	32.9	32.4	31.5	31.0	30.6
Less: Current surplus of government enterprises	1.0	.5	1.7	.4	-1.4	-1.9	-2.5	-3.4
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	-110.3	-21.1	-34.8	-3	2.2	58.8	74.4	.....
Social insurance funds	54.6	70.3	66.7	72.9	80.9	84.5	90.6	96.7
Other	-164.9	-91.4	-101.5	-73.3	-78.7	-25.7	-16.2	.....

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts	1,045.2	1,094.3	1,084.5	1,100.8	1,116.5	1,123.3	1,133.8	.....
Personal tax and nontax receipts	203.5	219.9	216.7	222.1	226.9	230.4	237.2	244.3
Income taxes	151.9	164.3	161.6	166.1	169.9	172.3	178.3	184.4
Nontaxes	29.5	32.0	31.7	32.3	32.9	33.6	34.2	34.9
Other	22.1	23.6	23.4	23.8	24.1	24.5	24.7	25.0
Corporate profits tax accruals	33.1	36.0	35.4	37.3	36.5	35.1	35.4	.....
Indirect business tax and nontax accruals	511.9	533.4	529.5	536.9	540.7	548.0	552.5	558.4
Sales taxes	252.0	261.5	259.1	261.9	265.7	268.4	270.4	271.4
Property taxes	202.7	209.1	208.3	209.9	211.5	213.9	216.3	218.3
Other	57.2	62.8	62.1	65.1	63.5	65.7	65.9	68.7
Contributions for social insurance	77.8	79.9	79.7	80.2	80.6	81.1	81.7	82.4
Federal grants-in-aid	218.9	225.0	223.2	224.4	231.8	228.7	226.9	227.6
Current expenditures	922.6	960.1	954.4	964.3	975.1	983.0	992.5	1,002.2
Consumption expenditures	724.7	758.8	754.0	762.2	771.5	776.7	784.7	793.1
Transfer payments to persons	293.5	304.1	302.5	305.5	308.6	312.6	315.6	318.2
Net interest paid	-71.3	-77.4	-76.7	-78.2	-79.5	-80.7	-82.2	-83.7
Interest paid	63.3	63.3	63.2	63.3	63.4	63.6	63.8	64.0
Less: Interest received by government	134.5	140.6	140.0	141.5	142.9	144.3	146.0	147.7
Less: Dividends received by government	13.7	14.8	14.7	14.8	15.2	15.7	16.0	16.0
Subsidies less current surplus of government enterprises	-10.7	-10.6	-10.6	-10.5	-10.3	-9.9	-9.6	-9.4
Subsidies	.4	.4	.4	.4	.4	.4	.4	.4
Less: Current surplus of government enterprises	11.0	10.9	11.0	10.9	10.7	10.3	10.0	9.8
Less: Wage accruals less disbursements	0	0	0	0	0	0	0	0
Current surplus or deficit (-), national income and product accounts	122.6	134.1	130.1	136.6	141.4	140.2	141.3	.....
Social insurance funds	70.4	68.1	68.5	67.9	67.6	67.5	67.7	67.6
Other	52.2	66.0	61.6	68.7	73.8	72.7	73.6	.....

Table 3.7.—Government Consumption Expenditures and Gross Investment by Type

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Government consumption expenditures and gross investment¹	1,405.2	1,454.6	1,451.5	1,459.5	1,468.1	1,464.9	1,481.2	1,490.5
Federal	518.4	520.2	522.9	521.0	520.1	511.6	520.7	518.7
National defense	351.0	346.0	349.1	347.1	346.5	331.6	339.8	343.5
Consumption expenditures	304.1	306.3	310.4	306.0	304.8	293.3	303.0	303.0
Durable goods ²	21.1	20.7	21.7	19.6	20.8	20.4	20.8	22.4
Nondurable goods	7.6	7.4	7.2	7.4	7.2	6.5	6.4	6.9
Services	275.3	278.2	281.4	279.1	276.7	266.4	275.8	273.7
Compensation of general government employees, except force-account construction ³	133.8	133.3	133.5	133.1	131.9	133.4	132.2	132.3
Consumption of general government fixed capital ⁴	56.8	56.3	56.7	56.0	55.7	55.3	54.8	54.4
Other services	84.7	88.6	91.2	90.0	89.1	77.7	88.9	87.0
Gross investment	46.9	39.7	38.7	41.1	41.7	38.3	36.8	40.5
Structures	6.7	5.7	5.6	5.7	5.7	5.4	4.9	5.4
Equipment	40.2	34.0	33.2	35.4	36.1	32.9	31.9	35.0
Nondefense	167.4	174.3	173.8	173.9	173.6	180.0	180.9	175.2
Consumption expenditures	146.8	154.2	154.4	154.0	155.3	157.6	160.9	155.5
Durable goods ²	1.0	1.0	1.3	.9	.9	1.2	1.3	-4.8
Nondurable goods	5.8	6.8	6.7	6.7	7.4	7.3	7.6	8.2
Commodity Credit Corporation inventory change ...	-4	-1	-2	-2	.1	0	.2	.8
Other nondurables	6.2	6.9	6.8	6.9	7.3	7.3	7.4	7.3
Services	140.0	146.3	146.5	146.4	147.0	149.1	152.0	152.1
Compensation of general government employees, except force-account construction ³	77.5	80.2	80.7	80.3	79.5	81.5	82.3	82.7
Consumption of general government fixed capital ⁴	11.1	11.5	11.5	11.5	11.7	11.8	11.9	12.2
Other services	51.5	54.7	54.4	54.6	55.8	55.8	57.9	57.3
Gross investment	20.6	20.1	19.3	19.8	18.3	22.4	20.0	19.7
Structures	10.9	10.0	10.0	10.8	8.7	10.6	10.4	11.1
Equipment	9.8	10.0	9.4	9.1	9.6	11.8	9.6	8.6
State and local	886.8	934.4	928.6	938.5	947.9	953.3	960.4	971.8
Consumption expenditures	724.7	758.8	754.0	762.2	771.5	776.7	784.7	793.1
Durable goods ²	15.6	16.2	16.1	16.3	16.4	16.6	16.7	16.9
Nondurable goods	77.7	79.7	79.1	79.2	80.1	78.0	78.4	78.4
Services	631.4	662.9	658.8	666.8	675.0	682.1	689.6	697.8
Compensation of general government employees, except force-account construction ³	542.9	566.7	563.7	570.1	575.4	581.1	587.8	594.2
Consumption of general government fixed capital ⁴	57.4	60.5	60.1	60.8	61.8	62.4	62.9	63.7
Other services	31.1	35.7	35.0	36.0	37.8	38.6	38.9	39.9
Gross investment	162.1	175.6	174.6	176.3	176.4	176.6	175.7	178.7
Structures	130.9	142.4	141.6	142.8	142.6	142.0	140.6	142.9
Equipment	31.2	33.2	32.9	33.4	33.9	34.6	35.2	35.8
Addenda:								
Compensation of general government employees ³	758.3	784.7	782.5	788.0	791.4	800.6	806.8	813.8
Federal	211.3	213.5	214.3	213.4	211.5	215.0	214.6	215.1
State and local	547.0	571.2	568.2	574.6	579.9	585.6	592.2	598.7

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addenda.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.8.—Real Government Consumption Expenditures and Real Gross Investment by Type

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Government consumption expenditures and gross investment¹	1,268.2	1,285.0	1,284.4	1,288.9	1,289.2	1,283.0	1,294.8	1,299.4
Federal	465.6	458.0	460.4	458.9	456.5	446.1	454.1	452.1
National defense	319.1	308.9	311.7	310.2	308.7	293.3	300.3	303.4
Consumption expenditures	276.6	272.4	276.2	272.3	270.0	257.9	266.1	265.4
Durable goods ²	20.8	20.4	21.4	19.2	20.6	20.1	20.7	22.3
Nondurable goods	7.0	7.0	6.8	7.1	6.9	6.7	6.7	7.3
Services	248.6	244.9	247.8	245.7	242.4	231.1	238.7	236.0
Compensation of general government employees, except force-account construction ³	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.6
Consumption of general government fixed capital ⁴	51.5	50.5	50.6	50.3	50.0	49.6	49.3	49.0
Other services	80.1	81.8	84.6	82.9	81.5	70.8	80.3	77.7
Gross investment	42.6	36.5	35.4	37.9	38.7	35.4	34.1	38.1
Structures	5.5	4.5	4.4	4.5	4.5	4.3	3.8	4.3
Equipment	37.0	31.9	30.9	33.3	34.2	31.0	30.3	33.9
Nondefense	146.2	148.6	148.2	148.2	147.3	151.9	152.9	148.1
Consumption expenditures	126.1	128.7	129.0	128.5	129.0	130.0	132.9	128.3
Durable goods ²	1.2	1.4	1.6	1.3	1.3	1.5	1.7	-3.3
Nondurable goods	5.2	6.1	5.9	6.0	6.6	6.6	6.9	7.6
Commodity Credit Corporation inventory change ...	-2	-1	-2	-2	.2	0	.3	1.0
Other nondurables	5.5	6.2	6.1	6.2	6.5	6.5	6.6	6.6
Services	119.6	121.4	121.6	121.3	121.2	122.0	124.5	124.4
Compensation of general government employees, except force-account construction ³	61.2	60.8	61.3	61.0	59.9	60.7	61.4	61.6
Consumption of general government fixed capital ⁴	10.6	11.0	11.0	11.1	11.2	11.3	11.4	11.7
Other services	48.3	50.3	50.0	50.0	51.1	51.0	52.8	52.0
Gross investment	20.2	19.8	19.1	19.6	18.1	22.2	19.9	19.7
Structures	9.6	8.6	8.5	9.2	7.3	8.8	8.6	9.1
Equipment	10.7	11.6	10.8	10.6	11.3	14.1	11.7	10.7
State and local	802.7	827.1	824.2	830.1	832.9	837.1	840.9	847.5
Consumption expenditures	656.8	672.3	670.1	674.7	678.5	682.8	687.3	691.5
Durable goods ²	14.6	15.1	15.1	15.2	15.3	15.4	15.6	15.7
Nondurable goods	71.1	73.4	73.2	73.7	74.3	74.9	75.4	76.0
Services	571.3	583.9	582.0	586.0	589.1	592.7	596.5	600.0
Compensation of general government employees, except force-account construction ³	484.5	492.8	491.7	494.4	496.2	498.1	500.9	503.3
Consumption of general government fixed capital ⁴	52.7	54.8	54.5	55.0	55.6	56.1	56.7	57.2
Other services	35.0	37.7	37.1	38.0	38.9	40.2	40.7	41.5
Gross investment	145.8	154.8	154.0	155.3	154.3	154.2	153.5	155.9
Structures	114.9	121.0	120.6	121.0	119.5	118.5	117.0	118.4
Equipment	31.1	34.3	33.9	34.8	35.5	36.7	37.7	38.8
Residual	-1.7	-2.9	-2.7	-2.6	-4.0	-3.9	-4.3	-5.0
Addenda:								
Compensation of general government employees ³	666.5	670.2	669.8	671.9	670.8	672.8	675.1	677.9
Federal	178.7	174.2	174.9	174.3	171.7	171.8	171.5	171.9
State and local	488.1	496.7	495.5	498.3	500.0	501.9	504.6	507.0

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

Chain-type quantity indexes for the series in this table appear in table 7.11. See footnotes to table 3.7.

Table 3.10.—National Defense Consumption Expenditures and Gross Investment

(Billions of dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National defense consumption expenditures and gross investment¹	351.0	346.0	349.1	347.1	346.5	331.6	339.8	343.5
Consumption expenditures	304.1	306.3	310.4	306.0	304.8	293.3	303.0	303.0
Durable goods²	21.1	20.7	21.7	19.6	20.8	20.4	20.8	22.4
Aircraft	9.0	9.6	10.3	8.7	9.7	9.3	10.1	10.4
Missiles	3.0	2.6	2.6	2.5	2.7	2.4	2.2	2.8
Ships .....	.9	.7	.7	.7	.7	.7	.6	.7
Vehicles .....	.8	.9	.9	.9	1.0	1.0	.9	.9
Electronics	2.5	2.6	2.7	2.7	2.4	2.6	2.5	2.5
Other durable goods	4.9	4.3	4.5	4.1	4.4	4.4	4.6	5.0
Nondurable goods	7.6	7.4	7.2	7.4	7.2	6.5	6.4	6.9
Petroleum products	3.4	2.9	3.1	3.1	2.5	2.0	2.0	2.0
Ammunition	1.3	1.5	1.5	1.2	1.7	1.4	1.2	2.0
Other nondurable goods	2.9	3.0	2.7	3.2	3.1	3.1	3.1	2.9
Services	275.3	278.2	281.4	279.1	276.7	266.4	275.8	273.7
Compensation of general government employees, except force-account construction ³	133.8	133.3	133.5	133.1	131.9	133.4	132.2	132.3
Military	84.3	84.2	84.1	84.1	83.7	85.0	84.4	84.4
Civilian	49.5	49.1	49.4	48.9	48.2	48.4	47.8	47.9
Consumption of general government fixed capital ⁴	56.8	56.3	56.7	56.0	55.7	55.3	54.8	54.4
Other services	84.7	88.6	91.2	90.0	89.1	77.7	88.9	87.0
Research and development	25.9	28.9	31.3	29.3	28.6	22.0	27.5	28.6
Installation support	27.2	26.3	26.8	26.9	25.7	25.1	25.8	25.1
Weapons support	5.7	6.4	6.3	6.9	7.0	5.6	6.4	5.8
Personnel support	18.8	20.1	19.7	20.4	21.0	18.6	21.5	20.2
Transportation of material	4.9	4.6	4.5	4.5	4.7	4.6	4.7	4.7
Travel of persons	4.0	3.6	3.6	3.6	3.6	3.5	3.5	3.5
Other	-1.9	-1.3	-1.0	-1.5	-1.4	-1.8	-6	-8
Gross investment	46.9	39.7	38.7	41.1	41.7	38.3	36.8	40.5
Structures	6.7	5.7	5.6	5.7	5.7	5.4	4.9	5.4
Equipment	40.2	34.0	33.2	35.4	36.1	32.9	31.9	35.0
Aircraft	9.2	6.0	3.7	7.1	8.3	5.1	4.3	6.1
Missiles	4.3	3.0	2.9	3.1	3.1	3.2	2.7	2.7
Ships	6.8	6.1	6.7	6.4	5.8	6.3	6.0	6.5
Vehicles	1.1	1.5	1.5	1.5	1.4	1.3	1.8	1.5
Electronics	3.5	3.6	3.8	3.6	3.2	3.4	3.6	3.4
Other equipment	15.3	13.9	14.7	13.6	14.3	13.6	13.5	14.9
Addendum:								
Compensation of general government employees ³	133.8	133.3	133.5	133.1	131.9	133.5	132.2	132.3

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries.

3. Compensation of government employees engaged in new force-account construction and related expenditures for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addendum.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 3.11.—Real National Defense Consumption Expenditures and Real Gross Investment

(Billions of chained (1992) dollars)

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National defense consumption expenditures and gross investment¹	319.1	308.9	311.7	310.2	308.7	293.3	300.3	303.4
Consumption expenditures	276.6	272.4	276.2	272.3	270.0	257.9	266.1	265.4
Durable goods²	20.8	20.4	21.4	19.2	20.6	20.1	20.7	22.3
Aircraft	8.7	9.4	10.0	8.5	9.6	9.1	9.9	10.3
Missiles	3.2	2.7	2.8	2.6	2.8	2.5	2.3	3.0
Ships .....	.8	.7	.7	.7	.6	.7	.6	.7
Vehicles .....	.7	.8	.8	.8	.8	.8	.7	.8
Electronics	2.6	2.8	2.9	2.9	2.6	2.8	2.7	2.8
Other durable goods	4.7	4.1	4.2	3.8	4.2	4.2	4.4	4.7
Nondurable goods	7.0	7.0	6.8	7.1	6.9	6.7	6.7	7.3
Petroleum products	3.1	2.8	3.0	3.2	2.5	2.5	2.7	2.8
Ammunition	1.2	1.4	1.4	1.1	1.6	1.3	1.2	1.9
Other nondurable goods	2.8	2.8	2.6	3.0	2.9	2.9	2.9	2.7
Services	248.6	244.9	247.8	245.7	242.4	231.1	238.7	236.0
Compensation of general government employees, except force-account construction ³	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.6
Military	76.9	74.8	74.7	74.9	74.3	73.8	73.1	73.1
Civilian	40.4	38.3	38.6	38.2	37.3	37.0	36.7	36.7
Consumption of general government fixed capital ⁴	51.5	50.5	50.6	50.3	50.0	49.6	49.3	49.0
Other services	80.1	81.8	84.6	82.9	81.5	70.8	80.3	77.7
Research and development	26.2	28.5	31.0	28.7	27.9	21.4	26.6	27.5
Installation support	24.9	23.8	24.4	24.3	23.1	22.6	23.1	22.1
Weapons support	5.2	5.6	5.5	6.1	6.1	4.9	5.6	5.0
Personnel support	17.0	17.5	17.2	17.8	18.0	15.8	18.1	16.6
Transportation of material	4.9	4.5	4.4	4.3	4.6	4.5	4.5	4.4
Travel of persons	3.8	3.4	3.4	3.3	3.3	3.1	3.1	3.1
Other	-1.7	-1.1	-9	-1.3	-1.2	-1.5	-5	-7
Gross investment	42.6	36.5	35.4	37.9	38.7	35.4	34.1	38.1
Structures	5.5	4.5	4.4	4.5	4.5	4.3	3.8	4.3
Equipment	37.0	31.9	30.9	33.3	34.2	31.0	30.3	33.9
Aircraft	6.9	4.9	2.9	5.9	7.0	4.2	3.5	5.4
Missiles	4.6	3.1	2.9	3.3	3.2	3.2	2.8	2.8
Ships	6.1	5.4	5.9	5.6	5.1	5.6	5.4	5.8
Vehicles	1.0	1.3	1.4	1.4	1.3	1.2	1.6	1.4
Electronics	4.4	4.9	5.2	5.1	4.6	5.0	5.4	5.3
Other equipment	14.4	13.0	13.7	12.7	13.4	12.7	12.6	13.9
Residual	-7	-1.5	-2.0	-1.5	-1.4	-9	-1.8	-2.0
Addendum:								
Compensation of general government employees ³	117.2	112.9	113.2	112.9	111.4	110.6	109.5	109.6

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the line in the addendum.

Chain-type indexes for the series in the table appear in table 7.12.

See footnotes to table 3.10.

4. Foreign Transactions

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Receipts from the rest of the world	1,109.3	1,230.9	1,229.4	1,256.0	1,254.9	1,243.6	1,220.2	.....
Exports of goods and services ...	873.8	965.4	961.1	981.7	988.6	973.3	949.6	935.7
Goods ¹	618.3	688.3	682.9	700.2	708.9	694.5	668.8	661.4
Durable	421.6	483.0	478.7	495.3	498.7	495.4	474.3	471.5
Nondurable	196.7	205.3	204.2	204.9	210.2	199.2	194.5	189.9
Services ¹	255.5	277.1	278.2	281.5	279.7	278.8	280.8	274.3
Receipts of factor income	235.5	265.5	268.3	274.3	266.3	270.3	270.6	.....
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Payments to the rest of the world	1,109.3	1,230.9	1,229.4	1,256.0	1,254.9	1,243.6	1,220.2	.....
Imports of goods and services ...	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,104.4
Goods ¹	809.0	888.3	879.2	902.7	912.4	920.9	931.8	928.5
Durable	533.6	589.5	583.7	600.5	608.7	625.6	634.1	633.0
Nondurable	275.4	298.8	295.5	302.3	303.7	295.2	297.7	295.5
Services ¹	156.0	170.4	168.7	173.6	174.9	176.2	177.1	175.9
Payments of factor income	223.1	273.5	269.4	283.0	285.9	285.1	289.3	.....
Transfer payments (net)	40.4	39.5	36.0	37.6	49.4	37.0	36.8	37.6
From persons (net)	16.9	18.9	18.2	19.5	19.8	19.2	19.9	20.5
From government (net)	16.2	12.7	9.9	9.9	21.5	9.9	9.0	8.8
From business	7.3	8.0	8.0	8.1	8.1	7.9	7.9	8.2
Net foreign investment	-119.2	-140.9	-123.9	-141.0	-167.8	-175.6	-214.8	.....

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

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

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Exports of goods and services	860.0	970.0	963.6	988.1	998.8	991.9	972.1	965.0
Goods ¹	629.4	726.5	719.1	740.6	754.9	748.5	726.3	725.5
Durable	464.1	554.5	548.6	570.4	578.1	577.9	556.2	557.1
Nondurable	169.3	180.8	179.2	180.4	186.3	181.1	179.3	178.0
Services ¹	231.8	247.0	247.5	251.1	248.6	247.8	248.8	243.3
Receipts of factor income	214.8	238.0	241.0	245.6	237.6	241.0	241.0	.....
Imports of goods and services	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,227.5
Goods ¹	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,060.3
Durable	571.7	667.7	659.2	681.2	696.6	726.9	745.5	753.6
Nondurable	253.4	280.3	280.0	287.7	288.1	297.6	306.7	310.2
Services ¹	147.3	161.8	159.2	165.2	167.5	171.3	171.0	170.1
Payments of factor income	200.9	240.7	237.5	248.9	250.5	249.6	252.8	.....

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. Chain-type quantity indexes for the series in this table appear in table 7.9.

Table 4.3.—Exports and Imports of Goods and Services by Type of Product

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Exports of goods and services	873.8	965.4	961.1	981.7	988.6	973.3	949.6	935.7
Exports of goods ¹	618.3	688.3	682.9	700.2	708.9	694.5	668.8	661.4
Foods, feeds, and beverages	55.5	51.5	50.1	49.4	54.0	49.8	44.9	43.8
Industrial supplies and materials	141.0	152.5	153.3	155.1	154.4	148.6	144.2	139.5
Durable goods	51.0	55.1	55.6	55.7	55.8	56.4	53.6	51.8
Nondurable goods	90.1	97.5	97.7	99.4	98.6	92.1	90.5	87.7
Capital goods, except automotive	253.1	295.3	290.4	305.7	306.5	302.0	288.4	295.8
Civilian aircraft, engines, and parts	30.8	41.4	39.0	42.8	43.6	48.9	44.8	56.5
Computers, peripherals, and parts	43.7	49.4	49.6	51.9	49.1	45.5	44.8	45.0
Other	178.6	204.6	201.8	211.0	213.9	207.7	198.9	194.3
Automotive vehicles, engines, and parts	65.0	74.0	73.5	74.8	76.6	77.7	72.2	64.0
Consumer goods, except automotive	70.1	77.4	78.2	77.5	78.8	78.3	80.1	79.9
Durable goods	35.8	39.9	40.5	40.3	40.5	40.2	40.5	40.8
Nondurable goods	34.3	37.6	37.7	37.2	38.3	38.1	39.6	39.1
Other	33.4	37.5	37.4	37.7	38.5	38.1	39.1	38.4
Durable goods	16.7	18.8	18.7	18.9	19.2	19.1	19.6	19.2
Nondurable goods	16.7	18.8	18.7	18.9	19.2	19.1	19.6	19.2
Exports of services ¹	255.5	277.1	278.2	281.5	279.7	278.8	280.8	274.3
Transfers under U.S. military agency sales contracts	14.6	17.5	19.0	18.9	15.8	17.9	15.6	15.7
Travel	69.8	73.3	74.2	73.3	72.8	72.8	73.9	67.9
Passenger fares	20.4	20.9	20.8	20.8	21.5	21.4	21.8	19.5
Other transportation	27.0	27.9	27.9	27.7	28.3	27.2	26.9	27.7
Royalties and license fees	32.8	33.7	33.6	34.3	33.5	33.1	33.9	34.2
Other private services	70.8	82.2	81.0	84.0	86.0	84.4	86.4	86.7
Other	20.0	21.6	21.7	21.7	21.8	21.9	22.2	22.5
Imports of goods and services	965.0	1,058.8	1,047.9	1,076.4	1,087.4	1,097.1	1,108.9	1,104.4
Imports of goods ¹	809.0	888.3	879.2	902.7	912.4	920.9	931.8	928.5
Foods, feeds, and beverages	35.7	39.7	39.9	40.5	40.3	41.7	41.8	40.6
Industrial supplies and materials, except petroleum and products	125.2	135.4	133.7	137.8	139.0	141.3	144.4	146.1
Durable goods	63.1	69.3	68.9	70.4	71.8	73.4	77.2	78.5
Nondurable goods	62.1	66.2	64.8	67.4	67.2	67.9	67.2	67.6
Petroleum and products	72.7	71.8	70.7	70.3	68.6	54.9	53.9	49.3
Capital goods, except automotive	229.1	254.2	251.7	260.9	264.8	268.9	270.5	269.9
Civilian aircraft, engines, and parts	12.7	16.6	15.6	19.0	18.1	17.9	22.4	22.8
Computers, peripherals, and parts	61.5	70.2	70.4	72.8	70.9	72.4	71.7	70.7
Other	154.9	167.4	165.7	169.1	175.8	178.7	176.4	176.4
Automotive vehicles, engines, and parts	128.9	140.8	139.0	141.7	141.0	148.0	146.0	141.6
Consumer goods, except automotive	171.1	193.0	191.7	196.0	202.3	209.3	217.5	218.0
Durable goods	89.4	98.5	97.9	99.6	102.9	107.0	111.6	111.5
Nondurable goods	81.7	94.5	93.8	96.3	99.4	102.3	105.9	106.5
Other	46.3	53.4	52.5	55.5	56.5	56.7	57.7	62.9
Durable goods	23.1	26.7	26.2	27.8	28.2	28.4	28.9	31.5
Nondurable goods	23.1	26.7	26.2	27.8	28.2	28.4	28.9	31.5
Imports of services ¹	156.0	170.4	168.7	173.6	174.9	176.2	177.1	175.9
Direct defense expenditures	11.1	11.5	10.8	11.8	12.2	12.6	12.2	12.2
Travel	48.0	51.2	51.1	51.6	51.3	52.7	53.2	52.3
Passenger fares	15.8	18.2	18.7	18.8	18.2	18.3	18.5	18.1
Other transportation	27.7	29.3	29.6	29.1	29.9	29.1	29.6	29.9
Royalties and license fees	7.9	9.4	8.7	10.2	10.3	11.5	10.0	10.0
Other private services	38.8	43.8	43.0	45.0	45.9	44.9	46.4	46.1
Other	6.7	7.0	6.9	7.2	7.1	7.2	7.2	7.3
Addenda:								
Exports of agricultural goods ²	61.5	58.4	57.3	57.3	60.5	56.4	52.0	50.7
Exports of nonagricultural goods	556.8	629.9	625.6	642.9	648.4	638.1	616.8	610.7
Imports of nonpetroleum goods	736.3	816.6	808.4	832.4	843.8	865.9	877.8	879.2

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

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

Table 4.4.—Real Exports and Imports of Goods and Services by Type of Product

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Exports of goods and services	860.0	970.0	963.6	988.1	998.8	991.9	972.1	965.0
Exports of goods ¹	629.4	726.5	719.1	740.6	754.9	748.5	726.3	725.5
Foods, feeds, and beverages	43.9	43.9	41.9	42.3	47.4	45.6	41.7	41.4
Industrial supplies and materials	121.9	132.4	133.0	134.2	134.7	132.8	130.7	129.2
Durable goods	44.8	48.8	49.1	49.1	50.2	51.4	49.2	48.2
Nondurable goods	77.1	83.6	83.9	85.1	84.6	81.5	81.6	81.1
Capital goods, except automotive	310.8	388.6	381.5	404.7	408.7	405.5	389.7	403.2
Civilian aircraft, engines, and parts	27.0	35.0	33.2	36.1	36.7	41.0	37.4	47.2
Computers, peripherals, and parts	98.1	143.9	143.1	156.2	152.4	146.2	149.2	156.8
Other	203.3	242.8	239.0	250.7	254.9	248.4	238.3	233.4
Automotive vehicles, engines, and parts	62.4	70.4	69.9	71.1	72.9	73.9	68.7	60.8
Consumer goods, except automotive	67.3	73.7	74.6	73.7	74.8	74.4	76.3	76.2
Durable goods	34.9	38.5	39.0	38.8	39.0	38.7	39.2	39.5
Nondurable goods	32.4	35.3	35.5	34.9	35.8	35.6	37.0	36.7
Other	32.3	37.2	37.0	37.5	38.3	38.3	39.5	39.2
Durable goods	16.1	18.6	18.5	18.7	19.2	19.2	19.8	19.6
Nondurable goods	16.1	18.6	18.5	18.7	19.2	19.2	19.8	19.6
Exports of services ¹	231.8	247.0	247.5	251.1	248.6	247.8	248.8	243.3
Transfers under U.S. military agency sales contracts	13.2	16.1	17.2	17.7	14.9	16.7	14.6	15.4
Travel	62.9	64.0	64.9	64.1	62.8	62.5	62.7	57.4
Passenger fares	18.6	19.7	19.1	19.3	20.4	20.3	21.2	19.1
Other transportation	25.5	26.3	26.3	26.3	26.6	26.4	26.2	27.0
Royalties and license fees	29.9	30.2	30.2	30.7	29.9	29.5	30.2	30.4
Other private services	65.7	75.0	74.1	77.3	78.2	76.7	78.3	78.5
Other	16.2	16.1	16.1	16.1	16.1	16.2	16.2	16.2
Residual	-28.1	-56.8	-55.9	-65.1	-62.4	-57.1	-59.2	-63.3
Imports of goods and services ¹	971.2	1,106.1	1,095.2	1,130.5	1,147.8	1,190.4	1,217.3	1,227.5
Imports of goods ¹	824.7	945.7	937.4	966.7	981.8	1,021.0	1,048.8	1,060.3
Foods, feeds, and beverages	32.3	35.5	35.3	36.3	36.3	38.2	38.3	37.9
Industrial supplies and materials, except petroleum and products	114.2	123.7	123.0	125.9	127.3	132.8	137.3	141.5
Durable goods	57.3	61.8	61.2	62.4	64.5	67.2	71.4	74.1
Nondurable goods	56.8	61.8	61.7	63.5	62.7	65.6	65.6	67.2
Petroleum and products	63.8	66.7	68.1	69.1	66.9	68.3	74.5	72.7
Capital goods, except automotive	296.6	373.3	367.0	385.0	396.7	413.6	424.7	431.3
Civilian aircraft, engines, and parts	11.2	14.1	13.3	16.1	15.2	15.0	18.8	19.1
Computers, peripherals, and parts	121.8	163.5	160.8	171.9	173.1	187.9	197.7	201.0
Other	177.5	217.6	214.8	220.2	231.1	238.5	237.2	240.7
Automotive vehicles, engines, and parts	118.8	129.4	128.2	130.2	129.1	135.5	133.9	130.5
Consumer goods, except automotive	165.4	188.8	187.3	191.9	198.6	206.3	215.5	216.9
Durable goods	86.7	97.7	96.9	99.0	102.9	107.8	113.4	114.2
Nondurable goods	78.7	91.1	90.3	92.8	95.7	98.5	102.2	102.8
Other	43.0	49.9	49.0	51.9	52.8	53.4	53.9	59.1
Durable goods	21.5	24.9	24.5	25.9	26.4	26.7	27.0	29.6
Nondurable goods	21.5	24.9	24.5	25.9	26.4	26.7	27.0	29.6
Imports of services ¹	147.3	161.8	159.2	165.2	167.5	171.3	171.0	170.1
Direct defense expenditures	10.3	11.6	10.8	12.2	12.6	13.7	13.1	12.7
Travel	43.9	47.2	46.5	47.6	48.4	50.6	50.7	50.8
Passenger fares	15.0	16.3	16.6	16.6	16.2	16.3	16.4	15.8
Other transportation	26.1	28.1	28.3	28.1	29.0	28.9	29.1	29.1
Royalties and license fees	7.2	8.4	7.8	9.2	9.2	10.3	8.9	8.9
Other private services	39.0	44.1	43.2	45.4	46.1	45.3	46.7	46.6
Other	6.0	6.3	6.2	6.5	6.4	6.5	6.5	6.6
Residual	-24.2	-44.9	-43.8	-48.4	-50.4	-57.1	-61.1	-62.4
Addenda:								
Exports of agricultural goods ²	48.5	49.3	47.6	48.6	52.2	50.9	47.6	47.3
Exports of nonagricultural goods	582.5	681.1	675.6	696.3	706.4	701.5	682.9	682.4
Imports of nonpetroleum goods	759.4	878.3	868.5	896.9	914.5	952.2	974.6	987.3

5. Saving and Investment

Table 5.1.—Gross Saving and Investment

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Gross saving	1,274.5	1,406.3	1,416.3	1,427.0	1,428.0	1,482.5	1,448.5	.....
Gross private saving	1,114.5	1,141.6	1,169.5	1,139.0	1,131.6	1,130.1	1,079.0	.....
Personal saving	158.5	121.0	151.9	98.5	98.2	73.0	25.6	5.9
Undistributed corporate profits with inventory valuation and capital consumption adjustments	262.4	296.7	299.0	311.5	295.0	312.0	300.9	.....
Undistributed profits	192.3	213.2	213.2	229.5	210.6	201.8	203.7	.....
Inventory valuation adjustment	-1.2	6.9	10.3	4.8	4.3	25.3	7.8	.....
Capital consumption adjustment	71.4	76.6	75.5	77.2	80.1	84.9	89.4	96.8
Corporate consumption of fixed capital	452.0	477.3	473.7	480.8	487.7	492.5	497.8	503.1
Noncorporate consumption of fixed capital	232.3	242.8	241.3	244.4	247.0	248.6	250.7	253.6
Wage accruals less disbursements	9.3	3.7	3.7	3.7	3.7	4.0	4.0	4.0
Gross government saving	160.0	264.7	246.9	288.0	296.4	352.4	369.4	.....
Federal	-39.6	49.5	36.1	70.0	72.3	128.7	143.9	.....
Consumption of fixed capital	70.6	70.6	70.9	70.3	70.2	69.9	69.5	69.6
Current surplus or deficit (-), national income and product accounts	-110.3	-21.1	-34.8	-3	2.2	58.8	74.4	.....
State and local	199.6	215.2	210.7	218.0	224.1	223.7	225.6	.....
Consumption of fixed capital	77.1	81.1	80.6	81.4	82.7	83.5	84.3	85.2
Current surplus or deficit (-), national income and product accounts	122.6	134.1	130.1	136.6	141.4	140.2	141.3	.....
Capital grants received by the United States (net)	0	0	0	0	0	0	0	0
Gross investment	1,242.3	1,350.5	1,368.6	1,361.9	1,360.7	1,428.4	1,362.7	.....
Gross private domestic investment	1,131.9	1,256.0	1,259.9	1,265.7	1,292.0	1,366.6	1,345.0	1,361.8
Gross government investment	229.7	235.4	232.6	237.3	236.5	237.4	232.5	238.9
Net foreign investment	-119.2	-140.9	-123.9	-141.0	-167.8	-175.6	-214.8	.....
Statistical discrepancy	-32.2	-55.8	-47.7	-65.1	-67.3	-54.1	-85.7	.....
Addendum:								
Gross saving as a percentage of gross national product	16.6	17.4	17.6	17.5	17.3	17.7	17.2	.....

Table 5.4.—Private Fixed Investment by Type

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Private fixed investment	1,099.8	1,188.6	1,176.4	1,211.1	1,220.1	1,271.1	1,305.8	1,303.0
Nonresidential	787.9	860.7	850.5	882.3	882.8	921.3	941.9	931.1
Structures	216.9	240.2	234.3	243.8	246.4	245.0	245.4	241.7
Nonresidential buildings, including farm	160.9	177.3	172.9	180.0	178.9	180.6	181.8	178.7
Utilities	31.7	33.5	33.4	34.1	34.1	34.2	34.7	35.1
Mining exploration, shafts, and wells	18.1	22.7	22.2	23.8	24.3	23.5	22.4	21.5
Other structures	6.2	6.7	5.8	6.1	9.2	6.6	6.5	6.4
Producers' durable equipment	571.0	620.5	616.2	638.5	636.4	676.3	696.6	689.4
Information processing and related equipment	189.4	206.6	202.6	213.0	213.6	226.5	231.6	233.5
Computers and peripheral equipment ¹	74.4	81.1	79.9	84.0	83.7	91.8	94.8	94.0
Other	114.9	125.5	122.7	129.0	129.9	134.7	136.8	139.5
Industrial equipment	131.7	138.6	138.9	140.7	142.1	145.4	146.8	148.1
Transportation and related equipment	137.2	152.0	151.9	158.8	155.9	172.4	181.2	168.9
Other	112.7	123.3	122.8	126.0	124.8	132.0	137.0	138.9
Residential	311.8	327.9	325.9	328.8	337.4	349.8	363.8	372.0
Structures	304.3	319.9	317.9	320.8	329.4	341.5	355.4	363.4
Single family	159.1	164.4	163.5	164.0	168.7	175.8	183.8	190.0
Multifamily	20.3	22.6	22.7	22.0	23.8	25.1	23.5	22.7
Other structures	124.8	132.8	131.8	134.7	136.8	140.6	148.1	150.7
Producers' durable equipment	7.6	8.0	8.0	8.0	8.0	8.3	8.5	8.5

1. Includes new computers and peripheral equipment only.

Table 5.5.—Real Private Fixed Investment by Type

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Private fixed investment	1,050.6	1,138.0	1,127.0	1,159.3	1,169.5	1,224.9	1,264.1	1,267.8
Nonresidential	776.6	859.4	848.2	882.2	886.2	931.9	960.4	958.1
Structures	189.7	203.2	199.3	205.2	205.7	203.1	201.9	198.6
Nonresidential buildings, including farm	141.0	150.5	147.8	152.0	149.5	150.1	149.8	146.3
Utilities	27.8	28.7	28.6	29.1	29.2	29.2	29.5	29.8
Mining exploration, shafts, and wells	15.3	17.9	17.6	18.6	18.9	17.9	17.0	17.0
Other structures	5.5	5.8	5.1	5.2	7.8	5.6	5.5	5.4
Producers' durable equipment	589.8	660.9	653.8	682.6	686.4	738.8	771.3	773.3
Information processing and related equipment	245.4	298.0	288.1	311.5	320.7	353.4	376.8	396.2
Computers and peripheral equipment ¹	151.3	214.8	203.9	229.9	242.9	292.2	331.5	362.6
Other	115.4	126.6	123.7	130.0	131.5	136.7	139.7	142.9
Industrial equipment	120.5	125.9	126.4	127.7	128.6	131.5	132.5	133.6
Transportation and related equipment	127.6	140.3	140.5	145.9	143.8	159.6	167.9	156.4
Other	104.2	113.0	112.4	115.6	114.1	120.2	124.6	125.9
Residential	275.9	282.8	282.5	282.3	287.9	298.5	309.1	314.3
Structures	268.6	275.1	274.9	274.5	280.1	290.5	300.9	306.1
Single family	136.6	137.2	137.2	136.1	139.0	145.2	151.3	155.5
Multifamily	18.7	20.2	20.3	19.5	21.0	22.1	20.7	19.9
Other structures	113.8	118.5	118.0	119.7	120.9	123.8	129.6	131.2
Producers' durable equipment	7.3	7.7	7.6	7.8	7.8	8.0	8.2	8.2
Residual	-34.4	-69.1	-62.1	-77.8	-85.5	-117.2	-143.7	-166.9

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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.

Chain-type quantity indexes for the series in this table appear in table 7.6.

Table 5.10.—Change in Business Inventories by Industry Group

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Change in business inventories	32.1	67.4	83.5	54.6	71.9	95.5	39.2	58.7
Farm	7.6	4.3	6.2	7.3	4.9	5.0	7.7	7.0
Nonfarm	24.5	63.1	77.2	47.3	66.9	90.5	31.5	51.7
Change in book value ¹	28.7	52.1	63.2	41.8	61.1	56.3	21.2	34.2
Inventory valuation adjustment ²	-4.2	11.0	14.0	5.5	5.9	34.3	10.3	17.5
Manufacturing	12.8	21.4	28.4	16.9	18.7	31.8	25.1	22.9
Durable goods	9.9	12.5	19.2	8.8	8.4	21.9	19.9	13.1
Nondurable goods	2.9	8.9	9.2	8.0	10.4	9.9	5.3	9.8
Wholesale trade	3.7	23.3	29.9	17.5	21.5	28.1	7.9	20.1
Durable goods	4.3	13.8	25.7	4.6	8.9	25.8	1.6	10.9
Nondurable goods	-6	9.5	4.1	12.9	12.6	2.3	6.2	9.2
Merchant wholesalers	2.7	19.6	23.0	15.6	19.0	26.0	4.8	18.7
Durable goods	3.4	11.4	20.7	3.7	7.3	23.3	-1	9.6
Nondurable goods	-7	8.2	2.3	11.9	11.7	2.7	5.0	9.1
Nonmerchant wholesalers	1.1	3.8	6.9	1.9	2.5	2.0	3.0	1.4
Durable goods	1.0	2.4	5.1	.9	1.6	2.4	1.8	1.3
Nondurable goods .....	.1	1.4	1.8	1.0	.9	-4	1.2	.1
Retail trade	6.3	7.3	6.5	5.5	17.8	18.3	-12.7	4.6
Durable goods	4.4	5.1	1.6	3.7	15.3	1.8	-17.8	2.1
Motor vehicle dealers ³	2.2	1.3	-3.8	.8	11.7	-4.1	-15.3	-3.5
Other ³	2.2	3.9	5.5	2.9	3.5	5.9	-2.5	5.6
Nondurable goods	1.9	2.2	4.9	1.7	2.5	16.5	5.1	2.5
Other	1.6	11.0	12.4	7.4	8.9	12.3	11.2	4.1
Durable goods	2.1	2.2	2.2	2.7	1.4	.4	.8	-1
Nondurable goods	-5	8.8	10.2	4.7	7.5	11.9	10.4	4.2

1. Beginning with 1982, this series is derived from the Census Bureau series "current cost inventories." For earlier periods, it is derived from the Census Bureau "book value inventories" series. The series differ in the treatment of inventories reported on a last-in, first-out (LIFO) basis: The series prior to 1982 is a mix of LIFO and non-LIFO inventories; the series beginning with 1982 is entirely on a non-LIFO basis.

2. Beginning with 1973, 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 (first-in, first-out; last-in, first-out; etc.) 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. Prior to 1973, the two IVA's are the same because information required for separate estimates is not available.

3. Prior to 1981, inventories of auto and home supply stores are included in motor vehicle dealers. Beginning with 1981, these inventories are included in "other durable goods."

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

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Change in business inventories	30.0	63.2	79.0	51.0	66.5	91.4	38.2	57.2
Farm	7.1	4.3	6.8	7.3	3.7	5.3	8.7	8.5
Nonfarm	23.2	58.8	72.1	44.0	62.7	85.9	29.9	49.2
Manufacturing	12.0	20.1	26.7	15.8	17.7	30.2	23.9	21.9
Durable goods	9.5	12.0	18.4	8.4	8.1	21.0	19.1	12.7
Nondurable goods	2.6	8.1	8.4	7.4	9.5	9.2	4.9	9.2
Wholesale trade	4.1	22.0	28.3	16.7	20.2	27.0	7.6	19.4
Durable goods	4.2	13.3	24.9	4.5	8.6	25.1	1.6	10.7
Nondurable goods .....	.1	8.7	3.9	11.8	11.4	2.3	5.9	8.7
Merchant wholesalers	3.1	18.5	21.8	14.9	17.8	24.8	4.7	18.0
Durable goods	3.2	11.0	20.0	3.6	7.0	22.6	-2	9.4
Nondurable goods	0	7.5	2.2	10.9	10.5	2.6	4.7	8.5
Nonmerchant wholesalers	1.0	3.6	6.6	1.8	2.4	2.1	3.0	1.4
Durable goods .....	.9	2.3	4.9	.9	1.5	2.4	1.8	1.3
Nondurable goods .....	.1	1.2	1.7	.9	.9	-3	1.2	.1
Retail trade	5.9	6.8	6.0	5.0	16.9	17.3	-11.9	4.3
Durable goods	4.0	4.7	1.4	3.4	14.1	1.6	-16.3	1.9
Motor vehicle dealers	1.9	1.1	-3.5	.7	10.5	-3.7	-13.8	-3.2
Other	2.1	3.6	5.1	2.7	3.3	5.5	-2.3	5.2
Nondurable goods	1.8	2.1	4.7	1.6	2.5	16.1	4.9	2.5
Other	1.3	9.9	11.1	6.5	8.1	11.5	10.4	3.8
Durable goods	1.8	1.9	1.9	2.3	1.2	.4	.7	-1
Nondurable goods	-6	8.1	9.3	4.2	6.9	11.5	10.0	4.1
Residual	-4	0	-9	.1	.9	-1.2	-1.5	-1.0

NOTE.—Chained (1992) dollar series for real change in business inventories are calculated as the period-to-period change in chained-dollar end-of-period inventories. Quarterly changes in end-of-period inventories are stated at annual rates. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table 5.12.—Inventories and Domestic Final Sales of Business by Industry Group

[Billions of dollars]

	Seasonally adjusted quarterly totals					
	1997			1998		
	II	III	IV	I	II	III
Inventories ¹	1,323.3	1,339.9	1,348.4	1,363.6	1,366.5	1,368.5
Farm	109.2	110.5	109.1	110.8	108.9	102.5
Nonfarm	1,214.1	1,229.4	1,239.3	1,252.8	1,257.6	1,265.9
Durable goods	700.6	704.1	711.0	721.5	720.0	724.4
Nondurable goods	513.5	525.2	528.3	531.3	537.6	541.6
Manufacturing	454.1	458.6	462.0	466.1	469.1	471.9
Durable goods	284.2	286.0	287.9	292.1	295.4	297.0
Nondurable goods	169.9	172.7	174.1	174.0	173.7	174.9
Wholesale trade	311.9	317.8	321.0	324.8	326.0	329.2
Durable goods	198.3	199.1	200.5	206.2	205.6	207.5
Nondurable goods	113.6	118.8	120.5	118.6	120.4	121.8
Merchant wholesalers	267.7	272.9	276.0	280.2	280.7	283.8
Durable goods	171.8	172.4	173.6	178.7	177.9	179.5
Nondurable goods	95.8	100.4	102.5	101.4	102.8	104.3
Nonmerchant wholesalers	44.2	45.0	44.9	44.6	45.2	45.4
Durable goods	26.4	26.6	26.9	27.4	27.7	27.9
Nondurable goods	17.8	18.4	18.0	17.2	17.5	17.4
Retail trade	316.3	318.1	321.4	325.3	323.6	325.2
Durable goods	171.5	172.1	175.3	175.8	171.3	172.2
Motor vehicle dealers	85.4	85.6	88.0	86.9	83.2	82.7
Other	86.0	86.5	87.4	88.8	88.1	89.5
Nondurable goods	144.9	146.0	146.0	149.5	152.3	153.0
Other	131.9	134.8	135.0	136.6	138.9	139.6
Durable goods	46.7	47.1	47.3	47.4	47.6	47.7
Nondurable goods	85.2	87.8	87.7	89.2	91.3	92.0
Final sales of domestic business ²	559.1	569.7	574.6	582.3	590.6	595.0
Final sales of goods and structures of domestic business ²	299.4	305.7	306.8	312.5	315.2	315.7
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.37	2.35	2.35	2.34	2.31	2.30
Nonfarm inventories to final sales	2.17	2.16	2.16	2.15	2.13	2.13
Nonfarm inventories to final sales of goods and structures	4.05	4.02	4.04	4.01	3.99	4.01

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 business inventories (CBI) component of GDP. The former is the difference between two inventory stocks, each valued at their 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, CBI is stated at annual rates.

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

Table 5.13.—Real Inventories and Real Domestic Final Sales of Business by Industry Group

[Billions of chained (1992) dollars]

	Seasonally adjusted quarterly totals					
	1997			1998		
	II	III	IV	I	II	III
Inventories ¹	1,248.1	1,260.8	1,277.5	1,300.3	1,309.9	1,324.2
Farm	106.8	108.6	109.6	110.9	113.1	115.2
Nonfarm	1,140.7	1,151.7	1,167.4	1,188.9	1,196.4	1,208.7
Durable goods	659.7	664.4	672.4	684.2	685.3	691.5
Nondurable goods	481.0	487.3	494.9	504.6	511.0	517.1
Manufacturing	426.8	430.8	435.2	442.8	448.7	454.2
Durable goods	271.7	273.8	275.8	281.1	285.9	289.1
Nondurable goods	155.3	157.1	159.5	161.8	163.0	165.3
Wholesale trade	295.6	299.8	304.9	311.6	313.5	318.3
Durable goods	191.2	192.4	194.5	200.8	201.2	203.8
Nondurable goods	104.8	107.7	110.6	111.2	112.6	114.8
Merchant wholesalers	253.1	256.8	261.3	267.5	268.7	273.1
Durable goods	165.3	166.2	168.0	173.6	173.6	175.9
Nondurable goods	88.2	90.9	93.5	94.1	95.3	97.4
Nonmerchant wholesalers	42.5	43.0	43.6	44.1	44.8	45.2
Durable goods	25.9	26.2	26.5	27.1	27.6	27.9
Nondurable goods	16.6	16.9	17.1	17.0	17.3	17.3
Retail trade	297.5	298.7	302.9	307.3	304.3	305.3
Durable goods	156.8	157.6	161.2	161.6	157.5	157.9
Motor vehicle dealers	76.8	77.0	79.6	78.7	75.3	74.5
Other	80.0	80.7	81.5	82.9	82.3	83.7
Nondurable goods	140.3	140.7	141.3	145.3	146.6	147.2
Other	120.8	122.4	124.4	127.3	129.9	130.8
Durable goods	40.1	40.7	41.0	41.0	41.2	41.2
Nondurable goods	80.7	81.8	83.5	86.4	88.9	89.9
Residual .....	.4	.2	.6	.4	-.2	-.4
Final sales of domestic business ²	504.3	512.3	515.5	521.6	528.4	531.5
Final sales of goods and structures of domestic business ²	281.3	287.3	288.4	294.0	296.5	297.1
Ratio of inventories to final sales of domestic business						
Inventories to final sales	2.47	2.46	2.48	2.49	2.48	2.49
Nonfarm inventories to final sales	2.26	2.25	2.26	2.28	2.26	2.27
Nonfarm inventories to final sales of goods and structures	4.05	4.01	4.05	4.04	4.03	4.07

1. Inventories are as of the end of the quarter. Quarter-to-quarter changes calculated from this table are at quarterly rates, whereas, the change in the business 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 product of households and institutions and of general government and includes a small amount of final sales by farm.

NOTE.—Chained (1992) dollar inventory series are calculated as the product of the chain-type quantity index and the average of the end-of-year fixed-weighted inventories for 1991 and 1992, divided by 100. Chained (1992) dollar final sales series are calculated as the product of the chain-type index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines for inventories.

6. Income and Employment by Industry

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

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
National income without capital consumption adjustment	6,212.7	6,598.0	6,557.0	6,655.8	6,716.0	6,817.1	6,882.3	.....
Domestic industries	6,200.3	6,606.0	6,558.1	6,664.5	6,735.4	6,832.2	6,901.3	.....
Private industries	5,351.8	5,728.5	5,683.5	5,783.9	5,849.7	5,937.2	5,999.1	.....
Agriculture, forestry, and fishing	106.4	106.0	108.0	107.5	103.0	99.9	102.0	.....
Mining	47.9	52.5	52.3	52.8	53.8	54.9	51.2	.....
Construction	289.2	305.1	302.4	306.0	312.5	320.1	326.7	.....
Manufacturing	1,085.9	1,151.0	1,142.8	1,168.8	1,175.1	1,170.9	1,169.3	.....
Durable goods	617.9	659.4	650.7	674.1	680.0	678.8	680.2	.....
Nondurable goods	468.0	491.6	492.2	494.6	495.1	492.1	489.1	.....
Transportation and public utilities	464.7	480.9	476.3	484.4	489.4	497.3	495.1	.....
Transportation	195.0	208.0	205.3	210.6	213.6	213.7	214.9	.....
Communications	137.0	139.3	136.5	141.4	142.0	148.5	147.3	.....
Electric, gas, and sanitary services	132.7	133.6	134.4	132.4	133.8	135.0	132.9	.....
Wholesale trade	350.9	384.2	382.4	389.4	390.3	400.9	408.5	.....
Retail trade	509.6	543.2	537.5	546.6	552.8	567.0	576.5	.....
Finance, insurance, and real estate	1,089.2	1,192.0	1,181.3	1,201.9	1,223.0	1,245.4	1,264.4	.....
Services	1,407.9	1,513.6	1,500.6	1,526.5	1,549.8	1,580.6	1,605.4	.....
Government	848.5	877.5	874.6	880.6	885.7	895.0	902.2	.....
Rest of the world	12.4	-8.0	-1.1	-8.7	-19.6	-14.8	-18.8	.....

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

Table 6.16C.—Corporate Profits by Industry Group

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Corporate profits with inventory valuation and capital consumption adjustments	750.4	817.9	815.5	840.9	820.8	829.2	820.6	.....
Domestic industries	654.0	718.9	710.2	738.6	728.8	730.6	723.3	.....
Financial	105.5	124.7	123.5	123.3	129.5	131.3	130.1	.....
Nonfinancial	548.5	594.2	586.7	615.2	599.3	599.3	593.2	.....
Rest of the world	96.4	99.0	105.4	102.3	92.0	98.6	97.3	.....
Receipts from the rest of the world	134.5	149.5	153.3	157.2	142.5	146.1	146.0	.....
Less: Payments to the rest of the world	38.1	50.4	47.9	54.8	50.6	47.5	48.7	.....
Corporate profits with inventory valuation adjustment	679.0	741.2	740.1	763.7	740.7	744.3	731.3	.....
Domestic industries	582.6	642.2	634.7	661.4	648.7	645.8	633.9	.....
Financial	110.7	130.0	128.7	128.6	134.7	136.3	134.4	.....
Federal Reserve banks	21.8	23.3	23.0	23.6	24.1	24.5	24.4	.....
Other	88.9	106.6	105.8	105.0	110.6	111.8	110.0	.....
Nonfinancial	471.8	512.3	506.0	532.8	514.0	509.4	499.5	.....
Manufacturing	195.6	214.4	215.5	228.9	212.3	197.1	194.6	.....
Durable goods	97.2	107.3	105.7	120.0	107.5	100.8	104.5	.....
Primary metal industries	5.4	5.6	5.5	6.6	5.8	6.3	5.7	.....
Fabricated metal products	14.2	15.5	14.9	17.3	15.7	12.6	15.5	.....
Industrial machinery and equipment	26.1	27.6	26.6	31.5	30.1	23.2	28.5	.....
Electronic and other electric equipment	20.1	24.8	24.4	27.6	24.0	21.9	19.8	.....
Motor vehicles and equipment	2.4	3.8	2.6	6.0	2.1	6.2	4.9	.....
Other	29.0	30.0	31.7	31.0	29.8	30.7	30.1	.....
Nondurable goods	98.5	107.1	109.8	109.0	104.8	96.2	90.2	.....
Food and kindred products	22.0	22.7	21.4	22.2	25.9	20.6	21.4	.....
Chemicals and allied products	28.8	28.1	27.2	28.9	28.4	27.0	18.9	.....
Petroleum and coal products	10.9	18.0	20.7	18.2	14.9	10.9	10.0	.....
Other	36.7	38.3	40.5	39.7	35.7	37.8	39.8	.....
Transportation and public utilities	92.7	88.4	87.0	88.3	88.6	91.7	87.5	.....
Transportation	14.8	17.6	18.3	18.0	17.0	17.3	17.5	.....
Communications	35.8	31.2	28.9	32.3	31.3	34.1	32.5	.....
Electric, gas, and sanitary services	42.1	39.7	39.8	38.0	40.3	40.3	37.5	.....
Wholesale trade	37.9	49.8	50.5	52.7	47.6	51.5	53.5	.....
Retail trade	51.8	61.2	59.1	62.7	62.2	67.4	67.4	.....
Other	93.8	98.5	93.8	100.1	103.4	101.8	96.5	.....
Rest of the world	96.4	99.0	105.4	102.3	92.0	98.6	97.3	.....

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

Table 7.2.—Quantity and Price Indexes for Gross Domestic Product, Final Sales, and Purchases

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product:								
Current dollars	122.69	129.89	129.13	130.85	132.19	134.27	135.17	136.55
Chain-type quantity index	112.02	116.42	115.89	117.08	117.94	119.54	120.09	121.06
Chain-type price index	109.54	111.57	111.45	111.77	112.09	112.33	112.57	112.80
Implicit price deflator	109.53	111.57	111.43	111.76	112.08	112.32	112.56	112.79
Final sales of domestic product:								
Current dollars	122.32	128.95	127.94	130.12	131.19	132.89	134.69	135.76
Chain-type quantity index	111.61	115.49	114.72	116.33	116.95	118.20	119.54	120.23
Chain-type price index	109.59	111.66	111.53	111.87	112.19	112.45	112.69	112.94
Implicit price deflator	109.59	111.66	111.52	111.85	112.17	112.43	112.67	112.92
Gross domestic purchases:								
Current dollars	123.57	130.77	129.90	131.74	133.14	135.61	137.07	138.59
Chain-type quantity index	113.18	117.89	117.30	118.63	119.57	121.85	123.03	124.24
Chain-type price index	109.18	110.92	110.76	111.06	111.34	111.29	111.42	111.55
Implicit price deflator	109.18	110.92	110.74	111.05	111.35	111.29	111.42	111.56
Final sales to domestic purchasers:								
Current dollars	123.20	129.84	128.72	131.02	132.14	134.23	136.60	137.81
Chain-type quantity index	112.78	116.97	116.14	117.89	118.59	120.51	122.49	123.41
Chain-type price index	109.24	111.00	110.84	111.15	111.44	111.40	111.53	111.68
Implicit price deflator	109.23	111.00	110.83	111.14	111.43	111.39	111.52	111.67
Addenda:								
Chain-type price indexes for gross domestic purchases:								
Food	108.82	111.24	110.87	111.62	111.95	112.18	112.50	113.18
Energy	106.94	107.69	106.24	106.54	107.09	100.84	98.80	97.17
Gross domestic purchases less food and energy	109.35	111.05	110.98	111.23	111.49	111.69	111.88	112.04

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

Table 7.3.—Quantity and Price Indexes for Gross National Product and Command-Basis Gross National Product

[Index numbers, 1992=100]

Gross national product:							
Current dollars	122.68	129.53	128.88	130.48	131.64	133.79	134.63
Chain-type quantity index	112.04	116.16	115.73	116.81	117.51	119.18	119.67
Chain-type price index	109.51	111.51	111.39	111.72	112.04	112.28	112.51
Implicit price deflator	109.50	111.52	111.37	111.70	112.03	112.26	112.50
Less: Exports of goods and services and receipts of factor income:							
Chain-type quantity index	138.32	155.43	155.05	158.77	158.99	158.60	156.14
Plus: Command-basis exports of goods and services and receipts of factor income:							
Chain-type quantity index	140.87	160.36	160.28	164.29	164.67	166.77	165.08
Equals: Command-basis gross national product:							
Chain-type quantity index	112.35	116.77	116.38	117.50	118.22	120.19	120.78

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

Table 7.4.—Chain-Type Quantity and Price Indexes for Personal Consumption Expenditures by Major Type of Product

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Personal consumption expenditures	112.62	116.44	115.47	117.23	118.04	119.79	121.58	122.74
Durable goods	128.16	136.86	133.82	139.12	140.17	145.39	149.30	149.31
Motor vehicles and parts	113.58	115.66	111.56	118.15	117.33	119.77	125.13	120.05
Furniture and household equipment	146.55	162.50	160.39	165.15	168.01	177.34	179.20	185.63
Other	126.88	138.41	136.37	139.26	141.74	146.43	150.12	151.75
Nondurable goods	109.77	112.44	111.75	113.16	113.05	115.09	116.57	117.24
Food	104.94	105.96	105.66	106.15	106.06	107.10	108.54	108.79
Clothing and shoes	122.43	127.87	125.62	129.44	129.62	136.29	138.07	138.33
Gasoline and oil	108.80	110.59	110.97	111.08	110.79	111.18	111.10	114.00
Fuel oil and coal	102.90	93.96	95.72	97.69	92.27	84.48	89.08	91.63
Other	111.88	116.99	116.01	118.25	118.17	120.30	122.06	123.17
Services	111.09	114.61	113.87	115.19	116.41	117.42	118.98	120.58
Housing	108.36	110.92	110.56	111.24	111.93	112.67	113.28	113.95
Household operation	117.40	121.36	119.96	122.87	125.31	123.38	127.48	130.33
Electricity and gas	110.73	108.85	108.89	109.94	111.09	103.67	110.13	114.15
Other household operation	122.35	130.63	128.16	132.46	135.87	138.04	140.42	142.42
Transportation	126.86	134.28	133.30	135.22	136.61	137.85	140.09	140.15
Medical care	106.17	108.52	108.03	108.90	109.70	110.55	111.60	112.18
Other	112.52	117.02	115.97	117.63	119.29	121.58	123.53	126.85
Chain-type price indexes								
Personal consumption expenditures	109.75	111.81	111.63	112.00	112.30	112.30	112.55	112.82
Durable goods	102.75	100.66	100.96	100.23	99.62	99.27	98.72	98.08
Motor vehicles and parts	112.72	112.65	112.96	112.31	111.88	111.79	111.55	112.18
Furniture and household equipment	92.25	88.20	88.66	87.57	86.75	85.92	85.14	83.56
Other	104.60	103.41	103.24	103.34	102.92	103.29	102.74	102.21
Nondurable goods	106.08	107.69	107.52	107.72	107.95	107.35	107.41	107.80
Food	109.02	111.67	111.25	112.10	112.45	112.74	113.10	113.88
Clothing and shoes	96.21	96.39	97.28	96.20	96.00	94.68	94.84	94.79
Gasoline and oil	107.34	107.33	104.61	106.11	106.60	98.05	94.17	92.19
Fuel oil and coal	108.61	109.60	109.61	105.38	106.02	103.44	101.20	98.32
Other	107.04	108.30	108.57	108.26	108.52	109.36	110.06	110.90
Services	113.32	116.61	116.30	117.04	117.59	118.00	118.55	118.99
Housing	112.34	115.66	115.23	116.11	117.00	117.90	119.00	119.92
Household operation	107.91	108.65	108.65	108.31	108.33	106.96	107.19	106.73
Electricity and gas	106.34	108.79	108.10	108.38	109.12	105.69	105.76	104.86
Other household operation	109.04	108.68	109.11	108.38	107.95	107.80	108.12	107.92
Transportation	110.85	113.23	113.16	113.32	114.06	114.51	114.35	114.09
Medical care	117.51	120.18	119.91	120.52	120.95	121.92	122.54	123.13
Other	112.99	117.91	117.52	118.77	119.28	119.45	119.78	120.20
Addenda:								
Price indexes for personal consumption expenditures:								
Food	109.02	111.67	111.25	112.10	112.45	112.74	113.10	113.88
Energy ¹	106.92	108.13	106.50	107.17	107.79	101.89	99.93	98.44
Personal consumption expenditures less food and energy	110.09	112.10	112.05	112.32	112.59	112.89	113.25	113.55

1. Consists of prices for gasoline and oil, fuel oil and coal, and electricity and gas.

Table 7.6.—Chain-Type Quantity and Price Indexes for Private Fixed Investment by Type

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Private fixed investment	134.10	145.25	143.85	147.98	149.28	156.36	161.36	
Nonresidential	139.21	154.04	152.04	158.13	158.86	167.04	172.15	
Structures	112.16	120.09	117.81	121.29	121.56	120.06	119.36	
Nonresidential buildings, including farm	124.58	132.99	130.56	134.27	132.12	132.62	132.32	
Utilities	80.67	83.31	82.91	84.35	84.59	84.77	85.64	
Mining exploration, shafts, and wells	114.88	134.77	132.50	139.96	141.90	134.72	127.70	
Other structures	67.12	70.12	61.85	63.73	95.34	68.64	67.01	
Producers' durable equipment	151.75	170.04	168.20	175.62	176.58	190.08	198.43	
Information processing and related equipment	182.88	222.13	214.73	232.17	239.04	263.41	280.84	
Computers and peripheral equipment ¹	344.37	488.82	463.97	523.22	552.78	664.79	754.21	
Other	127.94	140.28	137.09	144.09	145.72	151.52	154.79	
Industrial equipment	134.93	140.93	141.48	143.00	144.03	147.28	148.36	
Transportation and related equipment	148.11	162.83	163.01	169.27	166.94	185.27	194.89	
Other	131.86	142.95	142.26	146.25	144.39	152.09	157.63	
Residential	122.32	125.36	125.26	125.14	127.64	132.34	137.05	
Structures	122.37	125.33	125.24	125.07	127.62	132.34	137.10	
Single family	117.24	117.72	117.77	116.78	119.34	124.67	129.88	
Multifamily	142.79	154.04	155.40	149.30	160.01	169.09	158.07	
Other structures	126.61	131.79	131.29	133.12	134.47	137.71	144.15	
Producers' durable equipment	120.47	126.88	126.48	128.14	128.56	132.40	135.23	
Chain-type price indexes								
Private fixed investment	104.68	104.45	104.40	104.50	104.37	103.81	103.33	
Nonresidential	101.46	100.15	100.28	100.04	99.64	98.90	98.12	
Structures	114.33	118.22	117.59	118.83	119.79	120.58	121.49	
Nonresidential buildings, including farm	114.14	117.79	117.02	118.41	119.57	120.29	121.38	
Utilities	114.03	116.62	116.72	117.05	116.73	117.13	117.36	
Mining exploration, shafts, and wells	118.62	126.85	126.26	127.82	128.91	131.00	131.83	
Other structures	111.73	115.51	115.11	115.87	117.39	117.66	117.60	
Producers' durable equipment	96.80	93.88	94.23	93.54	92.75	91.57	90.35	
Information processing and related equipment	77.17	69.31	70.19	68.31	66.63	64.12	61.49	
Computers and peripheral equipment ¹	49.18	37.75	38.86	36.25	34.25	31.23	28.40	
Other	99.56	99.14	99.19	99.24	98.84	98.58	98.04	
Industrial equipment	109.26	110.12	109.95	110.17	110.46	110.52	110.77	
Transportation and related equipment	107.53	108.35	108.15	108.87	108.37	107.99	107.91	
Other	108.17	109.15	109.19	109.01	109.34	109.84	109.97	
Residential	113.03	115.96	115.35	116.50	117.20	117.21	117.71	
Structures	113.27	116.29	115.66	116.85	117.58	117.58	118.10	
Single family	116.50	119.90	119.14	120.52	121.36	121.04	121.45	
Multifamily	108.70	112.20	111.53	112.79	113.49	113.25	113.62	
Other structures	109.64	112.11	111.63	112.59	113.19	113.59	114.27	
Producers' durable equipment	103.97	104.03	104.12	103.54	103.18	103.92	103.92	

1. Includes new computers and peripheral equipment only.

Table 7.9.—Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services and for Receipts and Payments of Factor Income

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Exports of goods and services	134.50	151.70	150.70	154.53	156.21	155.12	152.03	
Goods ¹	140.28	161.92	160.28	165.07	168.25	166.82	161.87	
Durable	154.24	184.30	182.32	189.57	192.15	192.06	184.87	
Nondurable	114.58	122.31	121.24	122.04	126.07	122.56	121.32	
Services ¹	121.50	129.48	129.77	131.64	130.32	129.91	130.46	
Receipts of factor income	155.75	172.59	174.78	178.10	172.29	174.77	174.79	
Imports of goods and services	145.19	165.35	163.72	169.00	171.59	177.95	181.97	
Goods ¹	151.36	173.56	172.05	177.43	180.19	187.38	192.49	
Durable	165.01	192.73	190.29	196.63	201.07	209.81	215.18	
Nondurable	127.72	141.26	141.14	144.99	145.23	149.97	154.59	
Services ¹	118.65	130.39	128.32	133.11	135.01	138.03	137.82	
Payments of factor income	158.39	189.82	187.25	196.25	197.50	196.82	199.34	
Chain-type price indexes								
Exports of goods and services	101.60	99.53	99.76	99.36	98.97	98.13	97.68	
Goods ¹	98.23	94.75	94.98	94.54	93.89	92.78	92.07	
Durable	90.86	87.10	87.30	86.84	86.23	85.69	85.23	
Nondurable	116.14	113.58	113.90	113.58	112.85	109.99	108.54	
Services ¹	110.24	112.18	112.41	112.11	112.53	112.52	112.84	
Receipts of factor income	109.65	111.56	111.34	111.70	112.09	112.16	112.27	
Imports of goods and services	99.36	95.72	95.66	95.16	94.62	92.05	90.98	
Goods ¹	98.10	93.94	93.76	93.32	92.81	90.07	88.72	
Durable	93.34	88.29	88.55	88.14	87.33	86.02	85.01	
Nondurable	108.67	106.63	105.41	104.91	105.15	98.99	96.82	
Services ¹	105.93	105.33	105.95	105.10	104.40	102.85	103.52	
Payments of factor income	111.06	113.61	113.47	113.74	114.15	114.23	114.46	

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

Table 7.10.—Chain-Type Quantity and Price Indexes for Exports and Imports of Goods and Services by Type of Product

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted						1996	1997	Seasonally adjusted							
			1997			1998					1997			1998				
			II	III	IV	I	II	III			II	III	IV	I	II	III		
Chain-type quantity indexes																		
Exports of goods and services	134.50	151.70	150.70	154.53	156.21	155.12	152.03	150.92										
Exports of goods¹	140.28	161.92	160.28	165.07	168.25	166.82	161.87	161.70										
Foods, feeds, and beverages	108.86	108.86	103.88	104.84	117.42	112.93	103.30	102.52										
Industrial supplies and materials	116.03	126.02	126.59	127.73	128.26	126.37	124.42	122.99										
Durable goods	121.61	132.60	133.30	133.37	136.26	139.53	133.62	130.90										
Nondurable goods	113.08	122.56	123.05	124.76	124.05	119.48	119.62	118.87										
Capital goods, except automotive	176.54	220.70	216.65	229.84	232.10	230.31	221.33	228.98										
Civilian aircraft, engines, and parts	71.57	92.90	88.08	95.72	97.25	108.63	99.20	125.23										
Computers, peripherals, and parts	341.06	500.14	497.43	542.94	529.93	508.13	518.86	545.25										
Other	185.56	221.55	218.13	228.74	232.61	226.64	217.43	213.00										
Automotive vehicles, engines, and parts	132.62	149.78	148.64	151.26	154.96	157.10	146.00	129.31										
Consumer goods, except automotive	130.80	143.37	145.02	143.24	145.41	144.58	148.30	148.16										
Durable goods	131.20	144.74	146.94	146.08	146.71	145.75	147.63	148.68										
Nondurable goods	130.37	141.93	143.01	140.26	144.04	143.35	148.97	147.60										
Other	112.14	129.34	128.64	130.34	133.18	133.29	137.45	136.34										
Durable goods	112.15	129.34	128.64	130.34	133.18	133.29	137.45	136.35										
Nondurable goods	112.14	129.33	128.64	130.33	133.18	133.29	137.45	136.34										
Exports of services¹	121.50	129.48	129.77	131.64	130.32	129.91	130.46	127.57										
Transfers under U.S. military agency sales contracts	120.86	148.15	158.28	162.54	137.13	153.02	133.79	141.33										
Travel	114.83	116.82	118.57	117.01	114.80	114.23	114.53	104.88										
Passenger fares	111.77	118.43	114.82	116.43	122.84	122.28	127.59	114.96										
Other transportation	107.65	111.02	111.08	111.13	112.39	111.43	110.38	114.00										
Royalties and license fees	149.47	150.73	150.81	153.42	149.34	147.50	150.86	151.99										
Other private services	131.69	150.52	148.60	155.06	156.81	153.83	157.10	157.40										
Other	108.25	107.75	107.60	108.04	108.17	108.35	108.42	108.45										
Imports of goods and services	145.19	165.35	163.72	169.00	171.59	177.95	181.97	183.49										
Imports of goods¹	151.36	173.56	172.05	177.43	180.19	187.38	192.49	194.61										
Foods, feeds, and beverages	116.82	128.72	127.80	131.31	131.58	138.43	138.70	137.23										
Industrial supplies and materials, except petroleum and products	138.73	150.31	149.41	152.87	154.60	161.33	166.75	171.92										
Durable goods	146.44	157.94	156.40	159.28	164.62	171.48	182.43	189.23										
Nondurable goods	131.61	143.27	142.97	147.00	145.31	151.91	152.05	155.66										
Petroleum and products	123.73	129.39	131.97	133.93	129.65	132.43	144.40	140.94										
Capital goods, except automotive	220.93	278.05	273.38	286.75	295.47	308.05	316.31	321.23										
Civilian aircraft, engines, and parts	88.71	111.94	105.50	127.70	121.20	119.07	149.04	151.64										
Computers, peripherals, and parts	384.26	515.96	507.51	542.54	546.41	593.05	623.78	634.35										
Other	197.28	241.80	238.66	244.71	256.88	265.09	263.60	267.47										
Automotive vehicles, engines, and parts	129.38	140.97	139.63	141.80	140.64	147.58	145.91	142.18										
Consumer goods, except automotive	134.86	153.94	152.68	156.43	161.90	168.17	175.70	176.86										
Durable goods	135.69	152.86	151.63	154.92	160.95	168.64	177.35	178.64										
Nondurable goods	133.96	155.06	153.78	158.01	162.89	167.69	173.98	175.02										
Other	124.04	143.99	141.54	149.71	152.39	154.04	155.65	170.69										
Durable goods	124.04	143.99	141.54	149.71	152.39	154.04	155.65	170.69										
Nondurable goods	124.04	143.99	141.54	149.71	152.39	154.04	155.65	170.69										
Imports of services¹	118.65	130.39	128.32	133.11	135.01	138.03	137.82	137.06										
Direct defense expenditures	74.40	84.16	78.23	88.07	91.30	98.95	94.55	92.02										
Travel	113.87	122.50	120.58	123.34	125.49	131.26	131.60	131.82										
Passenger fares	141.93	154.42	157.15	157.21	153.25	154.12	155.69	149.93										
Other transportation	102.33	110.19	111.30	110.41	113.78	113.68	114.09	114.26										
Royalties and license fees	141.07	166.13	153.43	180.51	181.22	202.68	175.60	175.01										
Other private services	155.65	176.15	172.65	181.45	184.40	180.90	186.59	186.07										
Other	107.70	112.75	110.81	115.18	114.22	116.08	116.05	117.42										
Addenda:																		
Exports of agricultural goods ²	110.09	111.85	108.13	110.41	118.52	115.46	108.01	107.42										
Exports of nonagricultural goods	143.96	168.32	166.97	172.10	174.59	173.38	168.77	168.66										
Imports of nonpetroleum goods	153.95	178.06	176.07	181.83	185.39	193.04	197.57	200.15										
Chain-type price indexes																		
Exports of goods and services	101.60	99.53	99.76	99.36	98.97	98.13	97.68	96.96										
Exports of goods¹	98.23	94.75	94.98	94.54	93.89	92.78	92.07	91.15										
Foods, feeds, and beverages	126.48	117.30	119.30	116.76	114.31	109.56	107.87	106.16										
Industrial supplies and materials	115.71	115.23	115.29	115.59	114.60	111.90	110.29	108.00										
Durable goods	113.74	112.74	113.28	113.34	111.17	109.79	109.01	107.50										
Nondurable goods	116.78	116.60	116.38	116.82	116.52	113.02	110.89	108.14										
Capital goods, except automotive	81.44	75.99	76.16	75.52	74.93	74.40	73.93	73.28										
Civilian aircraft, engines, and parts	114.05	118.02	117.49	118.43	118.73	119.11	119.52	119.46										
Computers, peripherals, and parts	44.57	34.31	34.50	33.04	32.01	30.94	29.83	28.51										
Other	87.85	84.26	84.44	84.19	83.85	83.57	83.41	83.20										
Automotive vehicles, engines, and parts	104.25	105.10	105.14	105.18	105.17	105.17	105.16	105.22										
Consumer goods, except automotive	104.27	105.05	104.87	105.18	105.32	105.35	104.98	104.86										
Durable goods	102.72	103.71	103.76	103.77	103.91	103.79	103.22	103.17										
Nondurable goods	105.94	106.48	106.07	106.70	106.84	107.04	106.88	106.68										
Other	103.62	100.84	101.03	100.65	100.50	99.46	99.01	97.97										
Durable goods	103.62	100.84	101.04	100.65	100.48	99.43	98.99	97.95										
Nondurable goods	103.62	100.84	101.04	100.65	100.48	99.43	98.99	97.95										
Exports of services¹	110.24	112.18	112.41	112.11	112.53	112.84	112.72											
Transfers under U.S. military agency sales contracts	111.11	108.28	109.92	107.00	105.95	107.77	107.67	102.46										
Travel	110.96	114.57	114.27	114.43	115.87	116.46	11											

Table 7.11.—Chain-Type Quantity and Price Indexes for Government Consumption Expenditures and Gross Investment by Type

[Index numbers, 1992=100]

	Seasonally adjusted									Seasonally adjusted							
	1996	1997	1997			1998				1996	1997	1997			1998		
			II	III	IV	I	II	III				II	III	IV	I	II	III
Chain-type quantity indexes									Chain-type price indexes								
Government consumption expenditures and gross investment¹	100.35	101.68	101.63	101.99	102.01	101.53	102.45	102.82	110.80	113.20	113.01	113.24	113.87	114.17	114.39	114.70	
Federal	88.19	86.75	87.20	86.92	86.46	84.50	86.00	85.63	111.35	113.58	113.57	113.52	113.91	114.66	114.66	114.69	
National defense	84.93	82.20	82.94	82.56	82.15	78.06	79.93	80.75	109.98	112.00	112.01	111.90	112.23	113.04	113.12	113.17	
Consumption expenditures	86.52	85.20	86.40	85.20	84.48	80.68	83.25	83.01	109.95	112.45	112.38	112.38	112.86	113.74	113.88	114.18	
Durable goods ²	69.11	67.69	71.11	63.92	68.51	66.85	68.76	74.07	101.43	101.39	101.41	101.64	101.05	101.27	100.78	100.45	
Nondurable goods	74.08	73.78	72.30	75.60	73.04	70.67	70.54	77.76	108.83	106.50	105.60	103.41	104.81	97.81	95.53	93.73	
Services	88.76	87.41	88.48	87.72	86.55	82.50	85.21	84.25	110.76	113.61	113.55	113.59	114.13	115.30	115.57	115.98	
Compensation of general government employees, except force-account construction ³	81.87	78.91	79.08	78.87	77.81	77.29	76.52	76.60	114.17	118.01	117.99	117.88	118.43	120.65	120.72	120.71	
Consumption of general government fixed capital ⁴	95.00	93.02	93.31	92.78	92.18	91.52	90.92	90.26	110.37	111.51	111.94	111.36	111.36	111.45	111.06	111.18	
Other services	96.76	98.89	102.16	100.20	98.45	85.52	96.98	93.87	105.81	108.31	107.92	108.55	109.41	109.72	110.72	111.91	
Gross investment	75.98	65.05	63.11	67.53	68.89	63.03	60.76	67.97	110.08	108.78	109.39	108.41	107.72	108.04	107.59	105.91	
Structures	105.23	86.49	84.72	86.11	85.60	81.96	73.21	81.34	121.69	126.09	125.93	126.85	126.60	126.74	127.27	128.09	
Equipment	72.72	62.69	60.72	65.51	67.11	60.95	59.47	66.59	108.74	106.61	107.31	106.07	105.33	105.67	105.08	103.09	
Nondefense	96.03	97.64	97.39	97.36	96.79	99.83	100.48	97.28	114.57	117.27	117.21	117.32	117.83	118.46	118.30	118.30	
Consumption expenditures	95.94	97.99	98.21	97.82	98.17	98.96	101.14	97.66	116.47	119.76	119.68	119.84	120.42	121.20	121.12	121.22	
Durable goods ²																	
Nondurable goods																	
Commodity Credit Corporation inventory change																	
Other nondurables	76.41	86.09	85.19	86.27	90.44	91.27	92.77	92.00	112.67	112.06	112.47	112.55	112.30	111.36	110.86	110.94	
Services	95.98	97.40	97.61	97.38	97.28	97.95	99.91	99.80	117.06	120.57	120.47	120.63	121.24	122.14	122.09	122.34	
Compensation of general government employees, except force-account construction ³	90.45	89.88	90.60	90.11	88.53	89.68	90.69	91.01	126.58	131.80	131.59	131.65	132.70	134.30	134.06	134.23	
Consumption of general government fixed capital ⁴	114.30	118.62	118.13	119.13	120.19	121.32	122.27	126.31	104.30	104.37	104.49	104.13	104.62	104.48	104.27	104.05	
Other services	101.32	105.56	105.02	105.02	107.23	106.99	110.76	109.16	106.59	108.69	108.69	109.08	109.16	109.44	109.65	110.10	
Gross investment	96.78	95.18	91.52	94.22	86.82	106.68	95.76	94.74	102.45	101.35	101.45	101.18	101.29	100.98	100.29	99.61	
Structures	93.56	83.49	83.11	89.17	71.25	85.90	83.93	88.48	113.01	116.95	116.40	117.46	118.82	120.10	120.56	121.32	
Equipment	101.09	110.14	102.23	100.36	107.12	133.92	110.55	101.45	91.73	86.56	87.16	85.82	84.99	83.67	82.23	80.41	
State and local	109.09	112.42	112.01	112.82	113.19	113.77	114.28	115.18	110.48	112.96	112.68	113.07	113.83	113.89	114.23	114.68	
Consumption expenditures	108.82	111.38	111.01	111.78	112.41	113.12	113.86	114.57	110.33	112.86	112.54	112.98	113.71	113.76	114.18	114.69	
Durable goods ²	117.92	122.03	121.62	122.60	123.36	124.47	125.59	126.71	106.40	106.77	106.49	106.91	107.29	107.40	107.43	107.71	
Nondurable goods	116.69	120.55	120.13	120.95	122.00	122.94	123.88	124.83	109.37	108.52	108.18	107.49	107.73	104.14	103.87	103.07	
Services	107.72	110.11	109.74	110.50	111.08	111.76	112.48	113.14	110.53	113.53	113.21	113.80	114.60	115.10	115.63	116.30	
Compensation of general government employees, except force-account construction ³	106.09	107.91	107.66	108.26	108.65	109.07	109.68	110.20	112.05	114.99	114.66	115.30	115.97	116.68	117.36	118.07	
Consumption of general government fixed capital ⁴	113.04	117.41	116.83	117.97	119.13	120.31	121.50	122.70	108.86	110.45	110.34	110.47	111.19	111.13	111.08	111.27	
Other services	129.70	139.74	137.55	140.80	144.16	149.08	151.07	153.76	88.84	94.83	94.30	94.78	97.37	96.11	95.48	96.31	
Gross investment	110.31	117.11	116.55	117.49	116.72	116.71	116.15	117.95	111.18	113.46	113.35	113.53	114.37	114.51	114.49	114.66	
Structures	106.31	111.88	111.52	111.95	110.52	109.60	108.20	109.52	113.90	117.75	117.47	117.99	119.27	119.82	120.13	120.68	
Equipment	129.43	142.55	140.85	144.55	147.45	152.56	156.83	161.35	100.17	96.79	97.29	96.23	95.57	94.35	93.28	92.29	
Addenda:									Addenda:								
Compensation of general government employees ³	99.35	99.90	99.85	100.16	100.00	100.29	100.64	101.05	113.78	117.09	116.82	117.28	117.97	119.00	119.50	120.05	
Federal	84.75	82.61	82.97	82.68	81.42	81.48	81.33	81.51	118.25	122.57	122.48	122.43	123.15	125.15	125.10	125.16	
State and local	106.12	107.98	107.73	108.33	108.71	109.11	109.70	110.23	112.06	115.00	114.67	115.31	115.99	116.69	117.37	118.09	

1. Gross government investment consists of general government and government enterprise expenditures for fixed assets; inventory investment is included in government consumption expenditures.

2. Consumption expenditures for durable goods excludes expenditures classified as investment, except for goods transferred to foreign countries by the Federal Government.

3. Compensation of government employees engaged in new force-account construction and related expenditures

for goods and services are classified as investment in structures. The compensation of all general government employees is shown in the addenda.

4. Consumption of fixed capital, or depreciation, is included in government consumption expenditures as a partial measure of the value of the services of general government fixed assets; use of depreciation assumes a zero net return on these assets.

Table 7.14.—Chain-Type Quantity and Price Indexes for Gross Domestic Product by Sector

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Chain-type quantity indexes								
Gross domestic product	112.02	116.42	115.89	117.08	117.94	119.54	120.09	121.06
Business ¹	113.87	118.91	118.30	119.65	120.66	122.53	123.11	124.20
Nonfarm ¹	114.12	119.02	118.39	119.70	120.81	122.66	123.25	124.32
Nonfarm less housing	114.81	119.95	119.26	120.70	121.90	124.02	124.56	125.62
Housing	108.38	111.29	111.20	111.50	111.81	111.60	112.58	113.62
Farm	97.50	112.04	112.60	116.25	110.25	113.12	113.40	115.98
Households and institutions	111.72	115.20	114.74	115.79	116.49	117.06	117.43	118.02
Private households	104.40	101.12	101.81	100.63	99.38	97.46	98.19	98.78
Nonprofit institutions	112.00	115.74	115.23	116.38	117.15	117.82	118.17	118.77
General government ²	100.02	100.66	100.60	100.91	100.81	101.10	101.44	101.86
Federal	87.71	85.80	86.11	85.82	84.75	84.71	84.51	84.65
State and local	106.75	108.83	108.55	109.20	109.64	110.12	110.76	111.34
Chain-type price indexes								
Gross domestic product	109.54	111.57	111.45	111.77	112.09	112.33	112.57	112.80
Business ¹	108.98	110.89	110.78	111.11	111.38	111.52	111.66	111.81
Nonfarm ¹	108.89	111.06	110.91	111.32	111.60	111.83	111.96	112.18
Nonfarm less housing	108.48	110.54	110.42	110.78	111.01	111.16	111.19	111.33
Housing	112.46	115.66	115.26	116.07	116.81	117.76	118.79	119.76
Farm	116.63	99.93	102.08	97.13	96.93	91.17	92.03	87.31
Households and institutions	110.67	112.42	112.37	112.50	112.88	113.59	115.33	116.55
Private households	113.41	117.56	116.77	118.17	119.63	120.13	121.10	122.21
Nonprofit institutions	110.57	112.24	112.22	112.30	112.64	113.36	115.13	116.35
General government ²	113.12	116.12	115.92	116.28	116.92	117.80	118.19	118.68
Federal	116.04	119.48	119.51	119.33	119.89	121.38	121.25	121.31
State and local	111.76	114.57	114.26	114.85	115.53	116.16	116.77	117.43

1. Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Gross nonfarm product equals gross domestic business product less gross farm product.

2. Equals compensation of general government employees plus general government consumption of fixed capital.

Table 7.15.—Current-Dollar Cost and Profit Per Unit of Real Gross Domestic Product of Nonfinancial Corporate Business

[Dollars]

Current-dollar cost and profit per unit of real gross domestic product ¹	1.056	1.063	1.063	1.063	1.063	1.061	1.061
Consumption of fixed capital	.100	.100	.100	.100	.100	.099	.100
Net domestic product	.956	.963	.963	.963	.963	.962	.962
Indirect business tax and nontax liability plus business transfer payments less subsidies	.105	.105	.106	.105	.105	.105	.104
Domestic income	.850	.857	.857	.858	.858	.858	.857
Compensation of employees	.685	.691	.691	.688	.695	.697	.699
Corporate profits with inventory valuation and capital consumption adjustments	.140	.143	.143	.147	.141	.139	.136
Profits tax liability	.039	.041	.040	.042	.040	.037	.037
Profits after tax with inventory valuation and capital consumption adjustments	.101	.102	.102	.104	.101	.102	.099
Net interest	.026	.023	.024	.023	.022	.022	.022

1. Equals the deflator for gross domestic product of nonfinancial corporate business with the decimal point shifted two places to the left.

Table 7.16.—Implicit Price Deflators for Inventories of Business by Industry Group

[Index numbers, 1992=100]

	Seasonally adjusted					
	1997			1998		
	II	III	IV	I	II	III
Inventories ¹	106.02	106.27	105.55	104.86	104.33	103.34
Farm	102.21	101.73	99.58	99.90	96.34	89.01
Nonfarm	106.43	106.74	106.16	105.37	105.12	104.74
Durable goods	106.20	105.99	105.74	105.45	105.06	104.76
Nondurable goods	106.75	107.78	106.74	105.29	105.21	104.73
Manufacturing	106.37	106.46	106.15	105.28	104.54	103.90
Durable goods	104.57	104.43	104.38	103.93	103.34	102.76
Nondurable goods	109.40	109.89	109.13	107.53	106.53	105.78
Wholesale	105.49	106.02	105.29	104.23	103.98	103.41
Durable goods	103.68	103.48	103.07	102.68	102.21	101.78
Nondurable goods	108.41	110.25	108.97	106.70	106.85	106.06
Merchant wholesalers	105.74	106.24	105.65	104.74	104.49	103.92
Durable goods	103.94	103.74	103.33	102.94	102.47	102.03
Nondurable goods	108.69	110.49	109.57	107.74	107.88	107.05
Nonmerchant wholesalers	103.99	104.68	103.15	101.12	100.89	100.41
Durable goods	101.97	101.77	101.37	101.00	100.52	100.13
Nondurable goods	106.93	109.03	105.72	101.08	101.26	100.62
Retail trade	106.34	106.49	106.08	105.87	106.36	106.49
Durable goods	109.36	109.15	108.80	108.79	108.78	109.01
Motor vehicle dealers	111.20	111.11	110.44	110.42	110.62	111.08
Other	107.50	107.18	107.16	107.14	106.95	106.97
Nondurable goods	103.25	103.79	103.32	102.88	103.90	103.94
Other	109.19	110.15	108.48	107.33	106.97	106.72
Durable goods	116.50	115.75	115.40	115.55	115.50	115.70
Nondurable goods	105.50	107.30	105.00	103.23	102.72	102.27

1. Implicit price deflators are as of the end of the quarter and are consistent with the inventory stocks shown in tables 5.12 and 5.13.

Table 7.17.—Chain-Type Quantity Indexes for Gross Domestic Product by Major Type of Product

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Gross domestic product	112.02	116.42	115.89	117.08	117.94	119.54	120.09	121.06
Final sales of domestic product	111.61	115.49	114.72	116.33	116.95	118.20	119.54	120.23
Change in business inventories								
Goods	116.71	123.56	122.90	124.52	125.68	129.29	127.95	128.88
Final sales	115.63	120.99	119.65	122.47	122.94	125.51	126.52	126.61
Change in business inventories								
Durable goods	130.65	142.91	142.35	145.00	147.10	153.95	150.48	152.35
Final sales	127.09	137.89	135.75	141.40	141.97	147.05	148.46	147.98
Change in business inventories								
Nondurable goods	107.19	110.51	109.79	110.74	111.30	112.85	112.86	113.21
Final sales	107.67	109.42	108.60	109.57	109.97	110.92	111.67	112.11
Change in business inventories								
Services	108.52	111.36	110.96	111.88	112.61	113.01	114.55	115.57
Structures	114.88	119.55	118.65	119.96	120.47	122.03	123.37	124.15
Addenda:								
Motor vehicle output	120.00	127.05	121.62	129.15	133.81	130.82	126.99	125.06
Gross domestic product less motor vehicle output	111.74	116.06	115.69	116.67	117.40	119.15	119.85	120.92

Table 7.18.—Chain-Type Quantity Indexes for Auto Output

[Index numbers, 1992=100]

	1996	1997	Seasonally adjusted					
			1997			1998		
			II	III	IV	I	II	III
Auto output	98.56	98.92	95.56	101.19	100.64	95.91	87.97	94.86
Final sales	101.86	98.12	95.09	100.34	96.83	95.55	97.46	92.41
Personal consumption expenditures	103.35	105.24	102.08	107.51	104.46	106.90	108.92	105.97
New autos	95.26	95.62	90.28	98.73	96.21	97.93	104.40	96.81
Net purchases of used autos	119.60	124.47	125.55	125.06	120.99	124.86	118.13	124.24
Producers' durable equipment	126.64	125.32	124.93	126.61	118.10	123.90	127.06	114.37
New autos	125.81	127.54	127.34	128.25	121.98	126.51	129.83	115.99
Net purchases of used autos	122.93	128.69	128.68	128.55	125.58	128.18	131.70	116.44
Net exports								
Exports	112.16	110.27	114.88	109.64	109.57	109.74	104.74	89.84
Imports	126.62	139.33	139.77	140.27	135.54	148.67	150.41	141.92
Gross government investment	103.21	89.31	80.80	92.71	91.78	79.51	96.67	78.17
Change in business inventories of new and used autos								
New								
Used								
Addenda:								
Domestic output of new autos ¹	110.84	110.36	108.04	113.34	110.46	105.39	97.38	106.68
Sales of imported new autos ²	98.05	106.63	103.37	108.62	106.69	115.47	121.68	108.67

1. Consists of final sales and change in business inventories of new autos assembled in the United States.
 2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

Table 7.19.—Chain-Type Quantity Indexes for Truck Output

[Index numbers, 1992=100]

Truck output¹	150.72	167.41	158.99	169.26	181.39	180.93	183.04	168.32
Final sales	153.94	166.62	159.20	171.77	176.79	180.63	198.82	178.60
Personal consumption expenditures	127.21	130.57	122.66	134.74	138.92	140.51	155.09	142.66
Producers' durable equipment	187.13	209.96	203.84	213.92	220.36	229.67	243.87	229.07
Net exports								
Exports	156.23	184.82	170.05	192.25	207.30	203.99	201.28	147.35
Imports	116.46	134.35	131.35	140.97	130.51	132.89	115.33	118.64
Gross government investment	102.20	122.69	124.99	141.46	112.14	106.46	130.04	91.67
Change in business inventories								

1. Includes new trucks only.

Table 8.2.—Contributions to Percent Change in Real Gross Domestic Product

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Percent change at annual rate:								
Gross domestic product	3.4	3.9	4.0	4.2	3.0	5.5	1.8	3.3
Percentage points at annual rates:								
Personal consumption expenditures	2.17	2.31	1.08	4.19	1.88	4.09	4.09	2.64
Durable goods .....	.52	.56	-.13	1.30	.26	1.23	.91	.00
Nondurable goods .....	.48	.49	-.04	1.00	-.08	1.41	1.01	.45
Services	1.18	1.26	1.26	1.85	1.70	1.40	2.14	2.19
Gross private domestic investment ...	1.26	1.65	2.92	.23	1.34	4.07	-.75	1.15
Fixed investment	1.21	1.18	1.63	1.66	.48	2.82	1.95	.18
Nonresidential .....	.92	1.08	1.39	1.67	.16	2.21	1.35	-.11
Structures .....	.14	.20	-.19	.35	.03	-.15	-.07	-.19
Producers' durable equipment	.78	.88	1.58	1.32	.13	2.36	1.42	.09
Residential .....	.29	.10	.24	-.02	.32	.60	.60	.29
Change in business inventories .....	.04	.47	1.27	-1.41	.85	1.22	-2.66	.96
Net exports of goods and services ...	-.19	-.27	-.45	-.47	-.30	-2.24	-2.08	-.76
Exports .....	.95	1.43	1.76	1.22	.53	-.33	-.92	-.33
Goods .....	.76	1.21	1.37	1.02	.67	-.29	-.98	-.03
Services .....	.18	.22	.38	.20	-.14	-.04	.06	-.29
Imports	-1.13	-1.71	-2.21	-1.69	-.83	-1.94	-1.18	-.44
Goods	-1.02	-1.51	-1.99	-1.38	-.71	-1.75	-1.19	-.48
Services	-.11	-.20	-.21	-.31	-.12	-.19	.01	.05
Government consumption expenditures and gross investment .....	.20	.24	.38	.25	.02	-.34	.64	.25
Federal	-.08	-.11	.23	-.08	-.14	-.57	.44	-.11
National defense	-.06	-.15	.38	-.08	-.09	-.84	.38	.17
Nondefense	-.01	.04	-.15	.00	-.05	.26	.06	-.27
State and local .....	.28	.35	.15	.33	.15	.24	.20	.36

Table 8.3.—Selected Per Capita Product and Income Series in Current and Chained Dollars

	[Dollars]							
	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
II			III	IV	I	II	III	
Current dollars:								
Gross domestic product	28,849	30,278	30,138	30,468	30,707	31,132	31,277	31,519
Gross national product	28,895	30,248	30,134	30,436	30,634	31,077	31,207	31,519
Personal income	24,193	25,325	25,206	25,435	25,686	26,007	26,242	26,451
Disposable personal income	20,840	21,633	21,558	21,709	21,871	22,046	22,192	22,336
Personal consumption expenditures	19,639	20,508	20,329	20,660	20,807	21,078	21,394	21,599
Durable goods	2,422	2,512	2,467	2,540	2,538	2,618	2,668	2,645
Nondurable goods	5,795	5,975	5,936	6,008	6,001	6,064	6,134	6,176
Services	11,421	12,021	11,926	12,111	12,268	12,396	12,593	12,778
Chained (1992) dollars:								
Gross domestic product	26,338	27,138	27,048	27,263	27,397	27,718	27,786	27,944
Gross national product	26,389	27,125	27,058	27,248	27,345	27,683	27,739	27,944
Disposable personal income	18,989	19,349	19,315	19,385	19,478	19,632	19,719	19,799
Personal consumption expenditures	17,894	18,342	18,213	18,447	18,529	18,770	19,010	19,145
Durable goods	2,358	2,496	2,444	2,534	2,547	2,637	2,703	2,696
Nondurable goods	5,463	5,548	5,521	5,578	5,559	5,649	5,710	5,728
Services	10,079	10,309	10,255	10,349	10,434	10,506	10,623	10,740
Population (mid-period, thousands)	265,579	267,880	267,545	268,171	268,815	269,309	269,867	270,524

Table 8.4.—Auto Output

[Billions of dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Auto output	134.5	134.7	129.6	138.8	135.2	130.4	118.1	130.6
Final sales	139.8	134.8	131.4	137.5	131.8	130.1	132.5	127.0
Personal consumption expenditures	141.6	143.5	139.9	145.7	141.0	144.2	146.9	143.9
New autos	85.8	86.2	81.5	89.0	86.3	87.7	93.3	86.8
Net purchases of used autos	55.8	57.3	58.4	56.6	54.7	56.5	53.6	57.1
Producers' durable equipment	44.8	45.7	45.2	46.9	43.7	45.8	46.7	42.0
New autos	78.8	79.9	79.9	80.4	76.1	78.8	80.7	72.3
Net purchases of used autos	-34.0	-34.2	-34.7	-33.5	-32.4	-33.0	-34.0	-30.4
Net exports	-48.9	-56.4	-55.6	-57.2	-55.0	-61.7	-63.3	-60.8
Exports	17.0	16.8	17.5	16.7	16.7	16.7	16.0	13.7
Imports	65.9	73.1	73.1	73.9	71.7	78.5	79.3	74.5
Gross government investment	2.3	2.0	1.8	2.1	2.1	1.8	2.2	1.8
Change in business inventories of new and used autos	-5.2	-1	-1.8	1.3	3.4	4	-14.4	3.6
New	-5.5	.2	-9	1.4	3.0	1.8	-17.4	7.7
Used .....	.2	-3	-9	-1	.4	-1.4	3.0	-4.1
Addenda:								
Domestic output of new autos ¹	120.6	120.0	116.4	124.5	119.3	114.8	104.8	116.7
Sales of imported new autos ²	58.0	63.1	61.3	64.3	62.9	67.9	71.4	64.0

1. Consists of final sales and change in business inventories of new autos assembled in the United States.
 2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

Table 8.5.—Real Auto Output

[Billions of chained (1992) dollars]

	1996	1997	Seasonally adjusted at annual rates					
			1997			1998		
			II	III	IV	I	II	III
Auto output	119.8	120.2	116.1	123.0	122.3	116.6	106.9	115.3
Final sales	124.3	119.8	116.1	122.5	118.2	116.6	119.0	112.8
Personal consumption expenditures	121.5	123.7	120.0	126.4	122.8	125.7	128.1	124.6
New autos	78.2	78.5	74.1	81.1	79.0	80.4	85.7	79.5
Net purchases of used autos	42.4	44.1	44.5	44.3	42.9	44.3	41.9	44.0
Producers' durable equipment	44.7	44.2	44.0	44.6	41.6	43.7	44.8	40.3
New autos	71.8	72.8	72.7	73.2	69.7	72.2	74.1	66.2
Net purchases of used autos	-26.9	-28.1	-28.1	-28.1	-27.4	-28.0	-28.8	-25.4
Net exports	-43.6	-49.8	-49.3	-50.3	-48.1	-54.3	-55.8	-53.9
Exports	16.0	15.7	16.4	15.6	15.6	15.7	14.9	12.8
Imports	59.6	65.5	65.7	66.0	63.8	69.9	70.7	66.7
Gross government investment	2.1	1.8	1.6	1.9	1.9	1.6	2.0	1.6
Change in business inventories of new and used autos	-4.7	.4	0	.5	4.2	-1	-12.3	2.6
New	-5.1	.7	.9	.6	4.0	1.3	-15.8	6.7
Used .....	.2	-2	-8	-1	.3	-1.2	2.6	-3.4
Residual .....	.7	.4	.5	.5	.1	.2	1.0	0
Addenda:								
Domestic output of new autos ¹	110.8	110.3	108.0	113.3	110.4	105.3	97.3	106.6
Sales of imported new autos ²	52.9	57.5	55.7	58.6	57.5	62.3	65.6	58.6

1. Consists of final sales and change in business inventories of new autos assembled in the United States.
 2. Consists of personal consumption expenditures, producers' durable equipment, and gross government investment.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines, excluding the lines in the addenda.

Chain-type quantity indexes for the series in this table appear in table 7.18.

Table 8.6.—Truck Output

[Billions of dollars]

Truck output ¹	142.6	158.9	151.1	161.0	171.3	169.9	171.5	158.2
Final sales	143.3	155.6	148.8	160.6	164.3	166.9	183.3	165.1
Personal consumption expenditures	66.5	69.2	65.0	71.4	73.5	74.0	81.4	75.1
Producers' durable equipment	73.8	82.3	80.0	83.9	85.7	88.8	94.2	88.7
Net exports	-4.7	-4.9	-5.4	-5.2	-3.1	-3.6	-1.7	-5.4
Exports	9.0	10.9	10.0	11.3	12.3	12.2	12.0	8.8
Imports	13.7	15.8	15.4	16.6	15.5	15.8	13.8	14.2
Gross government investment	7.6	9.0	9.2	10.4	8.2	7.7	9.4	6.7
Change in business inventories	-7	3.3	2.3	.4	7.0	3.0	-11.7	-6.9

1. Includes new trucks only.

Table 8.7.—Real Truck Output

[Billions of chained (1992) dollars]

Truck output ¹	126.2	140.2	133.1	141.7	151.9	151.5	153.3	140.9
Final sales	126.9	137.3	131.2	141.6	145.7	148.9	163.9	147.2
Personal consumption expenditures	58.3	59.8	56.2	61.7	63.6	64.4	71.1	65.4
Producers' durable equipment	65.7	73.7	71.5	75.1	77.4	80.6	85.6	80.4
Net exports	-3.7	-4.0	-4.5	-4.3	-2.4	-2.8	-1.1	-4.4
Exports	8.7	10.3	9.5	10.7	11.5	11.3	11.2	8.2
Imports	12.4	14.3	14.0	15.0	13.9	14.2	12.3	12.6
Gross government investment	6.7	8.1	8.2	9.3	7.4	7.0	8.6	6.0
Change in business inventories	-6	2.8	1.9	.4	5.9	2.5	-10.2	-6.0
Residual	-2	-2	-2	-5	0	-1	-7	-5

1. Includes new trucks only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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.

Chain-type quantity indexes for the series in this table appear in table 7.19.

B. Other NIPA and NIPA-Related Tables

Monthly Estimates:

Tables B.1 and B.2 include the most recent estimates of personal income and its components; these estimates were released on November 2, 1998 and include "preliminary" estimates for September 1998 and "revised" estimates for July and August 1998.

Table B.1.—Personal Income

[Billions of dollars; monthly estimates seasonally adjusted at annual rates]

	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept. ^p
Personal income	6,425.2	6,784.0	6,826.7	6,850.1	6,875.5	6,910.9	6,928.3	6,970.5	7,007.3	7,033.9	7,055.3	7,085.9	7,104.4	7,131.8	7,161.4	7,173.5
Wage and salary disbursements	3,631.1	3,889.8	3,922.7	3,937.1	3,964.0	3,998.0	4,007.7	4,040.0	4,066.4	4,079.3	4,097.6	4,124.3	4,131.0	4,153.5	4,183.7	4,189.0
Private industries	2,990.2	3,225.7	3,255.9	3,268.8	3,294.0	3,326.3	3,335.0	3,362.9	3,386.5	3,397.9	3,414.0	3,438.6	3,442.8	3,463.4	3,491.1	3,494.4
Goods-producing industries	909.0	975.0	980.9	985.3	995.2	1,004.0	1,012.1	1,016.7	1,020.2	1,020.1	1,022.8	1,025.5	1,021.3	1,020.8	1,029.1	1,029.1
Manufacturing	674.6	719.5	723.7	726.6	735.1	741.8	746.8	748.7	750.8	751.8	750.8	753.2	748.3	743.7	752.5	754.7
Distributive industries	823.3	879.8	899.1	892.7	898.7	908.7	906.3	915.3	920.8	920.5	926.4	935.6	934.4	941.5	946.4	950.0
Service industries	1,257.9	1,370.8	1,386.0	1,390.7	1,400.2	1,413.7	1,416.7	1,430.8	1,445.5	1,457.3	1,464.7	1,477.5	1,487.1	1,501.0	1,514.4	1,515.4
Government	640.9	664.2	666.8	668.3	670.0	671.6	672.7	677.2	680.0	681.4	683.6	685.7	688.1	690.1	692.7	694.6
Other labor income	387.0	392.9	393.5	395.3	394.4	396.9	399.7	401.7	402.8	403.8	404.7	405.7	406.6	407.5	408.3	409.2
Proprietors' income with IVA and CCA _{adj}	527.7	551.2	555.6	559.7	558.9	557.7	557.5	559.8	563.9	568.8	570.2	570.2	574.8	576.3	573.8	574.5
Farm	38.9	35.5	36.4	35.1	33.5	31.5	29.1	28.2	27.3	26.6	27.2	27.7	28.2	26.2	24.3	22.3
Nonfarm	488.8	515.8	519.2	524.5	525.4	526.2	528.4	531.6	536.6	542.2	543.0	542.5	546.6	550.2	549.6	552.3
Rental income of persons with CCA _{adj}	150.2	158.2	158.6	158.7	158.7	158.8	158.9	158.3	158.4	158.3	159.4	160.9	162.6	163.1	163.5	164.1
Personal dividend income	248.2	260.3	260.3	260.7	261.0	261.3	261.4	261.5	261.6	261.8	262.0	262.1	262.3	262.4	262.8	263.7
Personal interest income	719.4	747.3	750.6	751.7	752.5	753.0	753.3	754.7	757.0	759.3	761.2	762.8	765.0	766.5	767.5	768.7
Transfer payments to persons	1,068.0	1,110.4	1,114.1	1,116.8	1,117.5	1,119.3	1,124.7	1,133.8	1,138.4	1,144.7	1,143.8	1,145.3	1,148.3	1,150.2	1,151.7	1,154.7
Old-age, survivors, disability, and health insurance benefits	538.0	565.9	569.2	569.2	570.8	570.7	575.1	579.3	581.2	584.4	583.7	585.1	586.2	588.0	588.7	589.6
Government unemployment insurance benefits	21.9	19.9	19.3	19.9	18.3	19.8	19.9	19.6	19.5	19.7	19.6	19.4	19.6	19.5	19.3	19.6
Other	508.0	524.6	525.6	527.7	528.4	528.9	529.7	534.9	537.7	540.6	540.5	540.8	542.5	542.7	543.8	545.6
Less: Personal contributions for social insurance	306.3	326.2	328.6	329.7	331.7	334.1	334.9	339.3	341.2	342.2	343.6	345.5	346.2	347.7	350.0	350.5

^p Preliminary.

^r Revised.

CCA_{adj} Capital consumption adjustment

IVA Inventory valuation adjustment

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

Table B.2.—The Disposition of Personal Income

[Monthly estimates seasonally adjusted at annual rates]

	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sept. ^p
Billions of dollars, unless otherwise indicated																
Personal income	6,425.2	6,784.0	6,826.7	6,850.1	6,875.5	6,910.9	6,928.3	6,970.5	7,007.3	7,033.9	7,055.3	7,085.9	7,104.4	7,131.8	7,161.4	7,173.5
Less: Personal tax and nontax payments	890.5	989.0	1,000.3	1,006.7	1,015.5	1,026.9	1,034.1	1,058.7	1,069.4	1,072.4	1,083.3	1,094.9	1,100.5	1,105.3	1,116.0	1,118.3
Equals: Disposable personal income	5,534.7	5,795.1	5,826.4	5,843.4	5,860.0	5,884.0	5,894.2	5,911.8	5,937.9	5,961.5	5,972.0	5,990.9	6,004.0	6,026.5	6,045.5	6,055.2
Less: Personal outlays	5,376.2	5,674.1	5,720.5	5,739.6	5,752.7	5,783.4	5,807.4	5,837.3	5,870.0	5,884.7	5,914.4	5,970.4	6,005.2	6,007.6	6,034.5	6,067.2
Personal consumption expenditures	5,215.7	5,493.7	5,537.7	5,554.0	5,565.8	5,596.4	5,617.4	5,649.3	5,682.7	5,697.5	5,723.9	5,782.1	5,815.0	5,814.5	5,840.8	5,872.7
Durable goods	643.3	673.0	683.5	677.1	671.7	684.8	690.1	709.6	708.2	697.6	698.6	724.3	737.3	705.6	713.4	727.5
Nondurable goods	1,539.2	1,600.6	1,610.8	1,614.4	1,614.6	1,614.8	1,610.2	1,623.8	1,636.7	1,638.8	1,646.8	1,657.9	1,661.0	1,669.9	1,670.3	1,671.8
Services	3,033.2	3,220.1	3,243.5	3,262.5	3,279.5	3,296.7	3,317.1	3,315.9	3,337.8	3,361.0	3,378.5	3,399.9	3,416.7	3,440.0	3,457.1	3,473.4
Interest paid by persons	143.6	161.5	163.3	166.0	167.2	167.2	170.2	168.8	168.1	168.0	170.6	168.4	170.4	171.6	173.2	174.0
Personal transfer payments to the rest of the world (net)	16.9	18.9	19.5	19.5	19.8	19.8	19.8	19.2	19.2	19.2	19.9	19.9	19.9	20.5	20.5	
Equals: Personal saving	158.5	121.0	105.8	103.8	107.2	100.6	86.8	74.5	67.9	76.8	57.6	20.5	-1.2	18.9	11.0	-12.0
Addenda:																
Disposable personal income:																
Billions of chained (1992) dollars ¹	5,043.0	5,183.1	5,203.2	5,210.7	5,221.4	5,239.7	5,246.5	5,264.9	5,287.0	5,309.5	5,311.7	5,318.8	5,334.0	5,345.3	5,356.1	5,366.6
Per capita:																
Current dollars	20,840	21,633	21,726	21,772	21,814	21,888	21,912	21,965	22,049	22,122	22,145	22,200	22,231	22,296	22,347	22,364
Chained (1992) dollars	18,989	19,349	19,403	19,415	19,437	19,491	19,504	19,562	19,632	19,703	19,697	19,709	19,751	19,776	19,799	19,820
Population (thousands)	265,579	267,880	268,171	268,391	268,633	268,823	268,989	269,143	269,302	269,482	269,669	269,862	270,069	270,289	270,524	270,761
Personal consumption expenditures:																
Billions of chained (1992) dollars	4,752.4	4,913.5	4,945.4	4,952.6	4,959.3	4,983.6	5,000.1	5,031.1	5,059.7	5,074.3	5,091.1	5,133.4	5,166.1	5,158.1	5,174.8	5,204.9
Durable goods	626.1	668.6	682.6	676.9	673.0	687.9	693.3	713.8	713.1	703.8	704.2	734.0	749.8	716.6	727.0	744.6
Nondurable goods	1,450.9	1,486.3	1,495.4	1,494.6	1,494.4	1,495.7	1,492.6	1,508.6	1,523.7	1,531.4	1,536.8	1,540.7	1,545.2	1,551.2	1,547.4	1,550.3
Services	2,676.7	2,761.5	2,771.7	2,784.1	2,794.0	2,803.3	2,817.3	2,814.9	2,829.0	2,843.8	2,854.3	2,866.1	2,880.0	2,894.5	2,905.2	2,916.5
Implicit price deflator, 1992=100	109.75	111.81	111.98	112.14	112.23	112.30	112.35	112.29	112.31	112.28	112.43	112.64	112.56	112.74	112.87	112.83
Personal saving as percentage of disposable personal income ²	2.9	2.1	1.8	1.8	1.8	1.7	1.5	1.3	1.1	1.3	1.0	.3	0	.3	.2	-.2
Percent change from preceding period, monthly changes at monthly rates																
Personal income, current dollars	5.8	5.6	0.6	0.3	0.4	0.5	0.3	0.6	0.5	0.4	0.3	0.4	0.3	0.4	0.4	0.2
Disposable personal income:																
Current dollars	4.9	4.7	.5	.3	.3	.4	.2	.3	.4	.4	.2	.3	.2	.4	.3	.2
Chained (1992) dollars	2.8	2.8	.4	.1	.2	.4	.1	.4	.4	.4	0	.1	.3	.2	.2	.2
Personal consumption expenditures:																
Current dollars	5.3	5.3	.2	.3	.2	.5	.4	.6	.6	.3	.5	1.0	.6	0	.4	.5
Chained (1992) dollars	3.2	3.4	.1	.1	.1	.5	.3	.6	.6	.3	.3	.8	.6	-.2	.3	.6

^p Preliminary.

^r Revised.

1. Disposable personal income in chained (1992) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

2. Monthly estimates equal personal saving for the month as a percentage of disposable personal income for that month.

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

Annual Estimates:

Except as noted, these tables are derived from the NIPA tables published in the August 1998 SURVEY OF CURRENT BUSINESS; they are consistent with the most recent comprehensive and annual revisions.

Table B.3 is not included in "Other NIPA and NIPA-Related Tables" this month. The data in table B.3 are presented in more detail in "[Gross Product by Industry, 1995-97](#)" elsewhere in this issue.

Table B.4.—Personal Consumption Expenditures by Type of Expenditure

	Billions of dollars			Billions of chained (1992) dollars				Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Personal consumption expenditures	4,953.9	5,215.7	5,493.7	4,605.6	4,752.4	4,913.5	Personal business	388.8	416.2	459.1	354.3	364.6	377.2
Food and tobacco	780.4	805.2	832.3	736.8	740.0	745.7	Brokerage charges and investment counseling (s.)	39.1	46.6	54.4	42.1	51.1	61.2
Food purchased for off-premise consumption (n.d.)	461.9	477.0	494.2	434.9	436.6	442.3	Bank service charges, trust services, and safe deposit box rental (s.)	33.9	37.3	41.5	27.9	29.0	30.8
Purchased meals and beverages ¹ (n.d.)	261.0	268.8	277.2	246.1	247.4	248.4	Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans (s.)	159.1	167.5	190.9	144.2	145.3	148.1
Food furnished to employees (including military) (n.d.)	8.5	8.8	9.1	8.0	8.1	8.2	Expense of handling life insurance ¹⁷ (s.)	75.7	77.4	80.2	68.8	66.2	65.2
Food produced and consumed on farms (n.d.)	5	4	4	4	4	4	Legal services (s.)	49.4	53.0	55.9	44.4	46.1	46.7
Tobacco products (n.d.)	48.6	50.2	51.4	47.4	47.5	46.4	Funeral and burial expenses (s.)	12.2	13.3	13.8	10.5	10.9	10.7
Addenda: Food excluding alcoholic beverages (n.d.)	649.1	669.0	692.4	609.4	611.4	617.5	Other ¹⁸ (s.)	19.4	21.1	22.4	17.3	18.3	18.9
Alcoholic beverages purchased for off-premise consumption (n.d.)	54.8	57.1	58.6	54.4	55.4	56.1	Transportation	574.1	611.6	636.4	531.5	551.7	569.7
Other alcoholic beverages (n.d.)	27.9	28.9	30.0	25.7	25.8	25.9	User-operated transportation	531.9	567.3	588.3	491.1	509.0	525.3
Clothing, accessories, and jewelry	321.8	338.0	353.3	324.2	345.7	361.8	New autos (d.)	86.6	85.8	86.2	80.2	78.2	78.5
Shoes (n.d.)	36.9	38.5	39.8	37.2	39.0	40.4	Net purchases of used autos (d.)	53.0	55.8	57.3	41.4	42.4	44.1
Clothing and accessories except shoes ²	216.8	226.9	237.9	222.7	236.9	247.7	Other motor vehicles (d.)	79.7	84.7	87.2	72.0	75.0	76.5
Women's and children's (n.d.)	140.5	146.5	152.9	145.4	155.7	162.5	Tires, tubes, accessories, and other parts (d.)	36.2	38.5	38.8	36.7	39.1	39.7
Men's and boys' (n.d.)	76.4	80.4	85.0	77.2	81.2	85.3	Repair, greasing, washing, parking, storage, rental, and leasing (s.)	128.7	143.6	154.9	117.5	128.6	137.0
Standard clothing issued to military personnel (n.d.)	3	3	3	3	3	3	Gasoline and oil (n.d.)	115.6	124.5	126.5	114.3	116.0	117.9
Cleaning, storage, and repair of clothing and shoes (s.)	12.2	12.7	13.1	11.4	11.7	11.7	Bridge, tunnel, ferry, and road tolls (s.)	2.8	2.8	3.0	2.5	2.5	2.5
Jewelry and watches (d.)	39.4	41.4	43.1	37.7	41.2	44.5	Insurance ¹⁹ (s.)	29.4	31.5	34.4	26.0	26.7	28.3
Other ³ (s.)	16.1	18.2	19.2	15.0	16.7	17.2	Purchased local transportation	9.1	10.0	10.4	8.5	8.4	8.6
Personal care	71.8	75.0	79.4	68.1	70.1	73.0	Mass transit systems (s.)	6.0	6.5	6.8	5.5	5.5	5.7
Toilet articles and preparations (n.d.)	47.2	49.7	52.6	45.3	47.4	49.8	Taxicab (s.)	3.2	3.5	3.6	3.0	3.0	3.0
Barbershops, beauty parlors, and health clubs (s.)	24.6	25.3	26.8	22.8	22.7	23.3	Purchased intercity transportation	33.0	34.3	37.7	31.9	34.4	35.9
Housing	750.4	787.4	829.8	688.6	700.9	717.4	Railway (s.)	8	8	8	7	7	7
Owner-occupied nonfarm dwellings:space rent ⁴ (s.)	532.4	559.1	590.3	487.4	496.0	508.9	Bus (s.)	1.1	1.1	1.2	1.2	1.2	1.2
Tenant-occupied nonfarm dwellings:rent ⁵ (s.)	184.8	193.2	203.2	171.4	174.7	178.7	Airline (s.)	27.9	28.5	31.5	27.2	29.2	30.4
Rental value of farm dwellings (s.)	5.9	6.1	6.3	5.2	5.1	5.0	Other ²⁰ (s.)	3.3	3.9	4.1	2.8	3.3	3.4
Other ⁶ (s.)	27.3	29.1	30.0	24.7	25.2	24.9	Recreation	404.2	432.3	462.9	399.1	429.9	466.9
Household operation	559.4	592.8	620.7	533.0	555.6	578.4	Books and maps (d.)	22.4	24.2	25.2	21.0	21.8	22.5
Furniture, including mattresses and bedspings (d.)	47.7	50.6	54.8	44.3	46.4	50.4	Magazines, newspapers, and sheet music (n.d.)	25.7	27.6	29.1	23.1	23.9	25.0
Kitchen and other household appliances ⁷ (d.)	27.2	28.5	29.7	26.7	27.9	29.3	Nondurable toys and sport supplies (n.d.)	42.3	45.1	47.8	41.9	44.5	47.6
China, glassware, tableware, and utensils (d.)	25.2	27.0	28.6	25.2	27.3	29.1	Wheel goods, sports and photographic equipment, boats, and pleasure aircraft (d.)	39.3	42.3	48.1	38.0	40.9	46.8
Other durable house furnishings ⁸ (d.)	54.6	57.9	61.8	53.7	56.8	60.4	Video and audio products, computing equipment, and musical instruments (d.)	86.4	92.0	96.5	103.6	123.8	146.8
Semidurable house furnishings ⁹ (n.d.)	28.7	30.7	32.8	26.8	28.7	30.6	Radio and television repair (s.)	4.9	5.0	5.4	4.4	4.4	4.6
Cleaning and polishing preparations, and miscellaneous household supplies and paper products (n.d.)	52.3	54.6	56.5	50.3	51.2	52.5	Flowers, seeds, and potted plants (n.d.)	13.8	14.8	15.9	13.3	14.8	16.5
Stationery and writing supplies (n.d.)	15.8	16.8	18.0	14.4	14.7	15.0	Admissions to specified spectator amusements	20.1	21.9	23.3	18.2	18.9	19.6
Household utilities	168.0	176.6	178.5	159.0	161.9	160.1	Motion picture theaters (s.)	5.8	6.2	6.6	5.3	5.3	5.6
Electricity (s.)	87.9	90.3	90.2	84.3	85.1	84.6	Legitimate theaters and opera, and entertainments of nonprofit institutions (except athletics) (s.)	8.7	9.3	10.0	7.9	8.0	8.4
Gas (s.)	31.3	35.2	36.0	30.5	32.9	31.5	Spectator sports ²¹ (s.)	5.5	6.4	6.7	5.0	5.6	5.6
Water and other sanitary services (s.)	37.9	38.9	41.1	33.1	32.8	33.8	Clubs and fraternal organizations ²² (s.)	12.7	13.0	13.8	11.5	11.6	12.1
Fuel oil and coal (n.d.)	10.9	12.2	11.2	11.2	11.2	10.3	Commercial participant amusements ²³ (s.)	41.3	44.7	49.1	37.9	40.0	42.9
Telephone and telegraph (s.)	87.7	97.1	104.2	85.5	94.7	105.0	Pari-mutuel net receipts (s.)	3.3	3.4	3.5	3.0	2.9	2.9
Domestic service (s.)	12.8	12.5	13.2	11.7	11.0	11.2	Other ²⁴ (s.)	92.1	98.3	105.1	85.9	88.6	91.4
Other ¹⁰ (s.)	39.3	40.4	42.7	35.8	35.5	36.4	Education and research	112.0	119.7	129.4	98.7	102.0	106.8
Medical care	875.0	912.4	957.3	766.9	782.6	803.6	Higher education ²⁵ (s.)	62.4	65.7	69.6	53.3	54.0	54.8
Drug preparations and sundries ¹¹ (n.d.)	85.5	91.1	98.1	79.6	83.0	88.2	Nursery, elementary, and secondary schools ²⁶ (s.)	22.9	23.5	25.7	20.7	20.9	22.4
Ophthalmic products and orthopedic appliances (d.)	13.3	14.6	15.7	12.3	13.3	14.1	Other ²⁷ (s.)	26.7	30.4	34.1	24.4	27.3	30.0
Physicians (s.)	191.5	198.2	205.2	166.2	170.8	174.5	Religious and welfare activities ²⁸ (s.)	138.6	151.1	157.6	127.8	137.0	140.4
Dentists (s.)	47.6	49.5	52.6	41.1	40.8	41.5	Foreign travel and other, net	-22.7	-26.1	-24.4	-20.1	-21.4	-17.7
Other professional services ¹² (s.)	104.9	111.9	119.4	95.9	100.5	103.3	Foreign travel by U.S. residents ²⁹ (s.)	51.2	54.7	59.9	48.3	50.5	54.5
Hospitals and nursing homes ¹³	374.3	389.8	408.1	336.9	341.1	350.2	Expenditures abroad by U.S. residents (n.d.)	2.7	2.5	3.0	2.4	2.3	3.1
Hospitals	310.8	321.7	334.3	280.4	283.3	289.6	Less: Expenditures in the United States by nonresidents ³⁰ (s.)	75.2	82.0	86.0	69.6	73.0	74.1
Nonprofit (s.)	206.4	212.9	220.0	188.5	189.7	192.2	Less: Personal remittances in kind to nonresidents (n.d.)	1.4	1.3	1.3	1.3	1.2	1.2
Proprietary (s.)	34.7	36.6	40.7	30.5	31.4	34.6	Residual				-11.1	-20.7	-33.5
Government (s.)	69.8	72.2	73.5	61.4	62.0	62.6							
Nursing homes (s.)	63.5	68.1	73.9	56.4	57.9	60.5							
Health insurance	57.9	57.4	58.0	37.1	36.2	35.8							
Medical care and hospitalization ¹⁴ (s.)	45.6	45.0	46.1	34.8	34.0	33.6							
Income loss ¹⁵ (s.)	2.3	2.6	2.8	2.5	2.7	2.9							
Workers' compensation ¹⁶ (s.)	10.0	9.8	9.2	1.8	1.7	1.6							

1. Consists of purchases (including tips) of meals and beverages from retail, service, and amusement establishments, hotels, dining and buffet cars, schools, school fraternities, institutions, clubs, and industrial lunchrooms. Includes meals and beverages consumed both on- and off-premise.

2. Includes luggage.

3. Consists of watch, clock, and jewelry repairs, costume and dress suit rental, and miscellaneous personal services.

4. Consists of rent for space and for heating and plumbing facilities, water heaters, lighting fixtures, kitchen cabinets, linoleum, storm windows and doors, window screens, and screen doors, but excludes rent for appliances and furniture and purchases of fuel and electricity.

5. Consists of space rent (see footnote 4) and rent for appliances, furnishings, and furniture.

6. Consists of transient hotels, motels, clubs, schools, and other group housing.

7. Consists of refrigerators and freezers, cooking ranges, dishwashers, laundry equipment, stoves, room air conditioners, sewing machines, vacuum cleaners, and other appliances.

8. Includes such house furnishings as floor coverings, comforters, quilts, blankets, pillows, picture frames, mirrors, art products, portable lamps, and clocks. Also includes writing equipment and hand, power, and garden tools.

9. Consists largely of textile house furnishings, including piece goods allocated to house furnishing use. Also includes lamp shades, brooms, and brushes.

10. Consists of maintenance services for appliances and house furnishings, moving and warehouse expenses, postage and express charges, premiums for fire and theft insurance on personal property less benefits and dividends, and miscellaneous household operation services.

11. Excludes drug preparations and related products dispensed by physicians, hospitals, and other medical services.

12. Consists of osteopathic physicians, chiropractors, private duty nurses, chiropractors, podiatrists, and others providing health and allied services, not elsewhere classified.

13. Consists of (1) current expenditures (including consumption of fixed capital) of nonprofit hospitals and nursing homes, and (2) payments by patients to proprietary and government hospitals and nursing homes.

14. Consists of (1) premiums, less benefits and dividends, for health, hospitalization, and accidental death and dismemberment insurance provided by commercial insurance carriers, and (2) administrative expenses (including consumption of fixed capital) of nonprofit and self-insured health plans.

15. Consists of premiums, less benefits and dividends, for income loss insurance.

16. Consists of premiums, less benefits and dividends, for privately administered workers' compensation.

17. Consists of (1) operating expenses of life insurance carriers and private noninsured pension plans, and (2) premiums, less benefits and dividends, of fraternal benefit societies. Excludes expenses allocated by commercial carriers to accident and health insurance.

18. Consists of current expenditures (including consumption of fixed capital) of trade unions and professional associations, employment agency fees, money order fees, spending for classified advertisements, tax return preparation services, and other personal business services.

19. Consists of premiums, less benefits and dividends, for motor vehicle insurance.

20. Consists of baggage charges, coastal and inland waterway fares, travel agents' fees, and airport bus fares.

21. Consists of admissions to professional and amateur athletic events and to racetracks.

22. Consists of dues and fees excluding insurance premiums.

23. Consists of billiard parlors; bowling alleys; dancing, riding, shooting, skating, and swimming places; amusement devices and parks; golf courses; sightseeing buses and guides; private flying operations; casino gambling; and other commercial participant amusements.

24. Consists of net receipts of lotteries and expenditures for purchases of pets and pet care services, cable TV, film processing, photographic studios, sporting and recreation camps, video cassette rentals, and recreational services, not elsewhere classified.

25. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and less expenditures for research and development financed under contracts or grants. For government institutions, equals student payments of tuition.

26. For private institutions, equals current expenditures (including consumption of fixed capital) less receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures. For government institutions, equals student payments of tuition. Excludes child day care services, which are included in religious and welfare activities.

27. Consists of (1) fees paid to commercial, business, trade, and correspondence schools and for educational services, not elsewhere classified, and (2) current expenditures (including consumption of fixed capital) by research organizations and foundations for education and research.

28. For nonprofit institutions, equals current expenditures (including consumption of fixed capital) of religious, social welfare, foreign relief, and political organizations, museums, libraries, and foundations. The expenditures are net of receipts—such as those from meals, rooms, and entertainments—accounted for separately in consumer expenditures, and excludes relief payments within the United States and expenditures by foundations for education and research. For proprietary and government institutions, equals receipts from users.

29. Beginning with 1981, includes U.S. students' expenditures abroad; these expenditures were \$0.3 billion in 1981.

30. Beginning with 1981, includes nonresidents' student and medical care expenditures in the United States; student expenditures were \$2.2 billion and medical expenditures were \$0.4 billion in 1981.

NOTE.—Consumer durable goods are designated (d.), nondurable goods (n.d.), and services (s.).

Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.5.—Private Purchases of Structures by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Private purchases of structures	478.8	521.2	560.1	430.5	458.4	478.4
Nonresidential	201.3	216.9	240.2	180.7	189.7	203.2
New	200.9	216.6	238.9	180.3	189.4	202.0
Nonresidential buildings, excluding farm	140.8	157.1	173.3	126.1	137.7	147.2
Industrial	32.5	32.7	31.4	29.1	28.6	26.7
Commercial	70.8	78.8	87.0	63.4	69.0	73.8
Office buildings ¹	29.8	32.4	38.2	26.7	28.4	32.4
Other ²	41.0	46.3	48.8	36.7	40.5	41.4
Religious	4.2	4.4	5.7	3.8	3.9	4.9
Educational	6.2	7.7	9.5	5.6	6.7	8.1
Hospital and institutional	12.5	13.1	15.3	11.2	11.5	13.0
Other ³	14.5	20.5	24.4	13.0	18.0	20.7
Utilities	33.9	31.7	33.5	30.6	27.8	28.7
Railroads	3.5	4.4	5.1	3.1	3.7	4.1
Telecommunications	11.0	11.7	11.5	10.1	10.2	9.9
Electric light and power	12.3	9.8	11.1	11.0	8.7	9.7
Gas	6.2	4.8	4.8	5.6	4.3	4.2
Petroleum pipelines .....	.9	1.0	1.0	.8	.9	.8
Farm	3.0	3.8	4.0	2.7	3.3	3.4
Mining exploration, shafts, and wells	16.3	18.1	22.7	14.4	15.3	17.9
Petroleum and natural gas	14.8	16.5	20.8	13.1	13.8	16.3
Other	1.5	1.6	1.9	1.3	1.4	1.6
Other ⁴	6.9	5.8	5.4	6.3	5.1	4.6
Brokers' commissions on sale of structures	1.6	1.8	2.0	1.5	1.7	1.8
Net purchases of used structures	-1.3	-1.5	-7	-1.1	-1.3	-6
Residential	277.5	304.3	319.9	249.8	268.6	275.1
New	246.7	269.7	282.7	220.6	236.0	240.4
New housing units	174.2	192.1	200.4	152.9	165.3	167.7
Permanent site	162.9	179.4	187.1	143.4	154.9	156.9
Single-family structures	145.0	159.1	164.4	126.8	136.6	137.2
Multifamily structures	17.9	20.3	22.6	16.9	18.7	20.2
Mobile homes	11.3	12.6	13.3	9.5	10.3	10.7
Improvements	72.0	77.0	81.5	67.3	70.2	72.0
Other ⁵ .....	.5	.6	.8	.4	.5	.7
Brokers' commissions on sale of structures	32.1	36.4	39.7	30.3	34.2	37.1
Net purchases of used structures	-1.3	-1.8	-2.5	-1.1	-1.5	-2.0
Residual				-1	0	-5

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

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

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

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

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

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.

Table B.6.—Private Purchases of Producers' Durable Equipment by Type

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Private purchases of producers' durable equipment	533.7	578.6	628.5	538.7	597.1	668.5
Nonresidential equipment	526.4	571.0	620.5	531.7	589.8	660.9
Information processing and related equipment	173.0	189.4	206.6	201.5	245.4	298.0
Office, computing, and accounting machinery	73.4	83.0	90.3	107.1	154.1	212.7
Computers and peripheral equipment ¹	64.9	74.4	81.1	100.8	151.3	214.8
Other	8.5	8.6	9.2	8.2	8.4	9.0
Communication equipment	59.1	64.1	71.1	61.9	68.5	76.5
Instruments	22.8	24.5	26.1	21.6	22.8	24.3
Photocopy and related equipment	17.7	17.7	19.1	16.8	16.4	17.6
Industrial equipment	123.8	131.7	138.6	115.4	120.5	125.9
Fabricated metal products	11.8	12.9	13.4	11.1	11.8	12.0
Engines and turbines	4.2	4.7	3.8	4.0	4.3	3.4
Metalworking machinery	28.3	29.7	32.7	26.0	26.8	29.3
Special industry machinery, n.e.c.	32.5	33.5	34.0	30.2	30.5	30.7
General industrial, including materials handling, equipment	26.0	28.6	30.3	24.2	26.2	27.4
Electrical transmission, distribution, and industrial apparatus	20.9	22.2	24.4	19.9	20.9	23.0
Transportation and related equipment	126.2	137.2	152.0	119.4	127.6	140.3
Trucks, buses, and truck trailers	63.6	71.3	79.9	56.9	63.4	71.5
Autos	41.6	44.8	45.7	42.7	44.7	44.2
Aircraft	13.4	13.0	17.9	12.2	11.5	15.6
Ships and boats	1.8	2.3	2.4	1.7	2.1	2.2
Railroad equipment	5.8	5.8	6.1	5.2	5.1	5.4
Other equipment	108.2	117.1	128.3	101.4	107.8	116.9
Furniture and fixtures	28.2	29.7	33.7	26.2	27.0	30.1
Tractors	10.4	10.8	11.7	9.8	10.1	10.8
Agricultural machinery, except tractors	10.8	11.5	12.3	10.0	10.4	11.0
Construction machinery, except tractors	13.4	15.8	17.6	12.4	14.2	15.6
Mining and oilfield machinery	1.9	1.9	2.3	1.7	1.8	2.0
Service industry machinery	14.0	14.9	15.1	13.1	13.7	13.7
Electrical equipment, n.e.c.	11.7	12.9	14.0	11.3	12.5	13.8
Other	17.7	19.6	21.7	16.7	18.1	19.9
Less: Sale of equipment scrap, excluding autos	4.7	4.4	5.0	3.5	3.6	4.0
Residential equipment	7.3	7.6	8.0	7.0	7.3	7.7
Residual				-9.4	-29.1	-59.0
Addenda:						
Private purchases of producers' durable equipment	533.7	578.6	628.5			
Less: Dealers' margin on used equipment	6.1	6.6	6.8			
Net purchases of used equipment from government	1.0	1.2	1.2			
Plus: Net sales of used equipment	37.8	39.5	39.9			
Net exports of used equipment .....	.5	.4	.6			
Sale of equipment scrap	4.8	4.5	5.1			
Equals: Private purchases of new equipment	569.8	615.2	666.0			

1. Includes new computers and peripheral equipment only.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 current-dollar value of the corresponding series, divided by 100. Because the formula for the chain-type quantity indexes uses weights of more than one period, the corresponding chained-dollar estimates are usually not additive. The residual line is the difference between the first line and the sum of the most detailed lines.
n.e.c. Not elsewhere classified.

Table B.7.—Compensation and Wage and Salary Accruals by Industry

[Millions of dollars]

	Compensation			Wage and salary accruals				Compensation			Wage and salary accruals		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Total	4,208,870	4,409,048	4,687,227	3,441,903	3,640,421	3,893,552							
Domestic industries	4,211,572	4,411,780	4,690,309	3,444,605	3,643,153	3,896,634							
Private industries	3,387,953	3,563,288	3,812,807	2,821,887	3,002,276	3,232,458							
Agriculture, forestry, and fishing	36,988	39,623	42,006	31,941	34,535	36,611							
Farms	15,627	16,457	16,849	13,336	14,203	14,408							
Agricultural services forestry, and fishing	21,361	23,166	25,157	18,605	20,332	22,203							
Mining	32,857	33,639	36,046	26,809	27,658	29,935							
Metal mining	3,148	3,352	3,321	2,515	2,705	2,684							
Coal mining	6,138	5,965	5,939	4,847	4,739	4,750							
Oil and gas extraction	18,932	19,544	21,742	15,635	16,287	18,292							
Nonmetallic minerals, except fuels	4,639	4,778	5,044	3,812	3,957	4,209							
Construction	193,550	208,925	227,550	157,729	172,253	189,068							
Manufacturing	813,922	829,590	877,630	651,191	676,711	720,554							
Durable goods	502,834	511,897	545,567	397,941	417,035	447,678							
Lumber and wood products	23,790	24,811	26,227	19,399	20,458	21,756							
Furniture and fixtures	15,441	15,756	16,788	12,583	12,986	13,921							
Stone, clay, and glass products	22,040	22,871	23,959	17,650	18,560	19,575							
Primary metal industries	37,102	37,598	38,722	27,962	28,845	29,866							
Fabricated metal products	58,501	59,883	63,405	46,796	48,517	51,797							
Industrial machinery and equipment	100,778	105,029	114,334	82,178	86,683	95,263							
Electronic and other electric equipment	77,006	80,699	87,277	62,580	66,392	72,555							
Motor vehicles and equipment	63,804	57,115	59,791	44,871	46,678	48,708							
Other transportation equipment	46,080	46,843	50,630	36,125	37,255	40,635							
Instruments and related products	45,513	47,940	50,404	36,963	39,428	41,746							
Miscellaneous manufacturing industries	12,979	13,352	14,030	10,834	11,233	11,856							
Nondurable goods	311,088	317,693	332,063	253,250	259,676	272,876							
Food and kindred products	60,983	62,316	64,563	49,508	50,745	52,843							
Tobacco products	2,932	2,993	3,030	2,209	2,281	2,316							
Textile mill products	18,924	18,787	19,457	15,691	15,629	16,196							
Apparel and other textile products	20,960	20,350	20,308	17,290	16,800	16,817							
Paper and allied products	32,886	33,561	34,808	27,039	27,649	28,797							
Printing and publishing	60,325	62,415	65,957	50,084	51,995	55,218							
Chemicals and allied products	65,201	67,460	71,577	52,485	54,617	58,427							
Petroleum and coal products	10,744	10,669	11,026	7,804	7,861	8,165							
Rubber and miscellaneous plastics products	35,262	36,423	38,620	28,771	29,852	31,845							
Leather and leather products	2,671	2,719	2,717	2,369	2,247	2,252							
Transportation and public utilities	276,425	287,024	304,209	222,041	232,331	247,490							
Transportation	150,390	157,500	166,582	119,055	125,919	133,889							
Railroad transportation	15,335	15,677	15,974	11,286	11,568	11,815							
Local and interurban passenger transit	9,303	10,002	10,559	7,662	8,287	8,794							
Trucking and warehousing	66,708	59,865	63,109	52,526	47,032	50,493							
Water transportation	7,831	7,961	8,541	6,324	6,485	6,939							
Transportation by air	35,720	48,000	51,066	28,408	39,214	41,309							
Pipelines, except natural gas	1,050	1,000	1,012	869	828	847							
Transportation services	14,443	14,995	16,321	11,981	12,505	13,692							
Public utilities													
Communications	71,435	74,923	81,661	59,282	62,430	68,416							
Telephone and telegraph	53,990	55,989	61,698	44,650	46,500	51,605							
Radio and television	17,445	18,934	19,963	14,632	15,930	16,811							
Electric, gas, and sanitary services	54,600	54,601	55,966	43,704	43,982	45,185							
Wholesale trade	276,103	289,402	310,690	234,475	246,964	266,289							
Retail trade	382,895	399,459	421,469	329,863	346,009	366,696							
Finance, insurance, and real estate	324,678	353,791	384,579	273,048	300,194	327,555							
Depository institutions	80,121	84,098	88,915	65,613	69,512	73,794							
Nondepository institutions	21,684	25,075	29,586	18,319	21,307	25,387							
Security and commodity brokers	59,440	72,090	81,931	51,922	63,625	72,330							
Insurance carriers	72,682	75,941	79,931	60,182	63,383	66,907							
Insurance agents, brokers, and service	30,988	32,787	35,180	26,363	28,025	30,184							
Real estate	42,175	44,988	48,891	35,423	37,990	41,486							
Holding and other investment offices	17,588	18,812	20,145	15,226	16,352	17,467							
Services	1,050,535	1,121,835	1,208,628	894,790	965,621	1,048,260							
Hotels and other lodging places	35,640	37,432	39,606	30,319	32,135	34,275							
Personal services	23,836	24,872	26,058	20,757	21,831	23,021							
Business services	193,807	221,435	256,237	165,266	190,945	223,291							
Auto repair, services, and parking	27,784	30,242	32,184	23,798	26,180	28,354							
Miscellaneous repair services	11,239	12,059	12,493	9,646	10,445	10,875							
Motion pictures	16,864	18,613	20,060	14,412	16,030	17,444							
Amusement and recreation services	34,278	37,277	40,646	29,223	31,843	34,980							
Health services	344,286	357,093	372,635	289,645	303,770	319,192							
Legal services	58,219	60,101	63,231	49,738	51,862	54,852							
Educational services	51,938	54,476	57,683	44,001	46,704	49,737							
Social services and membership organizations	91,106	95,523	100,368	78,026	82,766	87,633							
Social services	45,464	47,864	51,087	37,970	40,468	43,581							
Membership organizations	45,642	47,659	49,281	40,056	42,298	44,052							
Other services ¹	149,417	160,769	175,437	128,396	139,425	153,175							
Private households	11,821	11,943	11,990	11,563	11,685	11,731							
Government	823,619	848,492	877,502	622,718	640,877	664,176							
Federal	258,024	263,137	266,971	174,778	175,633	177,508							
General government	207,395	211,310	213,508	140,441	140,449	141,405							
Civilian	124,063	125,217	127,483	84,825	85,622	86,375							
Military ²	83,332	86,093	86,024	55,616	54,827	55,030							
Government enterprises	50,629	51,827	53,464	34,337	35,184	36,103							
State and local	565,595	585,355	610,531	447,940	465,244	486,668							
General government	527,777	546,998	571,175	417,438	434,225	454,783							
Education	278,320	290,385	304,733	218,026	228,386	240,478							
Other	249,457	256,613	266,442	199,412	205,839	214,307							
Government enterprises	37,818	38,357	39,356	30,502	31,019	31,885							
Rest of the world	-2,702	-2,732	-3,082	-2,702	-2,732	-3,082							
Receipts from the rest of the world	1,284	1,298	1,252	1,284	1,298	1,252							
Less: Payments to the rest of the world ³	3,986	4,030	4,334	3,986	4,030	4,334							
Addenda:													
Households and institutions	331,370	345,034	361,412										
Nonfarm business	3,129,403	3,291,981	3,527,										

Table B.8.—Employment by Industry

[Thousands]

	Full-time and part-time employment			Persons engaged in production ¹				Full-time and part-time employment			Persons engaged in production ¹		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Total	124,576	127,015	129,980	121,660	123,917	126,751							
Domestic industries	125,146	127,567	130,567	122,148	124,390	127,254							
Private industries	103,188	105,606	108,498	103,795	106,057	108,851							
Agriculture, forestry, and fishing	2,004	2,079	2,133	3,403	3,360	3,345							
Farms	868	870	876	2,000	1,859	1,846							
Agricultural services, forestry, and fishing	1,136	1,209	1,257	1,403	1,501	1,499							
Mining	587	583	600	590	586	603							
Metal mining	52	54	53	52	54	53							
Coal mining	106	99	97	103	97	95							
Oil and gas extraction	321	321	340	327	327	346							
Nonmetallic minerals, except fuels	108	109	110	108	108	109							
Construction	5,386	5,671	5,951	6,657	6,956	7,247							
Manufacturing	18,591	18,575	18,758	18,636	18,583	18,773							
Durable goods	10,722	10,835	11,054	10,822	10,915	11,134							
Lumber and wood products	790	801	819	866	859	865							
Furniture and fixtures	512	506	513	525	521	530							
Stone, clay, and glass products	541	546	555	549	564	565							
Primary metal industries	707	709	710	700	707	706							
Fabricated metal products	1,444	1,452	1,485	1,442	1,446	1,481							
Industrial machinery and equipment	2,070	2,116	2,173	2,084	2,095	2,171							
Electronic and other electric equipment	1,625	1,659	1,690	1,615	1,654	1,680							
Motor vehicles and equipment	970	967	983	963	960	976							
Other transportation equipment	817	821	858	816	820	855							
Instruments and related products	842	855	864	835	850	859							
Miscellaneous manufacturing industries	404	403	404	427	439	446							
Nondurable goods	7,869	7,740	7,704	7,814	7,668	7,639							
Food and kindred products	1,688	1,697	1,694	1,659	1,664	1,676							
Textile mill products	41	41	41	41	40	40							
Textile mill products	664	630	616	661	632	618							
Apparel and other textile products	945	874	829	951	881	831							
Paper and allied products	692	682	685	686	677	677							
Printing and publishing	1,570	1,565	1,577	1,560	1,536	1,560							
Chemicals and allied products	1,039	1,032	1,036	1,036	1,027	1,026							
Petroleum and coal products	143	139	137	142	138	135							
Rubber and miscellaneous plastics products	978	981	997	967	971	987							
Leather and leather products	109	99	92	111	102	89							
Transportation and public utilities	6,176	6,294	6,462	6,178	6,320	6,469							
Transportation	3,961	4,063	4,170	4,048	4,182	4,279							
Railroad transportation	232	224	220	220	212	208							
Local and interurban passenger transit	420	440	457	431	444	480							
Trucking and warehousing	1,912	1,658	1,704	2,051	1,854	1,877							
Water transportation	178	177	183	178	174	179							
Transportation by air	781	1,119	1,139	734	1,050	1,066							
Public utilities													
Pipelines, except natural gas	15	14	14	15	14	14							
Transportation services	423	431	453	419	434	455							
Communications	1,309	1,349	1,422	1,221	1,260	1,325							
Telephone and telegraph	916	937	1,004	852	874	939							
Radio and television	393	412	418	369	386	386							
Electric, gas, and sanitary services	906	882	870	909	878	865							
Wholesale trade	6,476	6,561	6,740	6,563	6,595	6,735							
Retail trade	21,867	22,255	22,620	19,487	19,877	20,272							
Finance, insurance, and real estate	6,929	7,052	7,243	7,218	7,316	7,420							
Depository institutions	2,023	2,018	2,028	1,937	1,923	1,922							
Nondepository institutions	463	513	573	466	506	562							
Security and commodity brokers	553	581	630	621	647	680							
Insurance carriers	1,500	1,505	1,522	1,451	1,449	1,459							
Insurance agents, brokers, and service	732	746	767	856	873	877							
Real estate	1,410	1,442	1,481	1,648	1,681	1,680							
Holding and other investment offices	248	247	242	239	237	231							
Services	35,172	36,536	37,991	35,063	36,464	37,987							
Hotels and other lodging places	1,757	1,794	1,828	1,594	1,631	1,673							
Personal services	1,300	1,317	1,323	1,783	1,812	1,802							
Business services	6,935	7,484	8,161	7,116	7,671	8,293							
Auto repair, services, and parking	1,132	1,205	1,245	1,362	1,480	1,507							
Miscellaneous repair services	374	389	389	593	575	588							
Motion pictures	507	539	563	544	572	594							
Amusement and recreation services	1,517	1,591	1,668	1,327	1,422	1,513							
Health services	9,572	9,813	10,033	8,909	9,174	9,404							
Legal services	1,056	1,063	1,083	1,173	1,147	1,203							
Educational services	2,073	2,134	2,196	1,913	1,980	2,017							
Social services and membership organizations	4,618	4,759	4,925	4,490	4,624	4,802							
Social services	2,435	2,515	2,622	2,675	2,758	2,887							
Membership organizations	2,183	2,244	2,303	1,815	1,866	1,915							
Other services ²	3,050	3,202	3,344	3,440	3,580	3,803							
Private households	1,281	1,246	1,233	819	796	788							
Government	21,958	21,961	22,069	18,353	18,333	18,403							
Federal	5,552	5,386	5,263	4,564	4,415	4,307							
General government	4,570	4,398	4,282	3,764	3,614	3,513							
Civilian	2,026	1,952	1,899	2,026	1,952	1,899							
Military ³	2,544	2,446	2,383	1,738	1,662	1,614							
Government enterprises	982	988	981	800	801	794							
State and local	16,406	16,575	16,806	13,789	13,918	14,096							
General government	15,482	15,662	15,905	12,903	13,042	13,230							
Education	8,383	8,536	8,751	6,765	6,880	7,044							
Other	7,099	7,126	7,154	6,138	6,162	6,186							
Government enterprises	924	913	901	886	876	866							
Rest of the world ⁴	-570	-552	-587	-488	-473	-503							

1. Equals the number of full-time equivalent employees plus the number of self-employed persons. Unpaid family workers are not included.

2. Consists of museums, botanical and zoological gardens; engineering and management services; and services, not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

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

Table B.9.—Wage and Salary Accruals Per Full-Time Equivalent Employee and Full-Time Equivalent Employees by Industry

	Wages and salaries per full-time equivalent			Full-time equivalent employees				Wages and salaries per full-time equivalent			Full-time equivalent employees		
	Dollars			Thousands				Dollars			Thousands		
	1995	1996	1997	1995	1996	1997		1995	1996	1997	1995	1996	1997
Total ¹	31,014	32,143	33,557	110,980	113,256	116,029							
Domestic industries	30,902	32,034	33,438	111,468	113,729	116,532							
Private industries	30,305	31,472	32,941	93,115	95,396	98,129							
Agriculture, forestry, and fishing	18,200	19,017	19,951	1,755	1,816	1,835							
Farms	17,925	19,039	19,185	744	746	751							
Agricultural services, forestry, and fishing	18,403	19,002	20,482	1,011	1,070	1,084							
Mining	46,624	48,353	50,910	575	572	588							
Metal mining	48,365	50,093	50,642	52	54	53							
Coal mining	47,058	48,856	50,000	103	97	95							
Oil and gas extraction	49,635	51,610	54,931	315	315	333							
Nonmetallic minerals, except fuels	36,305	37,330	39,336	105	106	107							
Construction	30,444	31,641	32,944	5,181	5,444	5,739							
Manufacturing	35,803	37,256	39,291	18,188	18,164	18,339							
Durable goods	37,684	39,118	41,170	10,560	10,661	10,874							
Lumber and wood products	25,128	26,161	27,470	772	782	792							
Furniture and fixtures	25,066	26,129	27,786	502	497	501							
Stone, clay, and glass products	33,302	34,887	35,983	530	532	544							
Primary metal industries	40,118	40,973	42,363	697	704	705							
Fabricated metal products	32,932	34,047	35,453	1,421	1,425	1,461							
Industrial machinery and equipment	40,067	41,815	44,536	2,051	2,073	2,139							
Electronic and other electric equipment	38,966	40,384	43,420	1,606	1,644	1,671							
Motor vehicles and equipment	46,692	48,724	50,008	961	958	974							
Other transportation equipment	44,654	45,712	47,806	809	815	850							
Instruments and related products	44,695	46,771	49,113	827	843	850							
Miscellaneous manufacturing industries	28,214	28,951	30,636	384	388	387							
Nondurable goods	33,200	34,610	36,554	7,628	7,503	7,465							
Food and kindred products	30,151	30,680	32,007	1,642	1,654	1,651							
Tobacco products	53,878	57,025	57,900	41	40	40							
Textile mill products	23,992	25,046	26,551	654	624	610							
Apparel and other textile products	18,814	19,858	20,943	919	846	803							
Paper and allied products	39,531	40,901	42,726	684	676	674							
Printing and publishing	34,541	35,983	37,743	1,450	1,445	1,463							
Chemicals and allied products	51,105	53,546	57,338	1,027	1,020	1,019							
Petroleum and coal products	54,958	56,964	60,481	142	138	135							
Rubber and miscellaneous plastics products	29,907	30,935	32,462	962	965	981							
Leather and leather products	22,140	23,653	25,303	107	95	89							
Transportation and public utilities	38,402	39,479	41,030	5,782	5,885	6,032							
Transportation	32,264	33,285	34,507	3,690	3,783	3,880							
Railroad transportation	51,300	54,566	56,803	220	212	208							
Local and interurban passenger transit	19,953	20,614	21,038	384	402	418							
Trucking and warehousing	29,377	30,343	31,717	1,788	1,550	1,592							
Water transportation	37,868	39,066	40,579	167	166	171							
Transportation by air	39,022	37,597	38,934	728	1,043	1,061							
							Pipelines, except natural gas	57,867	59,143	60,500	15	14	14
							Transportation services	30,879	31,578	32,913	388	396	416
							Communications	49,525	50,756	52,872	1,197	1,230	1,294
							Telephone and telegraph	53,282	54,386	56,461	838	855	914
							Radio and television	40,758	42,480	44,239	359	375	380
							Electric, gas, and sanitary services	48,831	50,438	52,663	895	872	858
							Wholesale trade	37,812	39,319	41,272	6,201	6,281	6,452
							Retail trade	18,296	18,823	19,562	18,029	18,382	18,745
							Finance, insurance, and real estate	41,674	45,237	48,283	6,552	6,636	6,784
							Depository institutions	33,909	36,185	38,414	1,935	1,921	1,921
							Nondepository institutions	41,074	43,395	46,496	446	491	546
							Security and commodity brokers	97,598	114,228	120,349	532	557	601
							Insurance carriers	41,476	43,743	45,858	1,451	1,449	1,459
							Insurance agents, brokers, and services	37,824	39,639	41,691	697	707	724
							Real estate	28,293	29,819	31,863	1,252	1,274	1,302
							Holding and other investment offices	63,707	68,996	75,615	239	237	231
							Services	29,003	29,973	31,184	30,852	32,216	33,615
							Hotels and other lodging places	19,920	20,586	21,435	1,522	1,561	1,599
							Personal services	18,224	18,787	19,863	1,139	1,162	1,159
							Business services	25,936	27,774	29,622	6,372	6,875	7,538
							Auto repair, services, and parking	22,430	23,046	23,795	1,061	1,136	1,179
							Miscellaneous repair services	28,122	29,176	30,208	343	358	360
							Motion pictures	36,579	38,076	39,466	394	421	442
							Amusement and recreation services	23,778	24,589	25,664	1,229	1,295	1,363
							Health services	34,092	34,606	35,529	8,496	8,778	8,984
							Legal services	53,082	54,939	57,019	937	944	962
							Educational services	24,459	25,083	26,013	1,799	1,862	1,912
							Social services and membership organizations	19,839	20,361	20,771	3,933	4,065	4,219
							Social services	17,927	18,403	18,915	2,118	2,199	2,304
							Membership organizations	22,069	22,668	23,004	1,815	1,866	1,915
							Other services ²	45,725	47,055	49,252	2,808	2,963	3,110
							Private households	14,118	14,680	14,887	819	796	788
							Government	33,930	34,958	36,091	18,353	18,333	18,403
							Federal	38,295	39,781	41,214	4,564	4,415	4,307
							General government	37,312	38,862	40,252	3,764	3,614	3,513
							Civilian	41,868	43,864	45,484	2,026	1,952	1,899
							Military ³	32,000	32,989	34,095	1,738	1,662	1,614
							Government enterprises	42,921	43,925	45,470	800	801	794
							State and local	32,485	33,428	34,525	13,789	13,918	14,096
							General government	32,352	33,294	34,375	12,903	13,042	13,230
							Education	32,229	33,196	34,139	6,765	6,880	7,044
							Other	32,488	33,405	34,644	6,138	6,162	6,186
							Government enterprises	34,427	35,410	36,819	886	876	866
							Rest of the world ⁴				-488	-473	-503

1. Full-time equivalent employees equals the number of employees on full-time schedules plus the number of employees on part-time schedules converted to a full-time basis. The number of full-time equivalent employees in each industry is the product of the total number of employees and the ratio of average weekly hours per employee to all employees to average weekly hours per employee on full-time schedules.

2. Consists of museums, botanical and zoological gardens; engineering and management services; and services,

not elsewhere classified.

3. Includes Coast Guard.

4. Beginning with 1993, includes estimates of foreign professional workers and undocumented Mexican migratory workers employed temporarily in the United States.

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

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

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Farm output	196.7	222.1	225.3	190.7	195.7	208.3
Cash receipts from farm marketings	194.1	201.7	207.2	188.8	177.3	191.0
Crops	107.2	108.7	110.6	97.1	87.1	96.0
Livestock	87.0	93.0	96.5	91.3	90.6	95.1
Farm housing	5.9	6.1	6.3	5.2	5.1	5.0
Farm products consumed on farms .....	.5	.4	.5	.5	.4	.4
Other farm income	5.5	6.3	7.1	5.0	5.3	6.2
Change in farm inventories	-9.3	7.6	4.3	-11.0	7.1	4.3
Crops	-9.6	8.8	5.1	-9.2	6.5	4.2
Livestock .....	.2	-1.1	-7	.3	-1.3	-8
Less: Intermediate goods and services						
purchased	124.4	130.5	135.1	118.5	116.9	118.2
Intermediate goods and services, other than rent	109.9	113.5	119.6	104.0	100.7	103.6
Rent paid to nonoperator landlords	14.5	17.0	15.5	14.5	16.4	14.6
Equals: Gross farm product	72.3	91.6	90.2	72.0	78.6	90.3
Less: Consumption of fixed capital	24.8	25.8	26.6	22.8	23.2	23.7
Equals: Net farm product	47.5	65.9	63.6	49.0	55.2	66.6
Less: Indirect business tax and nontax liability	5.1	5.1	5.5			
Plus: Subsidies to operators	6.1	6.1	6.2			
Equals: Farm national income	48.4	66.9	64.4			
Compensation of employees	15.7	16.5	16.9			
Wage and salary accruals	13.3	14.2	14.4			
Supplements to wages and salaries	2.4	2.3	2.5			
Proprietors' income and corporate profits with IVA and CCAAdj	23.3	40.6	37.3			
Proprietors' income	22.4	38.9	35.5			
Corporate profits .....	.8	1.7	1.8			
Net interest	9.5	9.8	10.2			

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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.
 CCAAdj Capital consumption adjustment
 IVA Inventory valuation adjustment

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

	Billions of dollars			Billions of chained (1992) dollars		
	1995	1996	1997	1995	1996	1997
Housing output ¹	723.1	758.4	799.8	663.9	675.8	692.6
Nonfarm housing	717.2	752.3	793.5	658.7	670.7	687.6
Owner-occupied	532.4	559.1	590.3	487.4	496.0	508.9
Tenant-occupied	184.8	193.2	203.2	171.4	174.7	178.7
Farm housing	5.9	6.1	6.3	5.2	5.1	5.0
Less: Intermediate goods and services consumed	88.5	91.1	95.3	82.1	82.7	83.8
Equals: Gross housing product	634.6	667.2	704.5	581.8	593.0	608.7
Nonfarm housing	629.6	662.1	699.1	577.4	588.7	604.5
Owner-occupied	463.0	486.4	513.4	423.3	430.5	441.9
Tenant-occupied	166.5	175.6	185.8	154.2	158.3	162.6
Farm housing	5.0	5.2	5.3	4.4	4.4	4.2
Less: Consumption of fixed capital	115.9	119.6	126.2	103.7	104.6	107.2
Capital consumption allowances	59.7	63.0	67.1			
Less: CCAAdj	-56.2	-56.5	-59.1			
Equals: Net housing product	518.7	547.7	578.3	478.3	488.7	501.7
Less: Indirect business tax and nontax liability plus business transfer payments ..	116.0	119.9	123.5			
Plus: Subsidies less current surplus of government enterprises	20.8	21.9	22.3			
Equals: Housing national income	423.5	449.6	477.1			
Compensation of employees	8.1	8.5	9.1			
Proprietors' income with IVA and CCAAdj ...	25.0	26.5	27.9			
Rental income of persons with CCAAdj	105.2	119.7	127.7			
Corporate profits with IVA and CCAAdj	5.0	5.2	5.5			
Net interest	280.1	289.7	306.9			

1. Equals personal consumption expenditures for housing less expenditures for other housing as shown in table 2.4.

NOTE.—Chained (1992) dollar series are calculated as the product of the chain-type quantity index and the 1992 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.
 CCAAdj Capital consumption adjustment
 IVA Inventory valuation adjustment

Table B.12.—Net Stock of Fixed Private Capital, by Type

[Yearend estimates]

	Current-cost valuation (billions of dollars)						Chain-type quantity indexes (1992=100)					
	1992	1993	1994	1995	1996	1997	1992	1993	1994	1995	1996	1997
Fixed private capital	13,484.1	14,198.8	15,064.5	15,736.1	16,496.7	17,316.3	100.00	101.94	104.15	106.66	109.50	112.54
Private producers' durable equipment	2,642.7	2,742.1	2,881.7	3,040.9	3,180.1	3,322.9	100.00	102.74	106.62	111.65	117.49	124.32
Nonresidential equipment	2,590.0	2,686.7	2,823.1	2,980.2	3,116.5	3,257.8	100.00	102.72	106.61	111.67	117.55	124.32
Information processing and related equipment	629.0	650.4	673.8	691.7	724.0	768.3	100.00	106.40	113.96	124.85	139.04	155.94
Office, computing, and accounting machinery	120.7	128.3	138.5	149.3	159.1	170.9	100.00	120.18	144.51	187.01	253.74	345.30
Computers and peripheral equipment	101.0	107.9	118.0	128.4	138.2	149.4	100.00	124.20	154.49	208.02	295.81	419.64
Other office equipment	19.7	20.4	20.6	20.9	20.9	21.5	100.00	101.27	101.08	103.44	104.23	107.17
Communication equipment	330.8	333.0	335.3	332.2	346.8	372.7	100.00	102.41	106.50	112.65	120.48	129.70
Instruments	109.9	117.9	124.1	130.5	135.8	140.8	100.00	105.34	109.32	112.62	116.24	120.90
Photocopy and related equipment	67.5	71.2	75.8	79.7	82.4	83.9	100.00	104.27	109.02	112.48	114.89	118.15
Industrial equipment	916.8	945.7	991.4	1,052.5	1,090.1	1,127.0	100.00	101.38	103.55	106.41	109.17	112.33
Fabricated metal products	86.7	87.0	90.3	96.1	99.1	102.9	100.00	100.07	100.95	102.07	103.43	104.89
Engines and turbines	51.8	53.2	56.8	58.3	59.7	60.3	100.00	102.12	104.56	105.22	105.88	105.19
Steam engines	47.1	48.2	51.5	52.5	53.7	54.1	100.00	102.13	104.33	104.65	104.99	103.91
Internal combustion engines	4.7	5.0	5.4	5.7	6.0	6.2	100.00	102.06	106.76	110.74	114.51	117.60
Metalworking machinery	168.8	174.4	183.0	196.9	205.6	214.6	100.00	100.48	102.74	106.22	109.57	113.95
Special industry machinery, n.e.c.	199.4	207.5	218.2	232.9	243.2	251.2	100.00	101.85	104.03	107.82	110.85	113.94
General industrial, including materials handling, equipment	189.0	194.9	202.5	211.8	220.5	228.6	100.00	100.70	102.25	104.43	107.17	110.34
Electrical transmission, distribution, and industrial apparatus	221.0	228.7	240.5	256.5	262.1	269.4	100.00	102.57	105.65	108.97	112.09	115.96
Transportation and related equipment	510.0	538.9	581.2	626.6	661.8	692.3	100.00	102.30	106.91	111.71	117.10	123.22
Trucks, buses, and truck trailers	169.1	185.5	210.1	236.2	260.6	282.3	100.00	105.33	115.39	126.93	140.35	154.34
Autos	107.6	111.7	124.6	130.5	137.0	138.8	100.00	100.93	109.20	112.47	116.34	118.77
Aircraft	121.2	127.1	129.2	136.3	140.1	146.2	100.00	102.25	100.57	101.75	102.22	106.08
Ships and boats	45.1	45.6	44.7	44.8	45.3	45.5	100.00	98.25	95.33	92.92	91.48	90.14
Railroad equipment	67.1	69.0	72.7	78.7	78.7	79.4	100.00	99.65	100.79	102.33	103.55	105.16
Other equipment	534.2	551.8	576.6	609.4	640.6	670.2	100.00	101.19	103.29	106.40	110.23	114.82
Furniture and fixtures	146.1	153.8	163.0	175.7	186.5	196.7	100.00	103.04	105.84	110.44	115.22	120.87
Household furniture	9.1	9.4	9.7	10.2	10.6	11.0	100.00	100.43	101.74	104.11	107.37	110.86
Other furniture	137.0	144.4	153.3	165.5	175.9	185.7	100.00	103.21	106.12	110.86	115.73	121.53
Tractors	54.1	55.1	57.2	59.2	60.7	62.6	100.00	99.71	101.34	103.29	105.24	108.10
Farm tractors	42.4	43.2	45.1	47.2	48.4	49.8	100.00	100.28	102.61	105.77	108.05	111.31
Construction tractors	11.7	11.9	12.1	12.0	12.4	12.8	100.00	97.68	96.85	94.52	95.31	96.82
Agricultural machinery, except tractors	64.9	65.6	67.1	70.4	72.7	74.9	100.00	98.79	99.07	100.63	102.46	104.81
Construction machinery, except tractors	66.0	66.8	69.6	73.0	77.3	82.2	100.00	99.09	100.51	102.97	106.75	111.41
Mining and oilfield machinery	15.3	14.6	14.0	13.8	13.5	13.5	100.00	93.67	87.79	83.98	80.12	79.64
Service industry machinery	60.3	61.0	64.5	69.1	73.5	77.0	100.00	99.38	103.02	107.23	112.34	116.49
Electrical equipment, n.e.c.	44.6	47.2	48.9	50.8	52.6	55.0	100.00	104.87	107.43	110.80	116.00	122.92
Household appliances	4.6	4.7	4.9	5.2	5.4	5.6	100.00	101.98	104.43	108.68	113.47	118.62
Other	40.1	42.5	44.0	45.6	47.2	49.5	100.00	105.20	107.77	111.04	116.28	123.41
Other nonresidential equipment	83.0	87.7	92.4	97.5	103.8	108.2	100.00	103.18	106.40	109.67	114.50	120.05
Residential equipment	52.6	55.4	58.6	60.6	63.6	65.1	100.00	103.36	107.18	111.08	115.01	119.30
Private structures	10,841.4	11,456.7	12,182.8	12,695.2	13,316.6	13,993.3	100.00	101.75	103.57	105.50	107.67	109.92
Nonresidential structures	4,302.7	4,528.9	4,775.6	4,976.9	5,194.7	5,467.5	100.00	101.16	102.20	103.84	105.29	107.09
Nonresidential buildings, excluding farm	2,686.1	2,834.9	3,011.3	3,145.6	3,306.1	3,512.9	100.00	101.38	102.97	105.07	107.51	110.20
Industrial buildings	613.0	636.2	673.6	700.9	730.0	763.0	100.00	100.17	101.44	103.06	104.48	105.37
Office buildings ¹	625.4	670.1	707.8	735.3	768.9	816.0	100.00	101.51	102.54	104.07	105.99	108.47
Commercial buildings	678.7	717.2	765.0	803.6	851.2	909.1	100.00	101.96	103.93	106.60	109.91	113.27
Mobile structures	6.6	7.2	7.9	8.3	8.7	9.1	100.00	101.54	103.27	105.22	107.71	110.77
Other commercial ²	672.1	710.1	757.1	795.3	842.5	900.1	100.00	101.97	103.94	106.62	109.94	113.30
Religious buildings	123.5	129.4	136.6	141.4	147.0	155.3	100.00	101.10	102.06	103.23	104.46	106.47
Educational buildings	108.0	114.7	123.5	130.2	138.9	150.9	100.00	102.47	105.40	108.63	112.85	118.26
Hospital and institutional buildings	259.8	276.7	297.9	314.6	330.5	351.8	100.00	102.72	105.71	109.12	111.58	114.56
Other	277.6	290.6	307.0	319.5	339.7	366.8	100.00	100.79	101.88	103.73	107.33	111.81
Hotels and motels	139.2	145.9	153.7	161.0	173.4	189.5	100.00	101.03	101.79	104.22	109.23	115.14
Amusement and recreational buildings	70.2	73.7	78.6	83.2	89.3	97.7	100.00	101.25	103.20	106.80	111.56	117.76
Other nonfarm buildings ³	68.2	71.0	74.7	75.3	77.0	79.6	100.00	99.84	100.73	99.59	99.09	98.86
Utilities	1,062.0	1,120.2	1,159.7	1,204.1	1,235.7	1,269.3	100.00	100.59	100.76	101.39	101.98	102.25
Railroad	272.4	290.1	294.0	300.3	312.4	315.5	100.00	99.08	98.22	97.40	96.83	96.42
Telecommunications	185.3	194.0	204.8	221.6	233.1	239.2	100.00	101.66	103.71	105.97	108.19	110.18
Electric light and power	423.8	443.4	459.6	476.8	482.3	496.5	100.00	100.86	100.77	101.42	102.12	102.14
Gas	143.1	153.0	160.0	163.8	166.1	174.2	100.00	101.42	101.99	103.47	104.02	104.18
Petroleum pipelines	37.5	39.6	41.2	41.6	41.9	43.8	100.00	100.18	100.25	100.10	100.13	100.00
Farm related buildings and structures	183.5	194.3	201.6	204.6	209.2	215.8	100.00	102.10	101.29	100.41	99.99	99.50
Mining exploration, shafts, and wells	259.0	260.1	274.5	284.2	299.0	316.3	100.00	99.14	98.31	97.06	96.20	96.38
Petroleum and natural gas	229.3	229.2	241.6	250.6	264.4	280.1	100.00	98.97	97.82	96.42	95.44	95.55
Other mining	29.7	31.0	32.9	33.7	34.6	36.2	100.00	100.48	101.99	101.90	102.08	102.87
Other nonfarm structures ⁴	112.1	119.4	128.4	138.4	144.7	153.3	100.00	104.32	107.95	111.12	113.15	115.61
Residential structures	6,538.7	6,927.8	7,407.2	7,718.3	8,121.9	8,525.9	100.00	102.14	104.47	106.72	109.25	111.79
Housing units	5,327.0	5,667.3	6,078.4	6,320.3	6,641.2	6,965.1	100.00	102.00	104.20	106.34	108.79	111.29
Permanent site	5,226.1	5,557.9	5,956.2	6,187.9	6,499.9	6,815.5	100.00	102.00	104.17	106.27	108.66	111.10
1-to-4-unit	4,465.3	4,796.1	5,182.3	5,395.1	5,673.3	5,960.2	100.00	102.37	105.01	107.35	110.00	112.69
5-or-more-unit	760.7	761.9	773.8	792.8	826.6	855.3	100.00	99.78	99.05	99.61	100.39	101.31
Mobile homes	100.9	109.4	122.2	132.4	141.3	149.6	100.00	102.02	105.06	110.08	115.22	120.49
Improvements	1,185.1	1,232.6	1,299.8	1,368.8	1,450.8	1,529.9	100.00	102.83	105.87	108.67	111.64	114.46
Other residential ⁵	26.6	27.8	29.0	29.3	29.9	30.8	100.00	99.67	98.53	9		

C. Historical Tables

The tables in this section are derived from the "Summary National Income and Product Series" tables that were published in the August 1998 issue of the SURVEY OF CURRENT BUSINESS and from the "Selected NIPA Tables" that are published in this issue. (Changes in prices are calculated from indexes expressed to three decimal places.)

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1959	2,210.2	2,206.9	2,222.0	7.4	6.5	22.95	22.44	22.95	22.96	1.0	1.0	1.0	1.0
1960	2,262.9	2,264.2	2,276.0	2.4	2.6	23.27	22.75	23.27	23.28	1.4	1.4	1.4	1.4
1961	2,314.3	2,318.0	2,329.1	2.3	2.4	23.54	23.00	23.54	23.55	1.2	1.1	1.2	1.2
1962	2,454.8	2,445.4	2,471.5	6.1	5.5	23.84	23.28	23.84	23.85	1.3	1.2	1.3	1.3
1963	2,559.4	2,552.4	2,577.3	4.3	4.4	24.12	23.58	24.12	24.13	1.2	1.3	1.2	1.2
1964	2,708.4	2,705.1	2,727.8	5.8	6.0	24.48	23.94	24.48	24.49	1.5	1.6	1.5	1.5
1965	2,881.1	2,860.4	2,901.4	6.4	5.7	24.95	24.39	24.96	24.97	1.9	1.9	2.0	2.0
1966	3,069.2	3,033.5	3,087.8	6.5	6.1	25.66	25.07	25.67	25.68	2.8	2.8	2.8	2.8
1967	3,147.2	3,125.1	3,166.4	2.5	3.0	26.48	25.83	26.49	26.50	3.2	3.0	3.2	3.2
1968	3,293.9	3,278.0	3,314.5	4.7	4.9	27.64	26.95	27.64	27.66	4.4	4.3	4.4	4.4
1969	3,393.6	3,377.2	3,413.3	3.0	3.0	28.94	28.21	28.94	28.96	4.7	4.7	4.7	4.7
1970	3,397.6	3,406.5	3,417.1	-.1	.9	30.48	29.73	30.48	30.50	5.3	5.4	5.3	5.3
1971	3,510.0	3,499.8	3,532.1	3.3	2.7	32.05	31.32	32.06	32.08	5.2	5.3	5.2	5.2
1972	3,702.3	3,689.5	3,726.3	5.5	5.4	33.42	32.71	33.42	33.44	4.2	4.5	4.2	4.2
1973	3,916.3	3,883.9	3,950.1	5.8	5.3	35.30	34.64	35.30	35.32	5.6	5.9	5.6	5.6
1974	3,891.2	3,873.4	3,930.2	-6	-3	38.46	38.17	38.47	38.49	8.9	10.2	9.0	8.9
1975	3,873.9	3,906.4	3,903.3	-4	.9	42.09	41.72	42.09	42.11	9.4	9.3	9.4	9.4
1976	4,082.9	4,061.7	4,118.8	5.4	4.0	44.55	44.15	44.55	44.58	5.8	5.8	5.8	5.9
1977	4,273.6	4,240.8	4,314.5	4.7	4.4	47.42	47.18	47.43	47.46	6.5	6.9	6.5	6.5
1978	4,503.0	4,464.4	4,543.7	5.4	5.3	50.88	50.65	50.89	50.92	7.3	7.4	7.3	7.3
1979	4,630.6	4,614.4	4,687.4	2.8	3.4	55.22	55.22	55.23	55.26	8.5	9.0	8.5	8.5
1980	4,615.0	4,641.9	4,670.8	-3	.6	60.34	61.10	60.33	60.36	9.3	10.7	9.2	9.2
1981	4,720.7	4,691.6	4,769.9	2.3	1.1	66.01	66.72	66.01	66.05	9.4	9.2	9.4	9.4
1982	4,620.3	4,651.2	4,662.0	-2.1	-9	70.18	70.64	70.17	70.21	6.3	5.9	6.3	6.3
1983	4,803.7	4,821.2	4,844.8	4.0	3.7	73.16	73.31	73.16	73.20	4.3	3.8	4.3	4.3
1984	5,140.1	5,061.6	5,178.0	7.0	5.0	75.92	75.90	75.92	75.97	3.8	3.5	3.8	3.8
1985	5,323.5	5,296.9	5,346.7	3.6	4.6	78.53	78.34	78.53	78.57	3.4	3.2	3.4	3.4
1986	5,487.7	5,480.9	5,501.2	3.1	3.5	80.58	80.40	80.58	80.62	2.6	2.6	2.6	2.6
1987	5,649.5	5,626.0	5,658.2	2.9	2.6	83.06	83.11	83.06	83.09	3.1	3.4	3.1	3.1
1988	5,865.2	5,855.1	5,878.5	3.8	4.1	86.10	86.13	86.09	86.12	3.7	3.6	3.7	3.7
1989	6,062.0	6,028.7	6,075.7	3.4	3.0	89.72	89.78	89.72	89.75	4.2	4.2	4.2	4.2
1990	6,136.3	6,126.7	6,157.0	1.2	1.6	93.64	93.83	93.60	93.63	4.4	4.5	4.3	4.3
1991	6,079.4	6,082.6	6,094.9	-9	-7	97.32	97.30	97.32	97.33	3.9	3.7	4.0	4.0
1992	6,244.4	6,237.4	6,255.5	2.7	2.5	100.00	100.00	100.00	100.00	2.8	2.8	2.8	2.8
1993	6,389.6	6,368.9	6,408.0	2.3	2.1	102.64	102.48	102.64	102.63	2.6	2.5	2.6	2.6
1994	6,610.7	6,551.2	6,619.1	3.5	2.9	105.09	104.85	105.09	105.08	2.4	2.3	2.4	2.4
1995	6,761.7	6,731.7	6,779.5	2.3	2.8	107.51	107.28	107.51	107.49	2.3	2.3	2.3	2.3
1996	6,994.8	6,961.6	7,008.4	3.4	3.4	109.54	109.18	109.53	109.50	1.9	1.8	1.9	1.9
1997	7,269.8	7,203.7	7,266.2	3.9	3.5	111.57	110.92	111.57	111.52	1.9	1.6	1.9	1.8
1959: I	2,165.0	2,165.5	2,176.2	8.6	9.2	22.86	22.35	22.92	22.93	.8	1.1	.8	.8
1959: II	2,223.3	2,204.2	2,234.5	11.2	7.3	22.92	22.41	22.91	22.91	1.1	1.1	-.3	-.3
1959: III	2,221.4	2,232.6	2,233.5	-.3	5.3	22.96	22.45	22.94	22.95	.7	.7	.6	.6
1959: IV	2,231.0	2,225.3	2,243.9	1.7	-1.3	23.05	22.53	23.03	23.04	1.5	1.5	1.6	1.6
1960: I	2,279.2	2,248.5	2,291.6	8.9	4.2	23.10	22.57	23.13	23.14	.9	.8	1.8	1.9
1960: II	2,265.5	2,268.4	2,278.2	-2.4	3.6	23.21	22.69	23.22	23.23	2.0	2.1	1.5	1.5
1960: III	2,268.3	2,265.1	2,281.6	.5	-6	23.32	22.80	23.32	23.33	2.0	2.0	1.7	1.7
1960: IV	2,238.6	2,274.7	2,252.7	-5.1	1.7	23.44	22.92	23.40	23.41	2.1	2.1	1.4	1.4
1961: I	2,251.7	2,277.7	2,266.8	2.4	.5	23.48	22.96	23.45	23.46	.7	.6	.9	.9
1961: II	2,292.0	2,301.1	2,306.3	7.4	4.2	23.51	22.97	23.51	23.52	.5	.2	1.0	1.0
1961: III	2,332.6	2,320.4	2,347.1	7.3	3.4	23.55	23.01	23.56	23.57	.7	.7	.8	.8
1961: IV	2,381.0	2,372.8	2,395.9	8.6	9.3	23.61	23.06	23.63	23.64	1.1	.9	1.2	1.2
1962: I	2,422.6	2,400.3	2,437.4	7.2	4.7	23.73	23.17	23.75	23.76	2.0	1.9	2.0	2.0
1962: II	2,448.0	2,440.7	2,464.4	4.3	6.9	23.80	23.24	23.81	23.81	1.1	1.4	1.0	1.0
1962: III	2,471.9	2,462.0	2,488.4	4.0	3.5	23.86	23.31	23.87	23.87	1.1	1.1	1.0	1.0
1962: IV	2,476.7	2,478.7	2,495.9	.8	2.7	23.96	23.41	23.94	23.95	1.7	1.8	1.2	1.2
1963: I	2,508.7	2,492.4	2,526.9	5.3	2.2	24.03	23.48	24.00	24.01	1.2	1.3	1.1	1.1
1963: II	2,538.1	2,533.8	2,555.5	4.8	6.8	24.07	23.53	24.07	24.08	.6	.8	1.1	1.1
1963: III	2,586.3	2,578.0	2,604.0	7.8	7.2	24.11	23.58	24.12	24.13	.7	.9	.8	.8
1963: IV	2,604.6	2,605.3	2,622.9	2.9	4.3	24.26	23.72	24.29	24.30	2.4	2.5	3.0	3.0
1964: I	2,666.7	2,663.1	2,686.8	9.9	9.2	24.33	23.80	24.35	24.36	1.2	1.3	.9	.9
1964: II	2,697.5	2,695.0	2,716.8	4.9	4.9	24.41	23.89	24.41	24.42	1.3	1.5	.9	.9
1964: III	2,729.6	2,727.6	2,749.5	4.8	4.9	24.53	23.99	24.52	24.53	1.9	1.8	1.8	1.8
1964: IV	2,739.7	2,734.5	2,758.1	1.5	1.0	24.64	24.09	24.64	24.65	1.8	1.6	2.1	2.1
1965: I	2,808.9	2,777.2	2,830.0	10.5	6.4	24.76	24.19	24.77	24.78	2.0	1.6	2.0	2.0
1965: II	2,846.3	2,826.7	2,868.2	5.4	7.3	24.88	24.31	24.88	24.89	2.0	2.0	1.9	1.9
1965: III	2,898.8	2,879.8	2,918.9	7.6	7.7	25.01	24.44	25.01	25.02	2.1	2.2	2.1	2.1
1965: IV	2,970.5	2,957.8	2,988.6	10.3	11.3	25.16	24.61	25.17	25.18	2.5	2.8	2.6	2.6
1966: I	3,042.4	3,008.8	3,061.1	10.0	7.1	25.30	24.73	25.32	25.34	2.2	1.9	2.5	2.5
1966: II	3,055.5	3,023.1	3,074.2	1.7	1.9	25.50	24.93	25.53	25.54	3.2	3.2	3.2	3.3
1966: III	3,078.5	3,047.2	3,094.7	2.8	3.2	25.82	25.22	25.79	25.81	5.1	4.8	4.2	4.2
1966: IV	3,102.4	3,054.8	3,121.4	3.4	1.0	26.03	25.41	26.02	26.03	3.4	3.1	3.5	3.5
1967: I	3,127.2	3,085.6	3,145.9	3.2	4.1	26.16	25.52	26.14	26.15	2.0	1.6	1.9	2.0
1967: II	3,129.5	3,119.0	3,147.7	.3	4.4	26.32	25.67	26.31	26.32	2.5	2.5	2.5	2.5
1967: III	3,154.2	3,134.2	3,174.4	3.2	2.0	26.57	25.92	26.60	26.61	3.9	3.9	4.5	4.5
1967: IV	3,178.0	3,161.5	3,197.5	3.1	3.5	26.87	26.21	26.90	26.91	4.6	4.5	4.6	4.6

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

Table with 14 columns: Year and quarter, Billions of chained (1992) dollars (Gross domestic product, Final sales of domestic product, Gross national product), Percent change from preceding period (Gross domestic product, Final sales of domestic product), Chain-type price indexes (Gross domestic product, Gross domestic purchases), Implicit price deflators (Gross domestic product, Gross national product), and Percent change from preceding period (Chain-type price index, Implicit price deflators).

Table C.1.—Historical Measures of Real Gross Domestic Product, Real Gross National Product, and Real Gross Domestic Purchases—Continued

[Quarterly estimates are seasonally adjusted at annual rates]

Year and quarter	Billions of chained (1992) dollars			Percent change from preceding period		Chain-type price indexes		Implicit price deflators		Percent change from preceding period			
	Gross domestic product	Final sales of domestic product	Gross national product	Gross domestic product	Final sales of domestic product	Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product	Chain-type price index		Implicit price deflators	
										Gross domestic product	Gross domestic purchases	Gross domestic product	Gross national product
1989: I	6,011.0	5,970.0	6,023.1	4.0	2.2	88.44	88.47	88.45	88.48	4.5	4.8	4.7	4.7
II	6,055.6	6,010.9	6,065.5	3.0	2.8	89.40	89.52	89.39	89.42	4.4	4.8	4.3	4.3
III	6,088.0	6,063.1	6,101.8	2.2	3.5	90.13	90.14	90.13	90.16	3.3	2.8	3.3	3.3
IV	6,093.5	6,070.8	6,112.3	.4	.5	90.91	90.98	90.88	90.91	3.5	3.8	3.4	3.4
1990: I	6,152.6	6,144.6	6,172.8	3.9	5.0	92.01	92.17	92.00	92.04	4.9	5.4	5.0	5.1
II	6,171.6	6,127.5	6,188.0	1.2	-1.1	93.20	93.14	93.18	93.21	5.2	4.2	5.2	5.2
III	6,142.1	6,126.6	6,155.7	-1.9	-1	94.19	94.32	94.14	94.17	4.3	5.2	4.2	4.2
IV	6,079.0	6,108.1	6,111.3	-4.0	-1.2	95.14	95.68	95.11	95.13	4.1	5.9	4.2	4.2
1991: I	6,047.5	6,065.4	6,074.3	-2.1	-2.8	96.26	96.42	96.27	96.29	4.8	3.1	5.0	4.9
II	6,074.7	6,095.9	6,086.4	1.8	2.0	97.02	96.95	97.00	97.01	3.2	2.2	3.1	3.1
III	6,090.1	6,085.4	6,099.2	1.0	-7	97.70	97.58	97.70	97.71	2.8	2.6	2.9	2.9
IV	6,105.3	6,083.8	6,119.5	1.0	-1	98.30	98.27	98.31	98.32	2.5	2.9	2.5	2.5
1992: I	6,175.7	6,175.8	6,192.0	4.7	6.2	99.14	99.04	99.13	99.13	3.4	3.2	3.4	3.4
II	6,214.2	6,203.8	6,225.2	2.5	1.8	99.81	99.76	99.79	99.79	2.8	2.9	2.7	2.7
III	6,260.7	6,249.5	6,270.3	3.0	3.0	100.17	100.28	100.17	100.17	1.4	2.1	1.5	1.5
IV	6,327.1	6,320.7	6,334.6	4.3	4.6	100.88	100.92	100.88	100.88	2.8	2.6	2.9	2.9
1993: I	6,327.9	6,297.3	6,351.3	.1	-1.5	101.85	101.71	101.84	101.84	3.9	3.2	3.9	3.8
II	6,359.9	6,344.9	6,375.9	2.0	3.1	102.38	102.28	102.35	102.34	2.1	2.3	2.0	2.0
III	6,393.5	6,379.3	6,415.3	2.1	2.2	102.83	102.64	102.83	102.83	1.8	1.4	1.9	1.9
IV	6,476.9	6,453.8	6,489.7	5.3	4.8	103.52	103.28	103.51	103.50	2.7	2.5	2.7	2.6
1994: I	6,524.5	6,473.0	6,540.5	3.0	1.2	104.16	103.80	104.13	104.14	2.5	2.0	2.4	2.5
II	6,600.3	6,526.7	6,609.3	4.7	3.4	104.74	104.46	104.71	104.71	2.2	2.6	2.2	2.2
III	6,629.5	6,580.4	6,635.6	1.8	3.3	105.39	105.24	105.39	105.38	2.5	3.0	2.6	2.6
IV	6,688.6	6,624.8	6,691.2	3.6	2.7	106.07	105.88	106.09	106.06	2.6	2.5	2.7	2.6
1995: I	6,717.5	6,661.8	6,735.9	1.7	2.2	106.74	106.47	106.75	106.73	2.5	2.2	2.5	2.6
II	6,724.2	6,700.0	6,746.3	.4	2.3	107.26	107.11	107.24	107.22	2.0	2.4	1.8	1.8
III	6,779.5	6,761.7	6,788.9	3.3	3.7	107.76	107.52	107.75	107.72	1.9	1.6	1.9	1.9
IV	6,825.8	6,803.3	6,846.8	2.8	2.5	108.30	107.99	108.29	108.26	2.0	1.8	2.0	2.0
1996: I	6,882.0	6,863.6	6,902.1	3.3	3.6	108.90	108.56	108.91	108.88	2.2	2.1	2.3	2.3
II	6,983.9	6,954.7	6,999.0	6.1	5.4	109.28	108.94	109.24	109.21	1.4	1.4	1.2	1.2
III	7,020.0	6,970.3	7,027.1	2.1	.9	109.77	109.34	109.74	109.70	1.8	1.5	1.8	1.8
IV	7,093.1	7,057.9	7,105.3	4.2	5.1	110.21	109.90	110.23	110.19	1.6	2.1	1.8	1.8
1997: I	7,166.7	7,108.1	7,167.8	4.2	2.9	110.97	110.51	111.00	110.95	2.8	2.2	2.8	2.8
II	7,236.5	7,155.5	7,239.3	4.0	2.7	111.45	110.76	111.43	111.37	1.7	.9	1.6	1.5
III	7,311.2	7,256.3	7,307.0	4.2	5.8	111.77	111.06	111.76	111.70	1.2	1.1	1.2	1.2
IV	7,364.6	7,294.8	7,350.7	3.0	2.1	112.09	111.34	112.08	112.03	1.1	1.0	1.2	1.2
1998: I	7,464.7	7,372.5	7,455.2	5.5	4.3	112.33	111.29	112.32	112.26	.9	-.2	.8	.8
II	7,496.6	7,456.4	7,485.9	1.8	4.6	112.57	111.42	112.56	112.50	.9	.4	.9	.9
III	7,559.5	7,499.2	.....	3.3	2.3	112.80	111.55	112.79	.....	.8	.5	.8	.....

Table C.5.—Price Index for Gross Domestic Purchases
 [Average annual percent change, based on chain-type price indexes (1992=100)]

Terminal year	Initial year																									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	5.0	5.0	5.0	4.7	4.5	4.5	4.4	4.2	4.0	3.6	3.2	3.1	3.0	3.0	2.9	3.0	2.9	2.9	2.7	2.4	2.2	2.1	2.0	1.9	1.7	1.6
1996	5.1	5.2	5.1	4.9	4.7	4.6	4.5	4.4	4.1	3.7	3.3	3.2	3.1	3.1	3.1	3.1	3.1	3.0	2.8	2.6	2.3	2.2	2.1	2.0	1.8	
1995	5.3	5.3	5.3	5.0	4.8	4.8	4.7	4.5	4.2	3.8	3.5	3.3	3.2	3.2	3.2	3.3	3.2	3.0	2.7	2.5	2.4	2.3	2.3	2.3		
1994	5.4	5.4	5.4	5.2	5.0	4.9	4.8	4.7	4.4	3.9	3.5	3.3	3.3	3.3	3.4	3.4	3.4	3.3	3.2	2.8	2.5	2.4	2.3	2.3		
1993	5.5	5.6	5.6	5.3	5.1	5.1	5.0	4.8	4.5	4.1	3.6	3.4	3.4	3.4	3.4	3.5	3.6	3.5	3.4	3.0	2.6	2.5	2.5	2.5		
1992	5.7	5.7	5.7	5.5	5.3	5.2	5.1	5.0	4.7	4.2	3.7	3.5	3.5	3.5	3.5	3.7	3.8	3.8	3.7	3.2	2.8	2.8	2.8	2.8		
1991	5.8	5.9	5.9	5.7	5.4	5.4	5.3	5.2	4.8	4.3	3.8	3.6	3.6	3.6	3.7	3.9	4.0	4.1	4.1	3.7						
1990	5.9	6.0	6.0	5.8	5.6	5.5	5.4	5.3	4.9	4.4	3.9	3.6	3.6	3.6	3.7	3.9	4.1	4.4	4.5							
1989	6.0	6.1	6.1	5.9	5.6	5.6	5.5	5.3	5.0	4.4	3.8	3.5	3.4	3.4	3.5	3.7	3.9	4.2								
1988	6.1	6.2	6.3	6.0	5.7	5.7	5.6	5.5	5.1	4.4	3.7	3.4	3.3	3.2	3.2	3.5	3.6									
1987	6.3	6.4	6.5	6.2	5.9	5.9	5.8	5.7	5.2	4.5	3.7	3.3	3.2	3.1	3.0	3.4										
1986	6.5	6.6	6.7	6.4	6.1	6.2	6.1	5.9	5.5	4.7	3.8	3.3	3.1	2.9	2.6											
1985	6.8	6.9	7.0	6.8	6.5	6.6	6.5	6.4	6.0	5.1	4.1	3.5	3.4	3.2												
1984	7.0	7.3	7.4	7.1	6.9	7.0	7.0	7.0	6.6	5.6	4.4	3.7	3.5													
1983	7.3	7.6	7.8	7.5	7.3	7.5	7.6	7.7	7.3	6.3	4.8	3.8														
1982	7.7	8.0	8.2	8.0	7.8	8.1	8.4	8.7	8.6	7.5	5.9															
1981	7.9	8.2	8.5	8.3	8.1	8.6	9.0	9.6	9.9	9.2																
1980	7.7	8.1	8.4	8.2	7.9	8.5	9.0	9.8	10.7																	
1979	7.3	7.8	8.1	7.7	7.3	7.7	8.2	9.0																		
1978	7.1	7.6	7.9	7.3	6.7	7.1	7.4																			
1977	7.1	7.6	8.0	7.3	6.3	6.9																				
1976	7.1	7.8	8.4	7.5	5.8																					
1975	7.4	8.4	9.7	9.3																						
1974	6.8	8.0	10.2																							
1973	5.2	5.9																								
1972	4.5																									

Table C.6.—Real Final Sales of Domestic Product
 [Average annual percent change, based on chain-type quantity indexes (1992=100)]

Terminal year	Initial year																									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	2.8	2.7	2.6	2.7	2.8	2.8	2.7	2.6	2.5	2.6	2.7	3.0	2.9	2.8	2.6	2.5	2.5	2.3	2.3	2.3	2.9	2.9	3.1	3.2	3.4	3.5
1996	2.8	2.7	2.6	2.7	2.8	2.7	2.6	2.5	2.4	2.6	2.7	2.9	2.9	2.7	2.5	2.4	2.4	2.2	2.1	2.2	2.7	2.8	3.0	3.1	3.4	
1995	2.8	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.5	2.6	2.9	2.8	2.6	2.4	2.3	2.3	2.0	1.9	1.9	2.6	2.6	2.8	2.8		
1994	2.8	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.5	2.6	2.9	2.8	2.6	2.4	2.3	2.2	1.9	1.7	1.7	2.5	2.5	2.9			
1993	2.8	2.6	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.5	2.6	2.9	2.8	2.6	2.3	2.2	2.1	1.7	1.4	1.3	2.3	2.1				
1992	2.8	2.7	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.5	2.6	3.0	2.9	2.6	2.4	2.2	2.1	1.6	1.1	-.9	2.5					
1991	2.8	2.7	2.5	2.7	2.8	2.7	2.6	2.4	2.3	2.5	2.6	3.0	2.9	2.7	2.3	2.1	2.0	1.3	.4	-.7						
1990	3.0	2.9	2.7	2.9	3.0	3.0	2.9	2.7	2.6	2.8	3.0	3.5	3.5	3.2	3.0	2.8	2.9	2.3	1.6							
1989	3.1	2.9	2.8	3.0	3.1	3.1	3.0	2.8	2.7	2.9	3.2	3.8	3.8	3.6	3.3	3.2	3.5	3.0								
1988	3.1	2.9	2.8	3.0	3.2	3.1	3.0	2.7	2.7	2.9	3.2	3.9	4.0	3.7	3.4	3.4	4.1									
1987	3.0	2.9	2.7	2.9	3.1	3.0	2.9	2.6	2.5	2.8	3.1	3.9	3.9	3.6	3.1	2.6										
1986	3.0	2.9	2.7	2.9	3.1	3.0	2.9	2.6	2.5	2.8	3.2	4.2	4.4	4.1	3.5											
1985	3.0	2.8	2.6	2.9	3.1	3.0	2.8	2.5	2.3	2.7	3.1	4.4	4.8	4.6												
1984	2.9	2.7	2.4	2.7	2.9	2.8	2.6	2.1	1.9	2.2	2.6	4.3	5.0													
1983	2.7	2.5	2.2	2.5	2.7	2.5	2.2	1.5	1.1	1.3	1.4	3.7														
1982	2.6	2.3	2.0	2.3	2.5	2.3	1.9	1.0	.3	.1	-.9															
1981	3.0	2.7	2.4	2.8	3.1	2.9	2.6	1.7	.8	1.1																
1980	3.2	2.9	2.6	3.1	3.5	3.4	3.1	2.0	.6																	
1979	3.5	3.2	2.9	3.6	4.3	4.3	4.3	3.4																		
1978	3.5	3.2	2.8	3.6	4.6	4.8	5.3																			
1977	3.3	2.8	2.2	3.1	4.2	4.4																				
1976	3.0	2.4	1.5	2.4	4.0																					
1975	2.8	1.9	.3	.9																						
1974	3.4	2.5	-.3																							
1973	5.3	5.3																								
1972	5.4																									

Table C.7.—Real Disposable Personal Income
 [Average annual percent change, based on chained (1992) dollar estimates]

Terminal year	Initial year																									
	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
1997	2.7	2.7	2.5	2.6	2.7	2.6	2.6	2.4	2.4	2.5	2.5	2.7	2.7	2.3	2.3	2.2	2.2	2.0	2.0	2.1	2.4	2.4	2.7	2.8	2.8	2.8
1996	2.7	2.7	2.5	2.6	2.7	2.6	2.6	2.4	2.4	2.5	2.5	2.7	2.7	2.3	2.2	2.1	2.2	1.9	1.9	2.0	2.4	2.3	2.6	2.8	2.8	
1995	2.7	2.7	2.5	2.6	2.7	2.6	2.6	2.4	2.4	2.5	2.5	2.7	2.7	2.2	2.2	2.1	2.1	1.8	1.8	2.3	2.1	2.5	2.5	2.8		
1994	2.7	2.6	2.4	2.6	2.7	2.6	2.5	2.4	2.4	2.5	2.5	2.6	2.6	2.2	2.1	2.0	2.0	1.7	1.6	1.5	2.1	1.8	2.1	2.5	2.5	
1993	2.8	2.7	2.5	2.6	2.7	2.6	2.6	2.4	2.4	2.5	2.5	2.7	2.7	2.2	2.1	1.9	2.0	1.5	1.4	1.3	2.0	2.0	2.3	2.3		
1992	2.8	2.7	2.5	2.7	2.8	2.7	2.6	2.5	2.4	2.6	2.6	2.8	2.8	2.3	2.2	2.1	2.1	1.6	1.4	1.3	2.7					
1991	2.8	2.7	2.5	2.7	2.8	2.7	2.6	2.4	2.4	2.6	2.6	2.8	2.8	2.2	2.1	1.9	1.9	1.2	.8	-.1						
1990	3.0	2.9	2.7	2.9	2.9	2.9	2.9	2.7	2.7	2.9	2.9	3.2	3.3	2.6	2.5	2.4	2.6	1.9	1.8							
1989	3.1	3.0	2.7	2.9	3.0	3.0	2.9	2.7	2.7	3.0	3.1	3.4	3.5	2.8	2.7	2.7	3.0	2.0								
1988	3.1	3.0	2.8	3.0	3.1	3.0	3.0	2.8	2.8	3.1	3.2	3.6	3.8	3.0	3.0	3.0	4.1									
1987	3.1	3.0	2.7	2.9	3.0	2.9	2.9	2.7	2.7	3.0	3.1	3.5	3.8	2.6	2.4	1.9										
1986	3.1	3.0	2.7	3.0	3.1	3.1	3.0	2.8	2.8	3.1	3.3	4.0	4.4													

D. Domestic Perspectives

This table presents data collected from other government agencies and private organizations, as noted. Quarterly data are shown in the middle month of the quarter.

Table D.1.—Domestic Perspectives

	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Consumer and producer prices, (seasonally adjusted) ¹																
Consumer price index for all urban consumers, 1982=100:																
All items	156.9	160.5	160.9	161.3	161.6	161.8	161.9	161.9	162.0	162.0	162.4	162.9	163.0	163.3	163.6	163.6
Less food and energy	165.6	169.5	170.1	170.4	170.8	171.0	171.4	171.7	172.2	172.4	172.9	173.3	173.5	173.8	174.2	174.5
Services	174.1	179.4	180.0	180.4	181.0	181.4	181.7	181.9	182.3	182.7	183.4	183.9	184.1	184.4	184.8	185.2
Producer price index, 1982=100:																
Finished goods	131.3	131.8	131.3	131.8	131.8	131.6	131.4	130.6	130.5	130.4	130.6	130.7	130.4	130.7	130.2	130.6
Less food and energy	142.0	142.4	142.2	142.7	142.6	142.5	142.4	142.4	142.5	143.2	143.4	143.4	143.4	143.6	143.5	144.1
Finished consumer goods	129.5	130.2	129.5	130.1	130.3	130.0	129.8	128.8	128.6	128.5	128.9	129.0	128.6	129.0	128.4	128.9
Capital equipment	138.3	138.2	138.1	138.4	138.0	137.9	137.7	137.6	137.6	137.7	137.6	137.4	137.4	137.5	137.1	137.6
Intermediate materials	125.7	125.6	125.3	125.5	125.4	125.6	125.3	124.5	124.1	123.6	123.7	123.6	123.1	123.1	122.7	122.5
Crude materials	113.8	111.1	106.8	108.2	113.2	115.0	108.6	102.3	100.4	99.2	100.5	100.1	98.4	96.6	94.0	92.5
Money, interest rates, and stock prices																
Money stock (seasonally adjusted): ²																
Percent change:																
M1			0.51	-0.71	-0.16	0.68	0.63	-0.22	0.26	0.42	-0.04	-0.28	-0.30	-0.27	-0.30	0.27
M2 .....			.82	.55	.50	.60	.56	.62	.81	.70	.80	.24	.44	.39	.69	1.21
Ratio:																
Gross domestic product to M1	6.925	7.580	7.660			7.722			7.784			7.833			7.966	
Personal income to M2	1.715	1.725	1.725	1.721	1.719	1.718	1.712	1.712	1.707	1.702	1.693	1.696	1.693	1.693	1.688	1.671
Interest rates (percent, not seasonally adjusted): ²																
Federal funds rate	5.30	5.46	5.54	5.54	5.50	5.52	5.50	5.56	5.51	5.49	5.45	5.49	5.56	5.54	5.55	5.51
Discount rate on new 91-day Treasury bills	5.02	5.07	5.13	4.97	4.95	5.15	5.16	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94	4.74
Yield on new high-grade corporate bonds	7.62	7.40	7.30	7.04	6.90	6.79	6.68	6.62	6.66	6.63	6.59	6.63	6.43	6.35	6.34	6.27
10-Year U.S. Treasury bonds	6.44	6.35	6.30	6.21	6.03	5.88	5.81	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34	4.81
Yield on municipal bonds, 20-bond average	5.76	5.52	5.41	5.39	5.38	5.33	5.19	5.06	5.10	5.21	5.23	5.20	5.12	5.14	5.10	4.99
Mortgage commitment rate	7.80	7.60	7.48	7.43	7.29	7.21	7.10	6.99	7.04	7.13	7.14	7.14	7.00	6.95	6.92	6.72
Average prime rate charged by banks	8.27	8.44	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.49
Index of stock prices (not seasonally adjusted): ³																
500 common stocks, 1941=43=10	670.83	872.72	927.74	937.02	951.16	938.92	962.37	963.36	1,023.74	1,076.83	1,112.20	1,108.42	1,108.39	1,156.58	1,074.62	1,020.64
Labor markets (thousands, seasonally adjusted, unless otherwise noted) ¹																
Civilian labor force	133,943	136,297	136,404	136,439	136,406	136,864	137,169	137,493	137,557	137,523	137,242	137,364	137,447	137,296	137,415	138,075
Labor force participation rates (percent):																
Males 20 and over	76.8	77.0	76.9	76.8	76.8	77.0	77.0	77.1	76.9	76.7	76.9	76.8	76.7	76.9	76.5	76.7
Females 20 and over	59.9	60.5	60.6	60.6	60.5	60.4	60.7	60.6	60.7	60.3	60.4	60.4	60.1	60.4	60.4	60.4
16-19 years of age	52.3	51.6	51.0	51.0	50.9	51.8	51.6	53.1	53.3	53.5	51.8	52.3	53.0	51.9	52.4	53.8
Civilian employment	126,708	129,558	129,747	129,761	129,910	130,575	130,777	131,083	131,163	130,994	131,383	131,453	131,209	131,067	131,168	131,765
Ratio, civilian employment to working-age population (percent)	63.2	63.8	63.8	63.7	63.8	64.0	64.1	64.2	64.2	64.0	64.2	64.2	64.0	63.9	63.8	64.1
Persons engaged in nonagricultural activities	123,264	126,159	126,368	126,339	126,583	127,191	127,392	127,764	127,829	127,862	128,033	128,118	127,867	127,626	127,640	128,247
Employees on nonagricultural payrolls	119,608	122,690	122,894	123,280	123,568	123,944	124,289	124,640	124,832	124,914	125,234	125,562	125,751	125,869	126,178	126,247
Goods-producing industries	24,493	24,934	24,972	24,993	25,032	25,099	25,193	25,297	25,314	25,276	25,339	25,301	25,304	25,135	25,255	25,219
Services-producing industries	95,115	97,756	97,922	98,287	98,536	98,845	99,096	99,343	99,518	99,638	99,895	100,261	100,447	100,734	100,923	101,028
Average weekly hours, manufacturing (hours)	41.6	42.0	41.9	41.9	42.0	42.1	42.2	42.1	42.0	41.8	41.4	41.8	41.8	41.7	41.7	41.7
Average weekly overtime hours, manufacturing (hours)	4.5	4.8	4.8	4.7	4.8	4.9	4.9	4.9	4.8	4.8	4.5	4.6	4.6	4.6	4.6	4.5
Number of persons unemployed	7,236	6,739	6,657	6,678	6,496	6,289	6,392	6,409	6,393	6,529	5,859	5,910	6,237	6,230	6,247	6,310
Unemployment rates (percent):																
Total	5.4	4.9	4.9	4.9	4.8	4.6	4.7	4.7	4.6	4.7	4.3	4.3	4.5	4.5	4.5	4.6
15 weeks and over	1.7	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.0	1.1	1.2	1.2	1.2	1.2
Average duration of unemployment (weeks)	16.7	15.8	15.8	15.9	16.3	15.6	16.3	15.6	15.6	14.3	14.3	14.6	13.8	14.3	13.5	14.3
Nonfarm business sector, 1992=100:																
Output per hour of all persons	103.7	105.1	105.6			105.9			106.8			106.8				
Unit labor costs	106.5	109.0	108.8			109.9			110.2			111.2				
Hourly compensation	110.4	114.5	114.9			116.3			117.6			118.8				

See footnotes at the end of the table.

Table D.1.—Domestic Perspectives—Continued

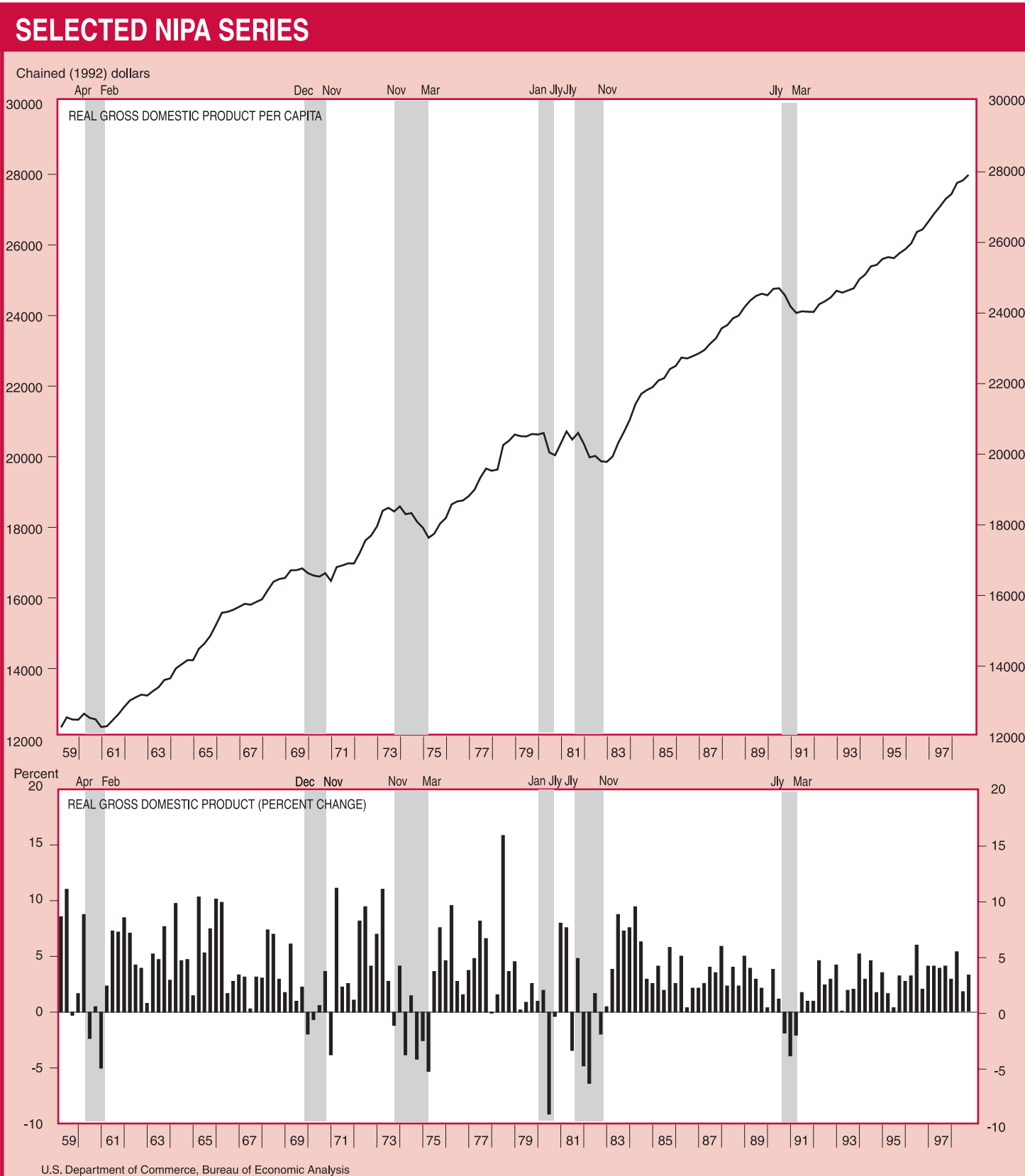
	1996	1997	1997					1998								
			Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.
Construction (seasonally adjusted at annual rates) ⁴																
Total new private construction put in place (billions of dollars)	446.3	471.2	475.5	475.9	477.5	475.3	478.4	487.8	490.9	494.3	500.1	496.5	503.6	510.6	511.7	511.7
Residential	256.5	265.6	263.5	266.1	268.6	268.9	273.0	279.0	282.5	286.0	289.7	288.0	291.9	299.2	299.5	302.7
Nonresidential	150.4	165.1	170.0	167.3	166.4	164.8	164.9	167.6	167.0	165.4	169.4	166.3	169.6	169.1	169.2	166.0
Housing starts (thousands of units):																
Total	1,477	1,474	1,383	1,501	1,529	1,523	1,540	1,545	1,616	1,585	1,546	1,538	1,620	1,704	1,616	1,576
1-unit structures	1,161	1,134	1,076	1,174	1,124	1,167	1,130	1,225	1,263	1,239	1,237	1,224	1,269	1,300	1,253	1,246
New 1-family houses sold (thousands of units)	757	804	799	809	805	875	805	853	878	836	892	892	919	873	830	822
Manufacturing and trade, inventories and sales (millions of dollars, seasonally adjusted) ⁴																
Inventories:																
Total manufacturing and trade	1,009,647	1,053,078	1,035,510	1,043,131	1,046,871	1,050,183	1,053,078	1,055,034	1,062,460	1,068,754	1,070,555	1,070,022	1,070,515	1,070,875	1,074,001	1,074,001
Manufacturing	436,729	456,133	451,737	452,224	455,553	457,766	456,133	458,197	461,178	461,948	464,668	465,729	466,701	467,636	468,399	468,399
Merchant wholesalers	256,442	273,298	264,516	268,772	269,182	270,955	273,298	272,130	275,750	277,624	275,933	277,699	277,518	277,466	280,007	280,007
Retail trade	316,476	323,647	319,257	322,135	322,136	321,462	323,647	324,707	325,532	329,182	329,954	326,594	326,296	325,773	325,595	325,595
Sales:																
Total manufacturing and trade	8,578,039	8,995,737	751,509	759,616	757,474	755,731	763,107	761,165	768,061	773,877	772,160	772,405	774,639	773,762	772,524	772,524
Manufacturing	3,715,460	3,929,419	328,250	333,422	332,321	331,404	336,424	331,937	335,883	338,991	335,553	333,622	335,110	335,380	336,692	336,692
Merchant wholesalers	2,401,383	2,500,109	206,868	210,706	210,040	208,413	209,816	210,224	211,312	213,781	213,900	213,413	213,904	214,229	211,585	211,585
Retail trade	2,461,196	2,566,209	216,391	215,488	215,113	215,914	216,867	219,004	220,866	221,105	222,707	225,370	225,625	224,153	224,247	224,247
Industrial production indexes and capacity utilization rates (seasonally adjusted) ²																
Industrial production indexes, 1992=100:																
Total	118.5	124.5	125.2	125.6	126.5	127.5	127.9	127.8	127.3	128.0	128.4	128.8	127.5	127.0	129.0	128.7
By industry:																
Durable manufactures	131.7	142.3	144.3	144.4	145.5	147.7	148.6	148.3	147.8	148.6	149.7	150.2	147.6	146.3	152.1	151.1
Nondurable manufactures	108.0	111.1	111.0	111.3	112.2	112.6	112.9	113.6	113.0	112.6	113.2	112.9	112.0	112.2	111.6	111.3
By market category:																
Consumer goods	111.8	114.4	114.6	114.5	115.9	116.7	115.9	116.6	115.1	116.0	116.5	116.7	115.3	114.4	116.6	116.1
Capacity utilization rates (percent):																
Total industry	82.4	82.7	82.8	82.7	83.0	83.3	83.3	82.9	82.2	82.4	82.4	82.4	81.2	80.6	81.6	81.1
Manufacturing	81.4	81.7	81.8	81.6	81.9	82.3	82.3	82.1	81.4	81.2	81.4	81.1	79.7	79.1	80.3	79.6
Credit market borrowing (billions of dollars, seasonally adjusted at annual rates) ²																
All sectors, by instrument:																
Total	1,358.9	1,469.7	1,516.2	.....	.....	1,985.1	.....	.....	1,828.2	.....	.....	2,019.6	.....	.....	.....	.....
Open market paper	102.6	184.1	171.7	.....	.....	257.7	.....	.....	347.3	.....	.....	116.6	.....	.....	.....	.....
U.S. government securities	376.5	235.9	191.3	.....	.....	338.9	.....	.....	196.0	.....	.....	343.8	.....	.....	.....	.....
Municipal securities	2.6	71.4	88.9	.....	.....	103.2	.....	.....	116.7	.....	.....	86.1	.....	.....	.....	.....
Corporate and foreign bonds	308.0	345.5	416.6	.....	.....	452.6	.....	.....	487.5	.....	.....	627.4	.....	.....	.....	.....
Bank loans, n.e.c.	92.1	129.7	62.2	.....	.....	186.4	.....	.....	80.4	.....	.....	185.3	.....	.....	.....	.....
Other loans and advances	62.5	101.8	113.3	.....	.....	195.3	.....	.....	106.4	.....	.....	106.1	.....	.....	.....	.....
Mortgages	325.9	348.8	422.0	.....	.....	413.1	.....	.....	442.3	.....	.....	495.8	.....	.....	.....	.....
Consumer credit	88.8	52.5	50.3	.....	.....	37.8	.....	.....	51.7	.....	.....	58.6	.....	.....	.....	.....

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

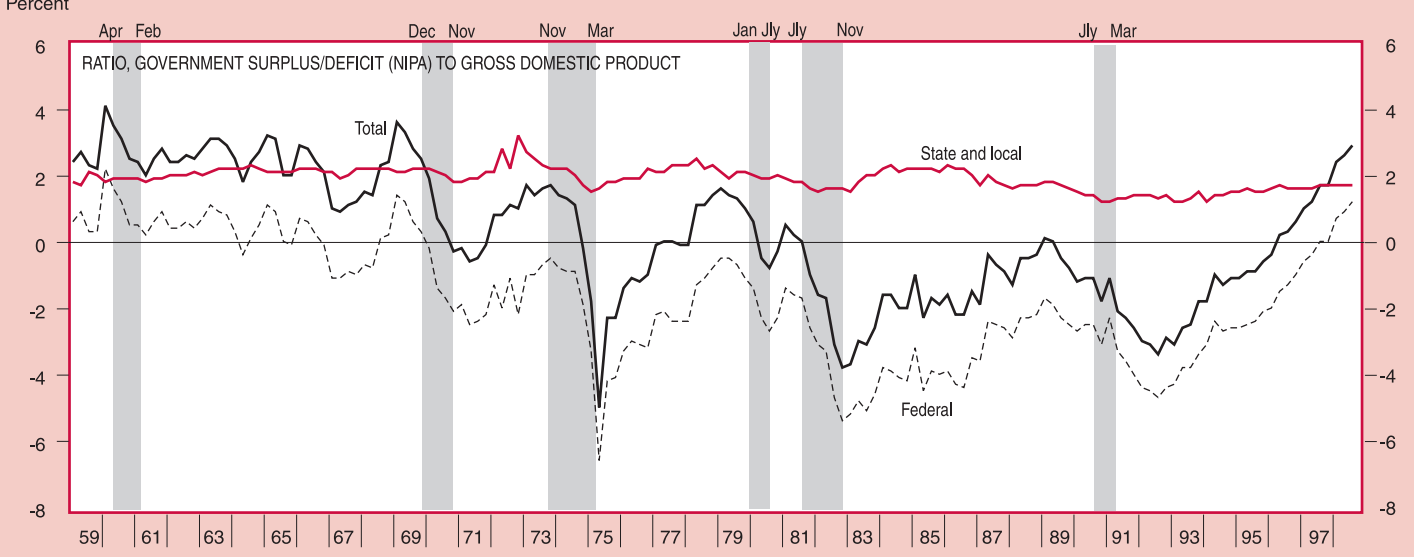
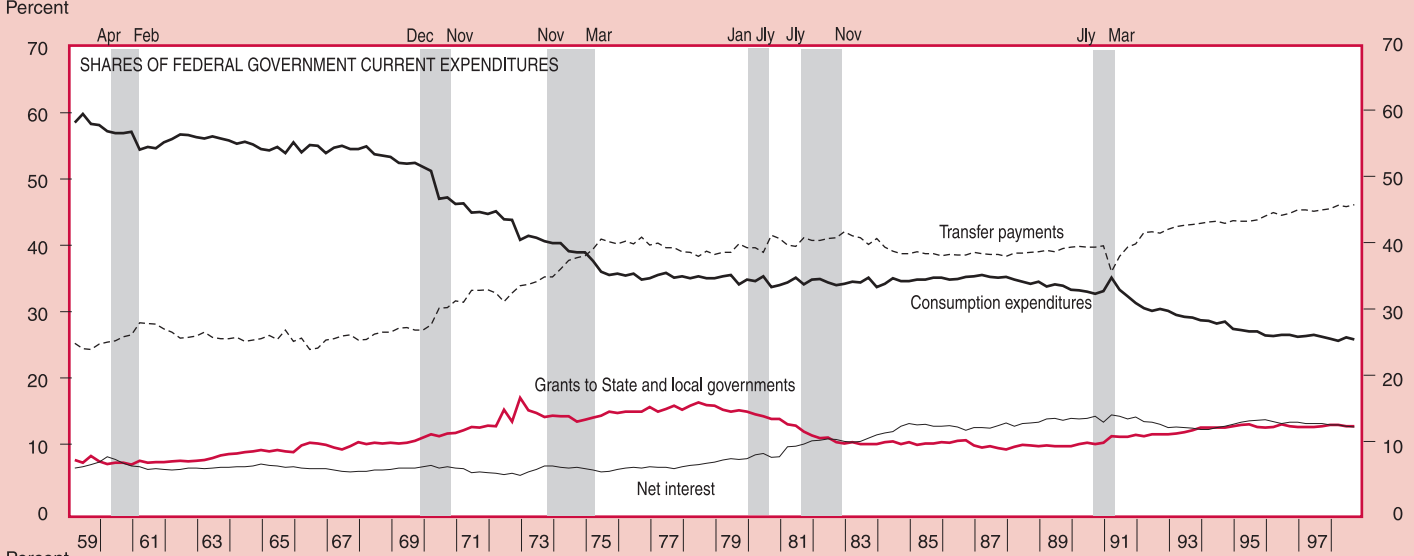
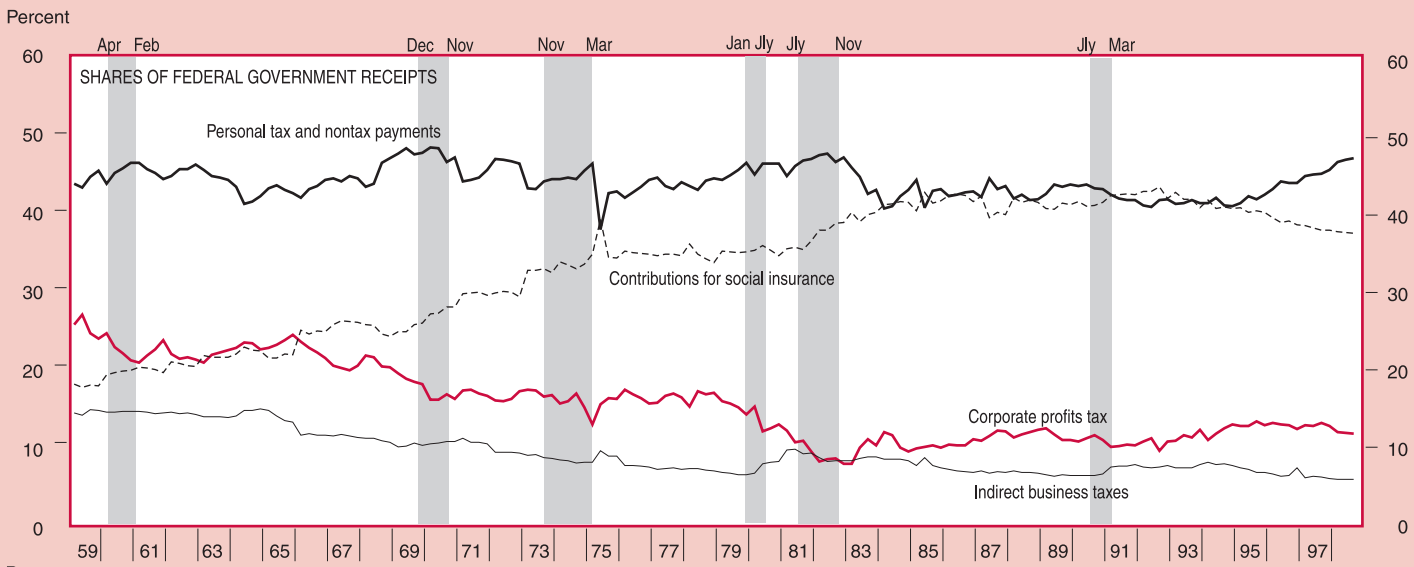
3. Standard and Poor's, Inc.
4. Bureau of the Census
n.e.c. Not elsewhere classified

E. Charts

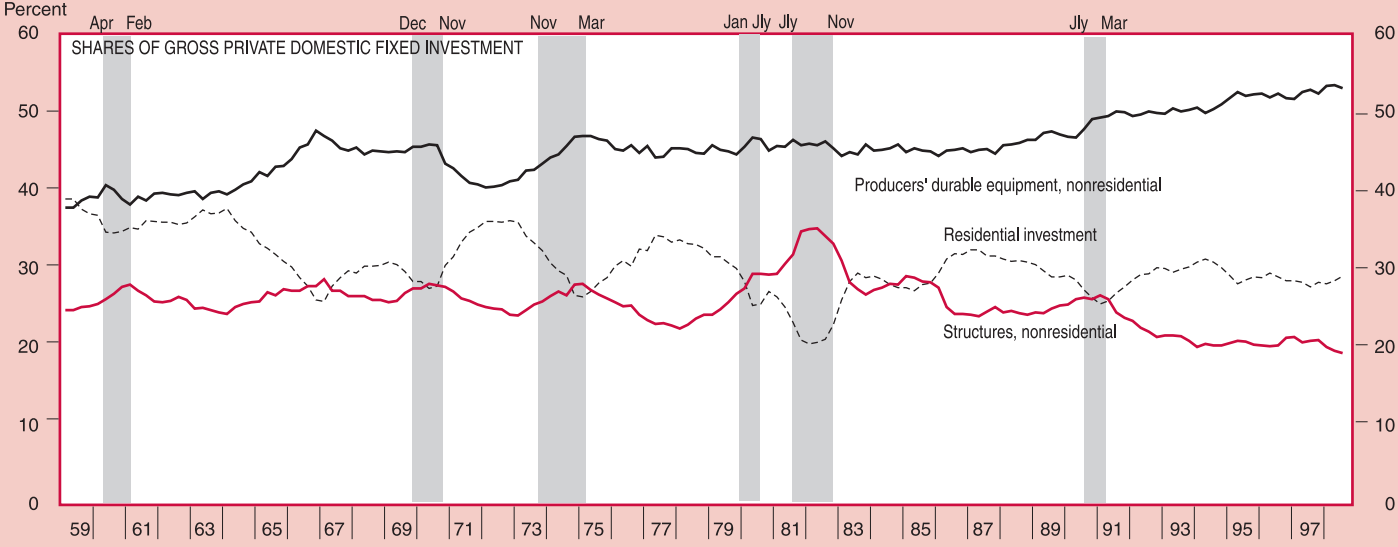
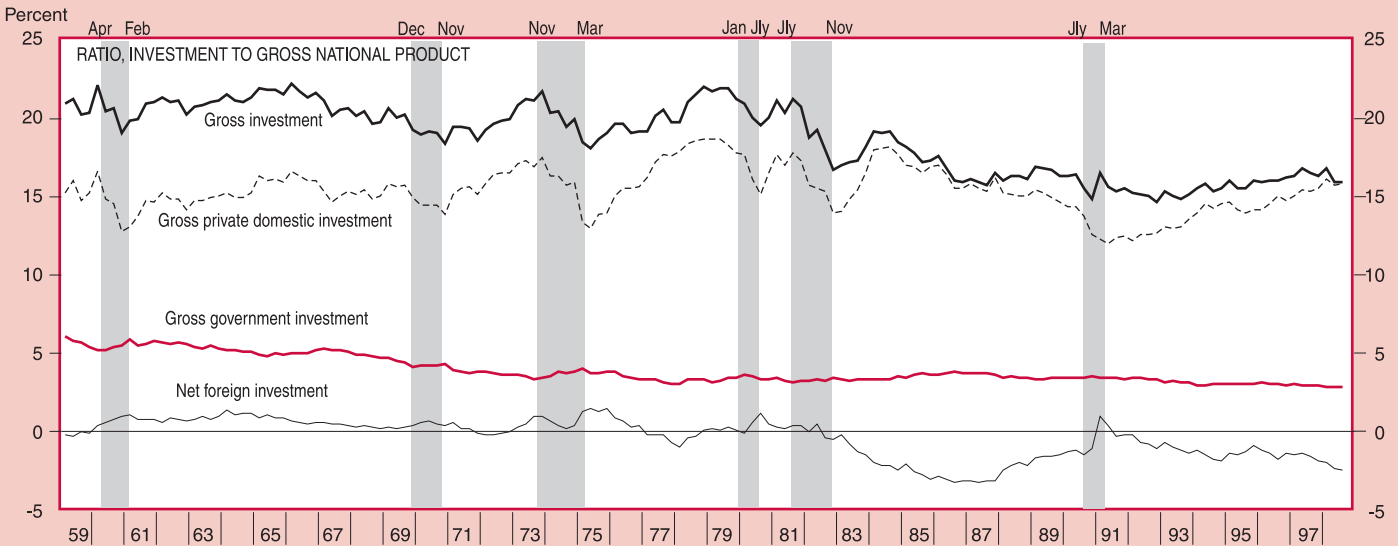
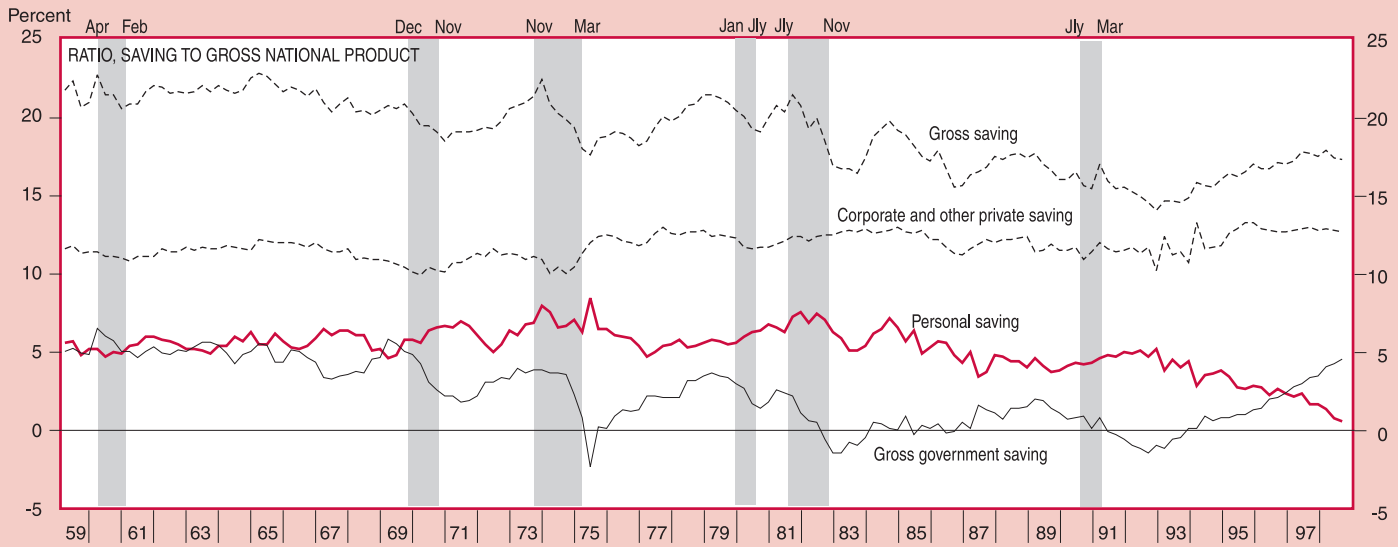
Percent changes shown in this section are based on quarter-to-quarter changes and are expressed at seasonally adjusted annual rates; likewise, levels of series are expressed at seasonally adjusted annual rates as appropriate.



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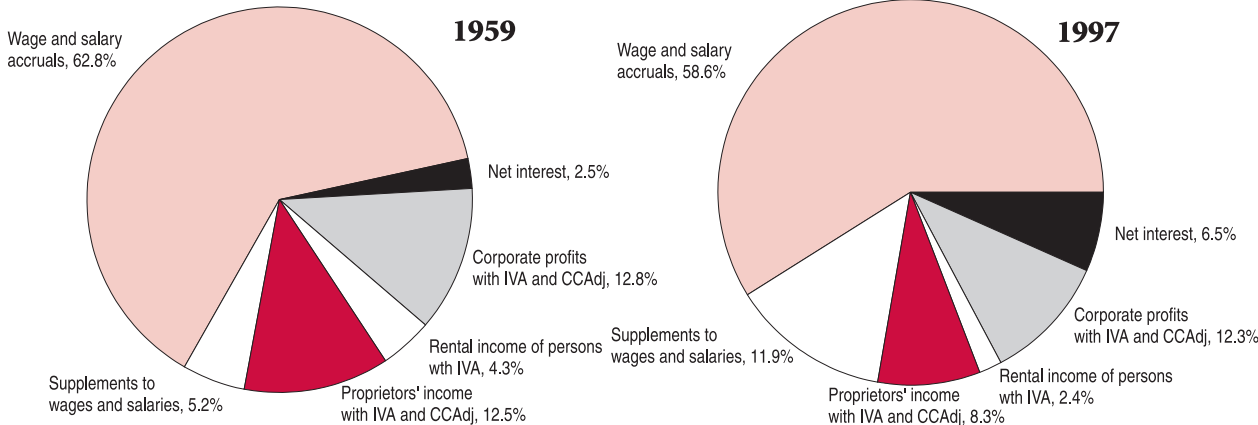


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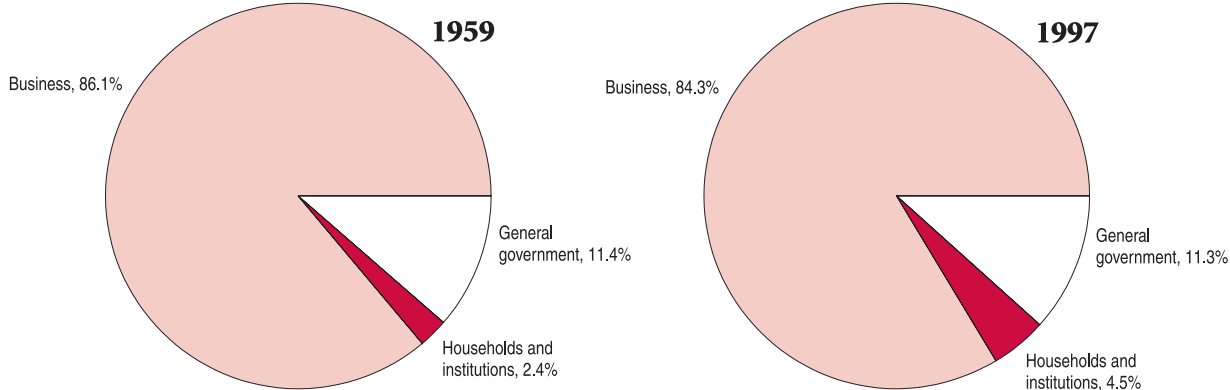


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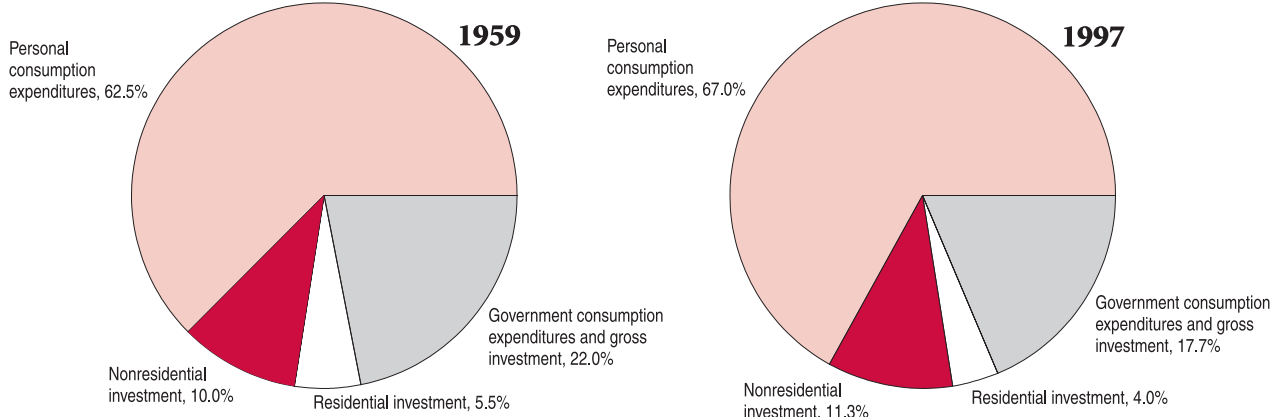
SHARES OF NATIONAL INCOME



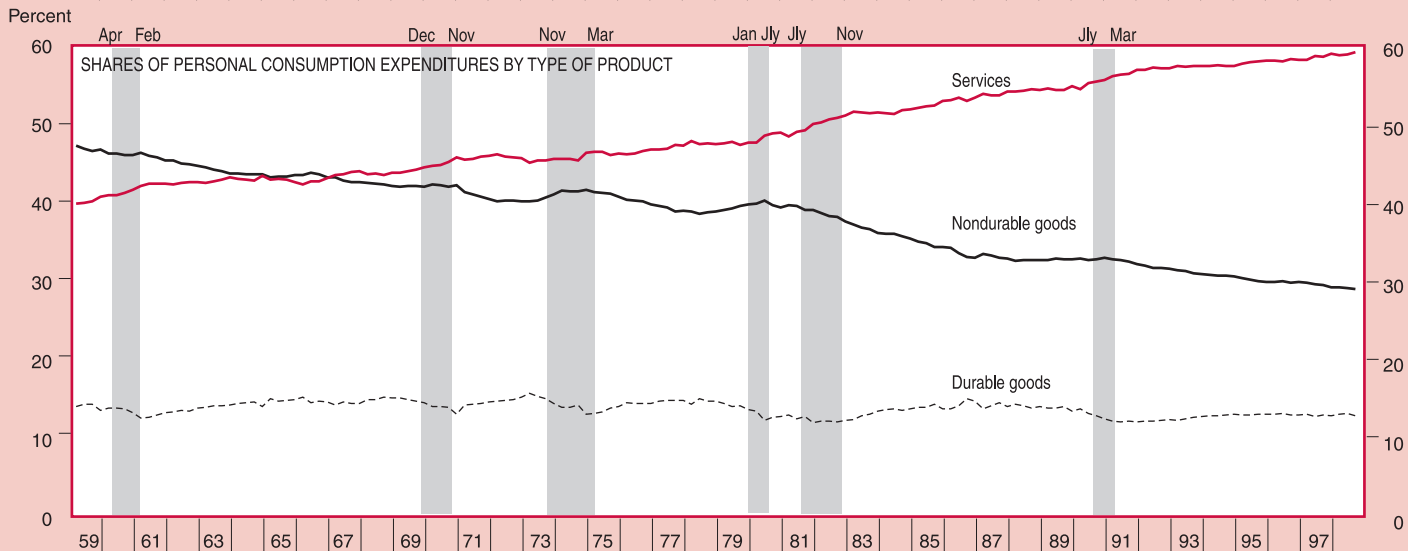
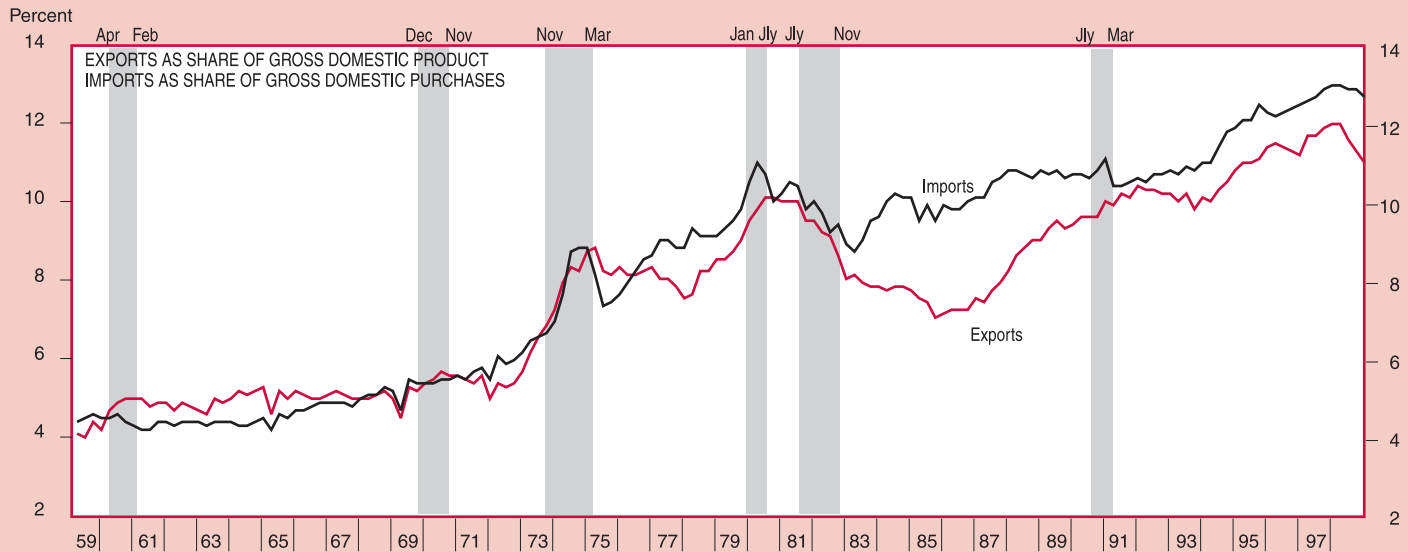
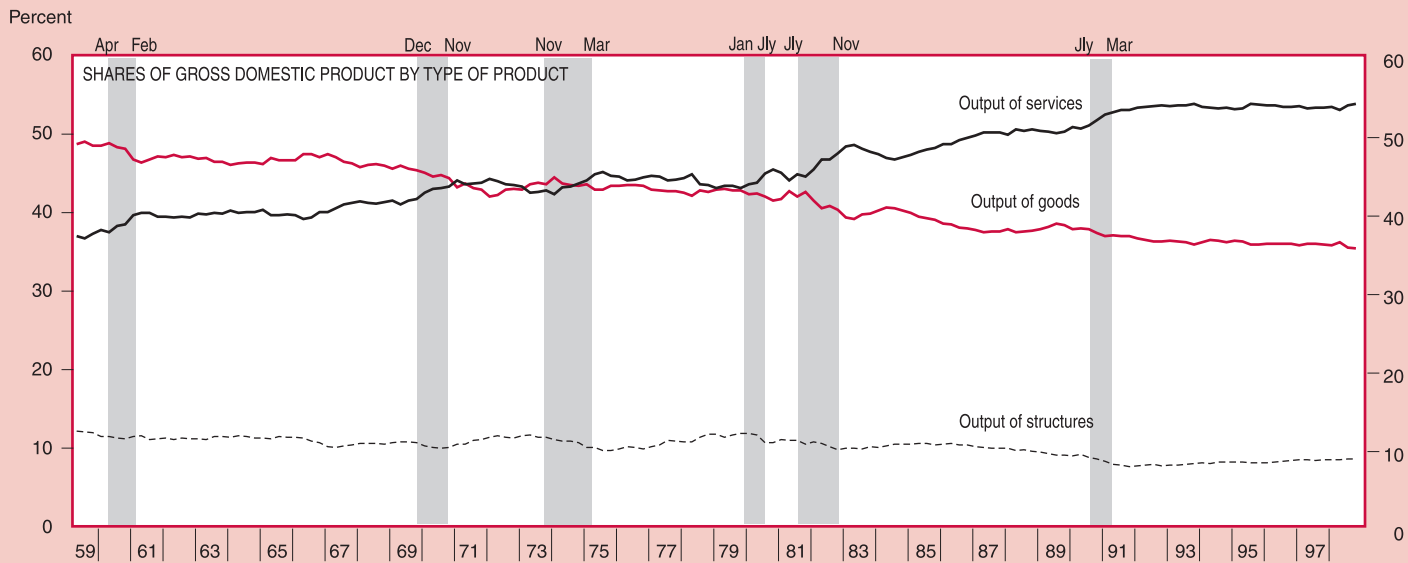
SHARES OF GROSS DOMESTIC PRODUCT BY SECTOR



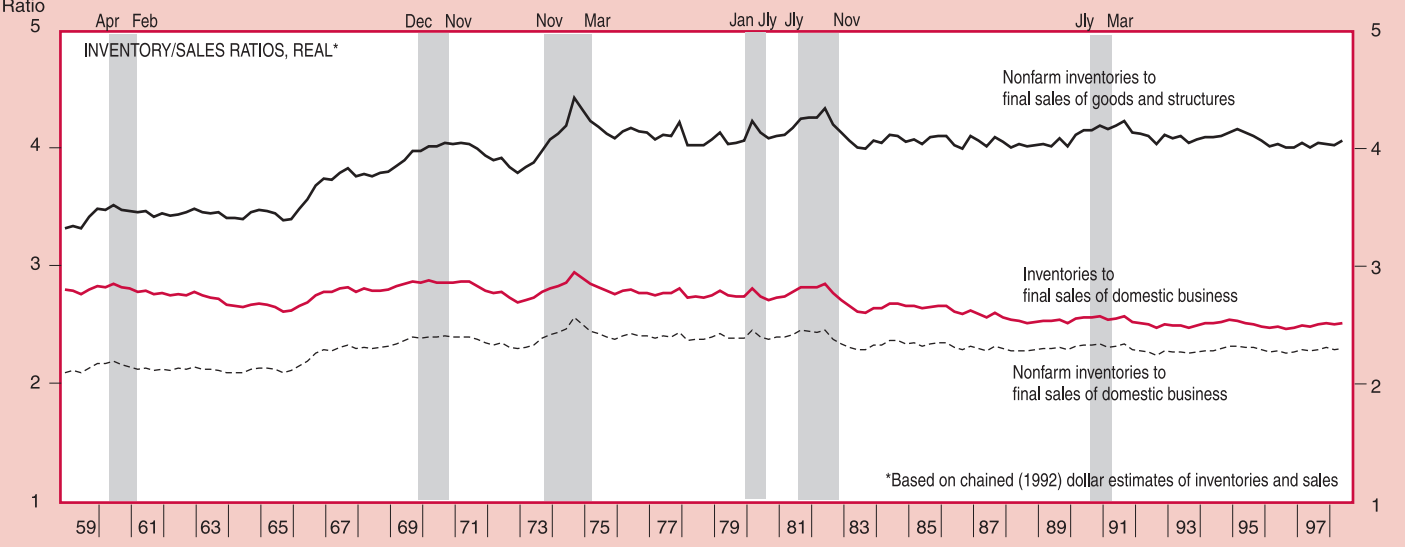
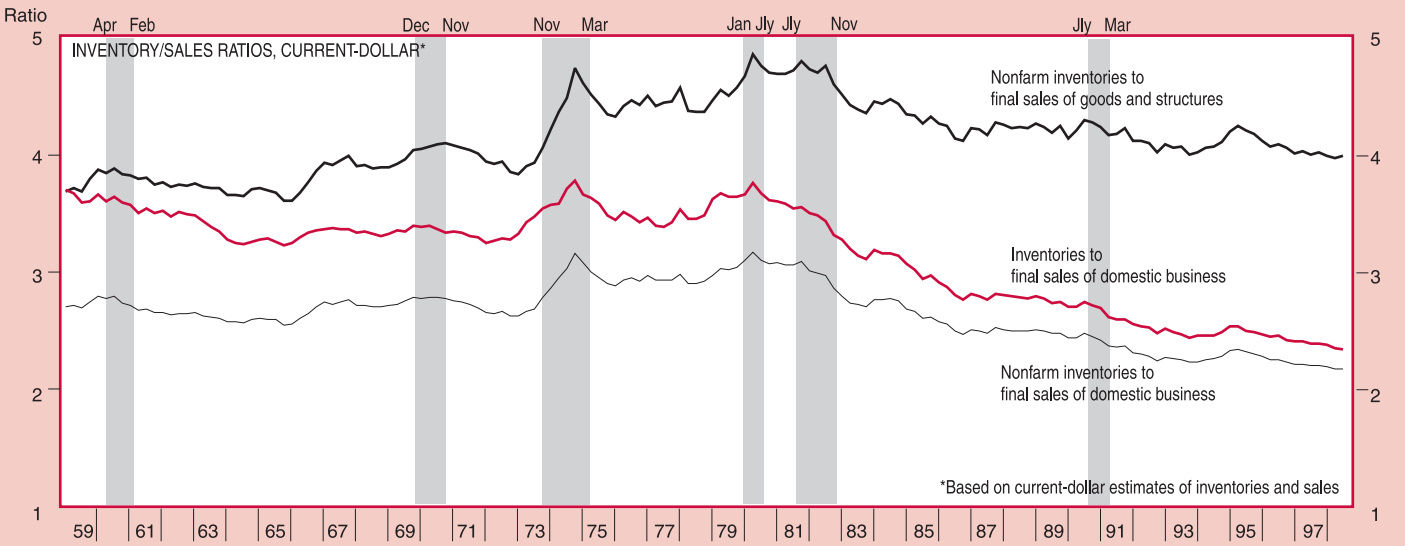
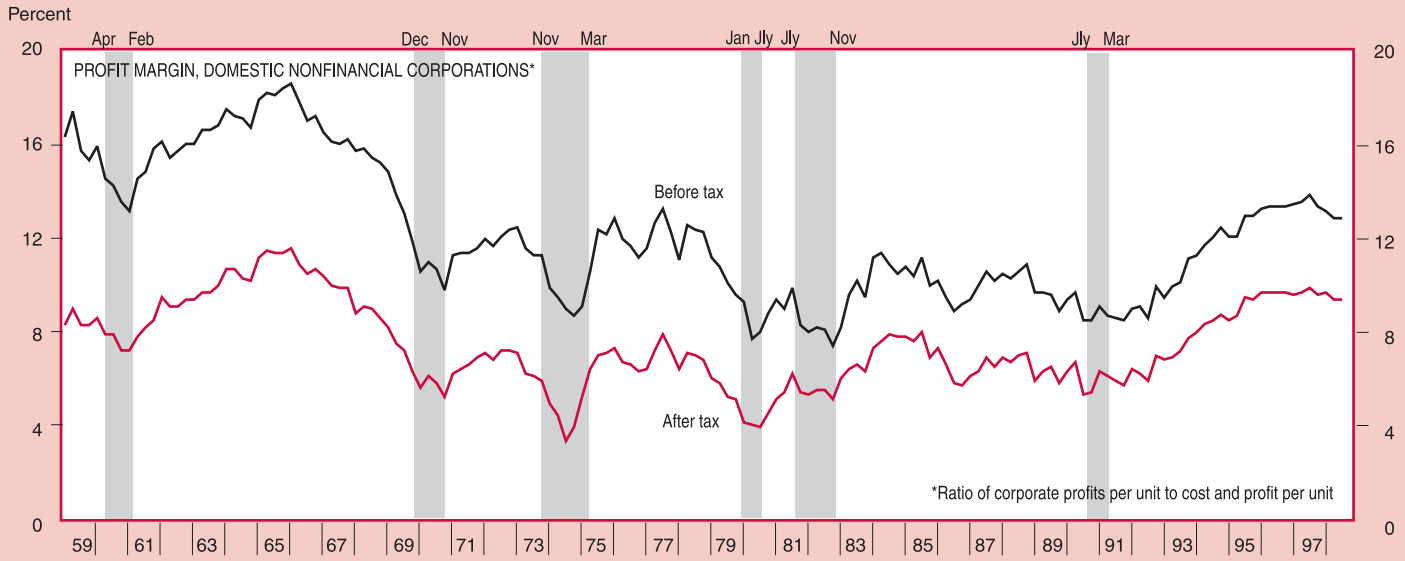
SHARES OF GROSS DOMESTIC PURCHASES



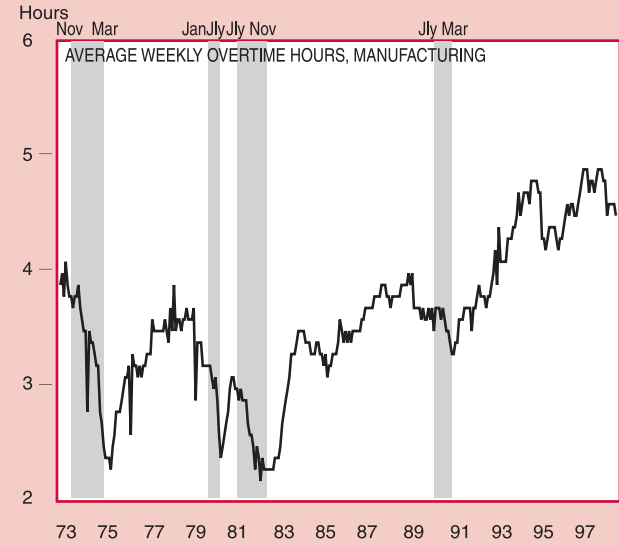
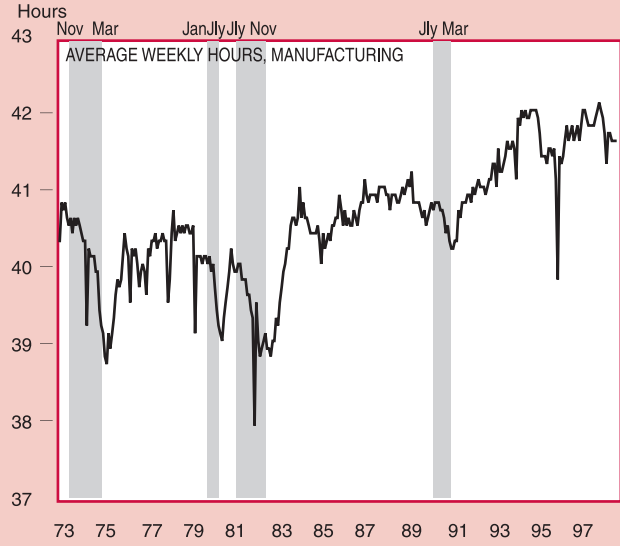
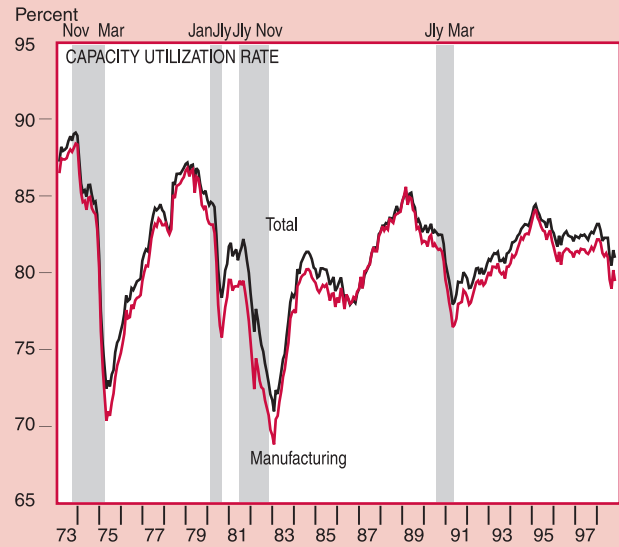
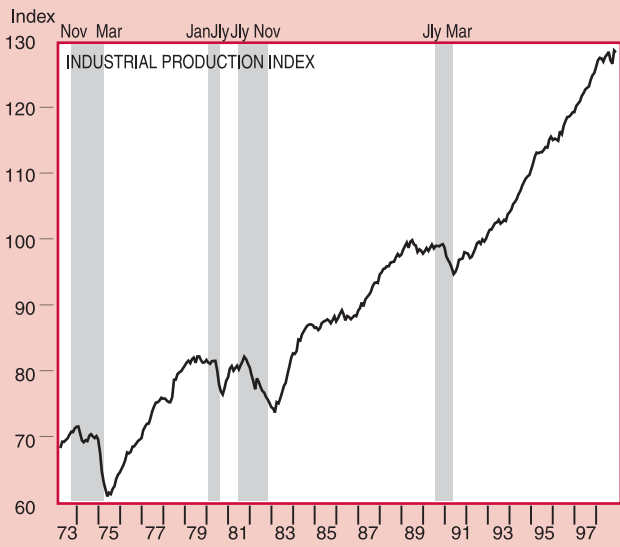
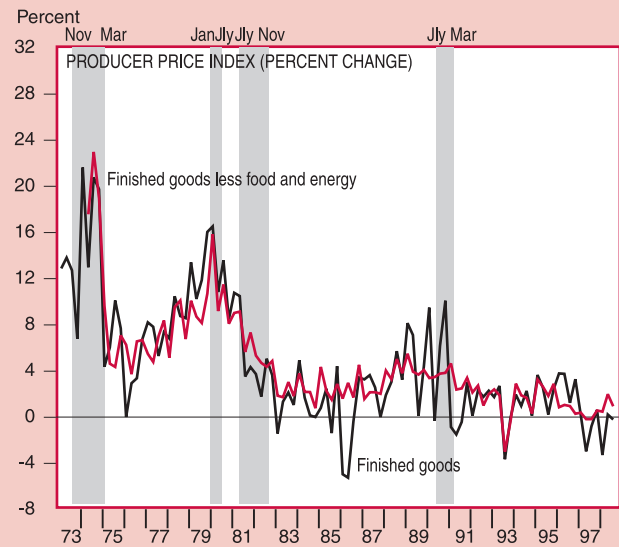
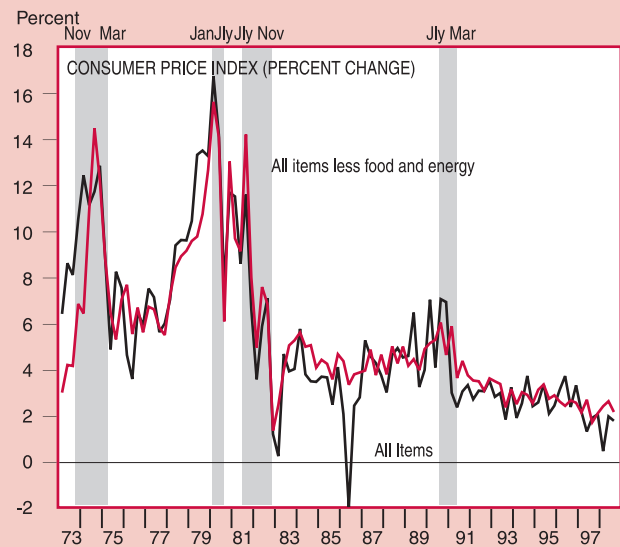
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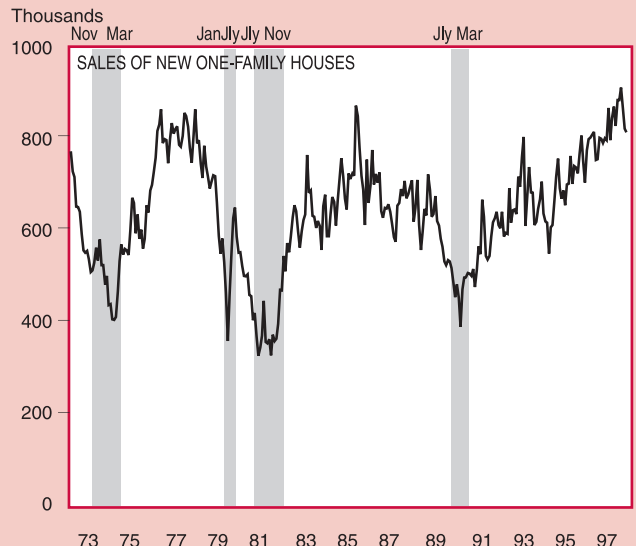
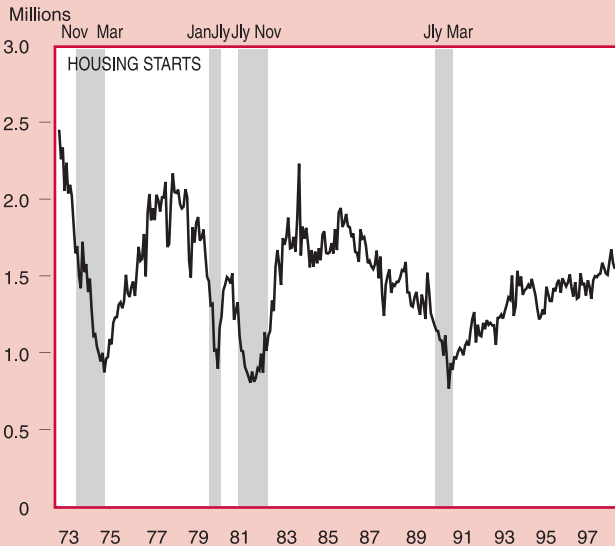
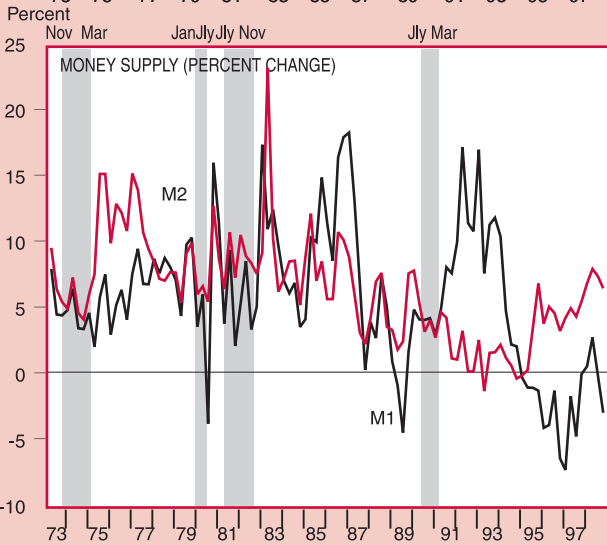
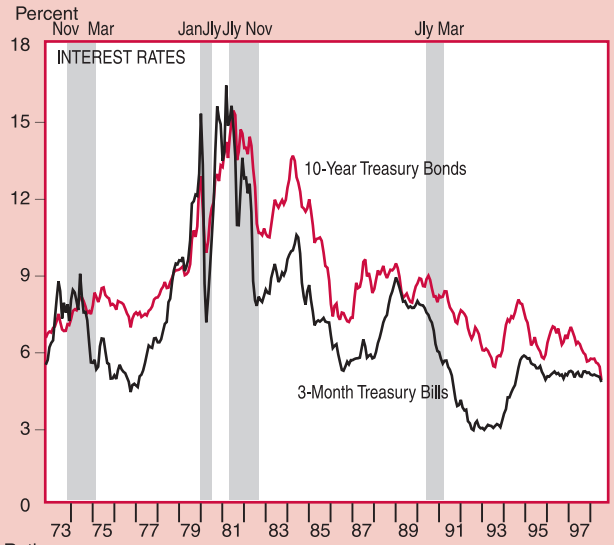
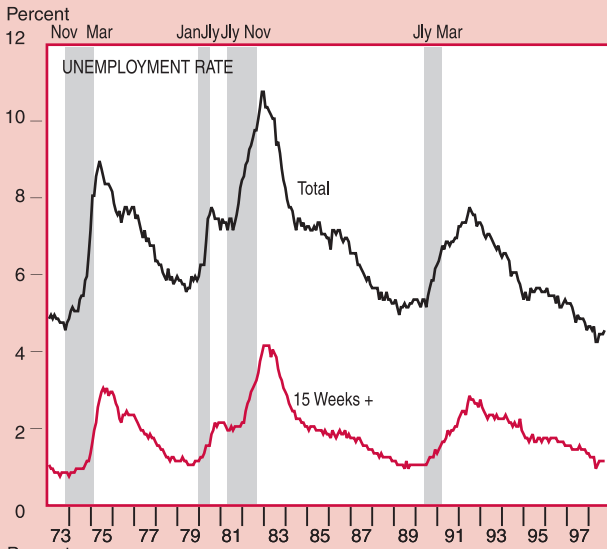
SELECTED NIPA SERIES



OTHER INDICATORS OF THE DOMESTIC ECONOMY



OTHER INDICATORS OF THE DOMESTIC ECONOMY



International Data

F. Transactions Tables

Table F.1 includes the most recent estimates of U.S. international trade in goods and services; the estimates were released on October 20, 1998 and include "preliminary" estimates for August 1998 and "revised" estimates for July. The sources for the other tables in this section are as noted.

Table F.1.—U.S. International Transactions in Goods and Services

[Millions of dollars; monthly estimates seasonally adjusted]

	1996	1997	1997						1998							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July ^r	Aug. ^p
Exports of goods and services	850,775	937,593	79,099	79,126	79,705	80,589	79,088	79,784	79,668	77,813	79,058	77,515	76,399	76,375	75,101	74,839
Goods	611,983	679,325	57,455	57,100	57,747	58,467	57,482	58,336	57,902	56,350	57,217	55,335	54,719	54,767	53,825	53,698
Foods, feeds, and beverages	55,534	51,507	3,907	4,164	4,275	4,503	4,533	4,476	4,238	4,220	3,995	3,758	3,664	3,794	3,716	3,571
Industrial supplies and materials	147,652	158,226	13,103	13,391	13,136	13,304	13,064	13,087	13,040	12,553	12,861	12,471	12,562	12,052	11,864	12,086
Capital goods, except automotive	252,895	294,470	25,692	24,898	25,409	25,614	24,883	25,755	25,459	24,807	24,881	23,790	23,799	24,369	24,843	23,913
Automotive vehicles, engines, and parts	65,021	74,029	6,307	6,216	6,180	6,448	6,576	6,138	6,497	6,350	6,578	6,468	5,983	5,601	4,732	5,550
Consumer goods (nonfood), except automotive	70,138	77,446	6,426	6,504	6,437	6,752	6,521	6,416	6,609	6,425	6,550	6,590	6,562	6,864	6,658	6,665
Other goods	33,836	33,505	3,061	2,973	3,049	2,896	2,575	2,978	2,695	2,802	3,233	2,913	2,905	2,985	2,977	3,225
Adjustments ¹	-13,092	-9,858	-1,041	-1,047	-739	-1,050	-670	-513	-636	-807	-882	-655	-756	-898	-965	-1,312
Services	238,792	258,268	21,644	22,026	21,958	22,122	21,606	21,448	21,766	21,463	21,841	22,180	21,680	21,608	21,276	21,141
Travel	69,751	73,268	5,927	6,078	6,320	6,162	6,083	5,959	6,253	5,994	5,720	6,404	5,965	5,866	5,550	5,546
Passenger fares	20,413	20,895	1,698	1,717	1,797	1,812	1,799	1,753	1,803	1,737	1,658	1,823	1,745	1,719	1,559	1,583
Other transportation	26,074	26,911	2,216	2,246	2,216	2,337	2,226	2,246	2,237	2,120	2,103	2,149	2,117	2,126	2,194	2,203
Royalties and license fees	32,823	33,676	2,860	2,865	2,855	2,812	2,793	2,776	2,863	2,893	2,919	2,943	2,960	2,969	2,975	2,984
Other private services	73,073	84,465	7,210	7,294	7,246	7,420	7,348	7,302	7,217	7,263	7,423	7,458	7,413	7,528	7,519	7,451
Transfers under U.S. military agency sales contracts ²	15,765	18,269	1,666	1,759	1,458	1,513	1,294	1,351	1,328	1,391	1,953	1,338	1,414	1,334	1,414	1,308
U.S. Government miscellaneous services	893	784	67	67	66	66	63	61	65	65	65	65	66	66	65	66
Imports of goods and services	959,349	1,047,799	87,697	88,401	88,940	89,240	88,688	89,989	89,565	89,427	92,555	91,663	92,176	90,014	89,648	91,614
Goods	803,320	877,279	73,318	74,009	74,271	74,738	74,087	75,298	74,977	74,470	77,720	76,670	77,297	75,297	74,854	76,900
Foods, feeds, and beverages	35,710	39,694	3,406	3,370	3,357	3,306	3,493	3,493	3,375	3,511	3,546	3,398	3,455	3,590	3,436	3,337
Industrial supplies and materials	204,482	213,767	17,480	18,137	17,990	18,191	18,088	17,198	17,277	16,829	16,733	17,294	17,448	16,610	16,629	16,863
Capital goods, except automotive	229,050	254,175	21,639	21,779	21,812	22,207	21,543	22,438	21,898	22,236	23,090	22,307	23,132	22,179	22,284	22,327
Automotive vehicles, engines, and parts	128,938	140,779	11,923	11,735	11,769	11,594	11,738	11,929	11,834	12,188	12,974	12,183	12,542	11,774	10,677	12,332
Consumer goods (nonfood), except automotive	171,007	192,918	16,171	16,222	16,566	16,472	16,778	17,269	17,200	16,871	18,213	18,274	17,893	18,174	18,267	18,042
Other goods	26,102	29,338	2,470	2,522	2,511	2,713	2,435	2,548	2,815	2,609	2,657	2,892	2,539	2,615	3,204	3,297
Adjustments ¹	8,031	6,609	228	245	266	255	242	423	578	226	508	322	288	355	358	702
Services	156,029	170,520	14,379	14,392	14,669	14,502	14,601	14,691	14,588	14,957	14,835	14,993	14,879	14,717	14,794	14,714
Travel	48,048	51,220	4,271	4,287	4,339	4,173	4,337	4,313	4,452	4,449	4,408	4,605	4,460	4,357	4,399	4,377
Passenger fares	15,818	18,235	1,561	1,556	1,587	1,482	1,541	1,534	1,545	1,563	1,542	1,613	1,564	1,532	1,550	1,525
Other transportation	27,403	28,949	2,368	2,354	2,480	2,499	2,369	2,530	2,355	2,346	2,550	2,417	2,492	2,480	2,471	2,500
Royalties and license fees	7,854	9,411	848	848	863	861	860	857	832	1,199	819	820	818	829	857	807
Other private services	43,138	48,421	4,129	4,121	4,160	4,230	4,250	4,202	4,123	4,114	4,234	4,279	4,295	4,272	4,269	4,255
Direct defense expenditures ²	11,081	11,488	960	981	997	1,020	1,011	1,024	1,047	1,051	1,047	1,023	1,015	1,012	1,012	1,015
U.S. Government miscellaneous services	2,687	2,796	242	245	243	237	233	231	234	235	235	236	235	235	236	235
Memoranda:																
Balance on goods	-191,337	-197,955	-15,864	-16,909	-16,524	-16,270	-16,605	-16,962	-17,076	-18,120	-20,504	-21,335	-22,578	-20,530	-21,029	-23,201
Balance on services	82,763	87,748	7,265	7,634	7,289	7,620	7,005	6,757	7,178	6,506	7,006	7,187	6,801	6,891	6,482	6,427
Balance on goods and services	-108,574	-110,207	-8,599	-9,275	-9,235	-8,650	-9,600	-10,205	-9,898	-11,614	-13,498	-14,148	-15,777	-13,639	-14,547	-16,774

^p Preliminary.

^r Revised.

1. Reflects adjustments necessary to bring the Census Bureau's component data in line with the concepts and

definitions used to prepare BEA's international and national accounts.

2. Contains goods that cannot be separately identified.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census.

Table F.2.—U.S. International Transactions

[Millions of dollars]

Line	(Credits +; debits -) ¹	1997	Not seasonally adjusted						Seasonally adjusted					
			1997				1998		1997				1998	
			I	II	III	IV	I ^r	II ^p	I	II	III	IV	I ^r	II ^p
1	Exports of goods, services, and income	1,179,380	281,972	296,689	298,106	302,613	296,986	294,171	283,765	295,287	300,481	299,843	299,061	292,591
2	Goods, adjusted, excluding military ²	679,325	162,695	172,420	166,214	177,996	170,589	168,175	163,499	169,240	172,302	174,284	171,469	164,666
3	Services ³	258,268	61,009	62,807	69,984	64,468	63,344	63,359	62,685	64,776	65,628	65,175	65,070	65,467
4	Transfers under U.S. military agency sales contracts ⁴	18,269	4,338	4,890	4,883	4,158	4,672	4,086	4,338	4,890	4,883	4,158	4,672	4,086
5	Travel	73,268	16,072	18,157	21,890	17,149	15,817	17,825	18,197	18,542	18,325	18,204	17,967	18,235
6	Passenger fares	20,895	4,808	5,027	5,988	5,072	4,877	5,114	5,130	5,189	5,212	5,364	5,198	5,287
7	Other transportation	26,911	6,574	6,719	6,721	6,897	6,290	6,379	6,698	6,724	6,678	6,809	6,460	6,392
8	Royalties and license fees ⁵	33,676	8,086	8,158	8,483	8,949	8,443	8,572	8,306	8,407	8,580	8,381	8,675	8,872
9	Other private services ⁵	84,465	20,928	19,665	21,819	22,053	23,050	21,186	19,813	20,833	21,750	22,069	21,903	22,398
10	U.S. Government miscellaneous services	784	203	191	200	190	195	197	203	191	200	190	195	197
11	Income receipts on U.S. assets abroad	241,787	58,268	61,462	61,908	60,149	63,053	62,637	57,581	61,271	62,551	60,384	62,522	62,458
12	Direct investment receipts	109,407	27,293	28,671	28,157	25,286	26,828	26,881	26,716	28,286	28,935	25,470	26,391	26,525
13	Other private receipts	128,845	30,018	32,041	32,717	34,069	35,302	35,001	30,018	32,041	32,717	34,069	35,302	35,001
14	U.S. Government receipts	3,535	957	750	1,034	794	923	755	847	944	899	845	829	932
15	Imports of goods, services, and income	-1,294,904	-300,949	-321,456	-336,982	-335,517	-324,587	-339,535	-311,881	-321,342	-329,130	-332,549	-336,316	-339,782
16	Goods, adjusted, excluding military ²	-877,279	-205,351	-217,227	-225,472	-229,229	-218,744	-228,038	-213,222	-218,336	-221,598	-224,123	-227,167	-229,497
17	Services ³	-170,520	-38,372	-43,026	-46,952	-42,170	-41,417	-45,410	-41,092	-42,195	-43,437	-43,795	-44,379	-44,589
18	Direct defense expenditures	-11,488	-2,796	-2,699	-2,938	-3,055	-3,145	-3,050	-2,796	-2,699	-2,938	-3,055	-3,145	-3,050
19	Travel	-51,220	-10,868	-13,601	-15,667	-11,084	-11,290	-14,271	-12,736	-12,764	-12,897	-12,823	-13,309	-13,422
20	Passenger fares	-18,235	-3,953	-4,975	-5,304	-4,003	-4,260	-5,027	-4,311	-4,663	-4,704	-4,557	-4,650	-4,709
21	Other transportation	-28,949	-6,894	-7,288	-7,330	-7,437	-7,066	-7,351	-7,034	-7,317	-7,200	-7,397	-7,250	-7,389
22	Royalties and license fees ⁵	-9,411	-2,086	-2,045	-2,573	-2,707	-2,835	-2,330	-2,106	-2,168	-2,559	-2,578	-2,850	-2,467
23	Other private services ⁵	-48,421	-11,089	-11,739	-12,410	-13,183	-12,117	-12,675	-11,423	-11,905	-12,409	-12,684	-12,471	-12,846
24	U.S. Government miscellaneous services	-2,796	-686	-679	-730	-701	-704	-706	-686	-679	-730	-701	-704	-706
25	Income payments on foreign assets in the United States	-247,105	-57,226	-61,203	-64,558	-64,118	-64,426	-66,087	-57,567	-60,811	-64,095	-64,631	-64,770	-65,696
26	Direct investment payments	-45,674	-10,323	-11,279	-13,011	-11,061	-10,458	-11,661	-10,664	-10,887	-12,548	-11,574	-10,802	-11,270
27	Other private payments	-113,959	-26,705	-28,023	-28,849	-30,382	-31,285	-31,466	-26,705	-28,023	-28,849	-30,382	-31,285	-31,466
28	U.S. Government payments	-87,472	-20,198	-21,901	-22,698	-22,675	-22,683	-22,960	-20,198	-21,901	-22,698	-22,675	-22,683	-22,960
29	Unilateral transfers, net	-39,691	-9,151	-8,626	-9,346	-12,568	-9,617	-8,911	-8,874	-9,035	-9,445	-12,337	-9,480	-9,334
30	U.S. Government grants ⁴	-12,090	-2,241	-2,274	-2,362	-5,213	-2,266	-2,060	-2,241	-2,274	-2,362	-5,213	-2,266	-2,060
31	U.S. Government pensions and other transfers	-4,193	-1,067	-836	-931	-1,359	-1,019	-902	-1,013	-1,055	-1,056	-1,069	-1,126	-1,130
32	Private remittances and other transfers ⁶	-23,408	-5,843	-5,516	-6,053	-5,996	-6,332	-5,949	-5,620	-5,706	-6,027	-6,055	-6,088	-6,144
33	U.S. assets abroad, net (increase/capital outflow (-))	-478,502	-147,756	-88,005	-124,276	-118,465	-48,591	-98,696	-145,139	-86,606	-123,317	-123,441	-45,648	-97,490
34	U.S. official reserve assets, net ⁷	-1,010	4,480	-236	-730	-4,524	-444	-1,945	4,480	-236	-730	-4,524	-444	-1,945
35	Gold	-350	72	-133	-139	-150	-182	-72	72	-133	-139	-150	-182	-72
36	Special drawing rights	-3,575	1,055	54	-463	-4,221	-85	-1,031	1,055	54	-463	-4,221	-85	-1,031
37	Reserve position in the International Monetary Fund	2,915	3,353	-157	-128	-153	-177	-986	3,353	-157	-128	-153	-177	-986
38	Foreign currencies	174	-22	-269	436	29	-388	-496	-22	-269	436	29	-388	-496
39	U.S. Government assets, other than official reserve assets, net	-5,302	-1,168	-1,616	-1,421	-1,097	-1,189	-1,159	-1,168	-1,616	-1,421	-1,097	-1,189	-1,159
40	U.S. credits and other long-term assets	5,504	1,171	1,358	1,878	1,097	1,177	721	1,171	1,358	1,878	1,097	1,177	721
41	Repayments on U.S. credits and other long-term assets ⁸	-28	-25	-11	-21	29	-376	-58	-25	-11	-21	29	-376	-58
42	U.S. foreign currency holdings and U.S. short-term assets, net	-477,666	-152,214	-87,500	-123,982	-113,970	-47,759	-96,255	-149,597	-86,101	-123,023	-118,946	-44,816	-95,049
43	Direct investment	-121,843	-35,115	-27,787	-28,447	-30,494	-37,264	-41,467	-32,498	-26,388	-27,488	-35,470	-34,321	-40,261
44	Foreign securities	-87,981	-15,521	-23,263	-41,167	-8,030	-6,973	-23,446	-15,521	-23,263	-41,167	-8,030	-6,973	-23,446
45	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-120,403	-37,880	-9,825	-24,791	-47,907	-6,596	-36,363	-37,880	-9,825	-24,791	-47,907	-6,596	-36,363
46	U.S. claims reported by U.S. banks, not included elsewhere	-147,439	-63,698	-26,625	-29,577	-27,539	3,074	-24,979	-63,698	-26,625	-29,577	-27,539	3,074	-24,979
47	Foreign assets in the United States, net (increase/capital inflow (+))	733,441	181,302	150,160	182,507	219,472	95,172	163,943	181,735	149,773	181,438	220,491	95,529	163,425
48	Foreign official assets in the United States, net	15,817	26,949	-5,411	21,258	-26,979	11,324	-10,483	26,949	-5,411	21,258	-26,979	11,324	-10,483
49	U.S. Government securities	-2,936	23,065	-10,862	9,353	-24,492	13,946	-20,063	23,065	-10,862	9,353	-24,492	13,946	-20,063
50	U.S. Treasury securities ⁹	-7,270	22,311	-11,689	6,686	-24,578	11,336	-20,317	22,311	-11,689	6,686	-24,578	11,336	-20,317
51	Other ¹⁰	4,334	754	827	2,667	86	2,510	254	754	827	2,667	86	2,510	254
52	Other U.S. Government liabilities ¹¹	-2,521	-587	-523	-1,167	-244	-1,059	-422	-587	-523	-1,167	-244	-1,059	-422
53	U.S. liabilities reported by U.S. banks, not included elsewhere	21,928	7,696	5,043	12,439	-3,250	-607	9,170	7,696	5,043	12,439	-3,250	-607	9,170
54	Other foreign official assets ¹²	-654	-3,225	931	633	1,007	-956	832	-3,225	931	633	1,007	-956	832
55	Other foreign assets in the United States, net	717,624	154,353	155,571	161,249	246,541	83,848	174,426	154,786	155,184	160,180	247,470	84,205	173,908
56	Direct investment	93,449	25,446	20,536	20,033	27,434	25,574	22,554	25,879	20,149	18,964	28,453	25,931	22,036
57	U.S. Treasury securities	146,710	33,363	42,614	35,432	35,301	-1,701	25,715	33,363	42,614	35,432	35,301	-1,701	25,715
58	U.S. currency	24,782	3,484	4,822	6,576	9,900	746	2,349	3,484	4,822	6,576	9,900	746	2,349
59	U.S. securities other than U.S. Treasury securities	196,845	45,477	54,258	60,327	36,783	77,019	69,531	45,477	54,258	60,327	36,783	77,019	69,531
60	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	107,779	28,840	5,274	26,275	47,390	32,707	13,389	28,840	5,274	26,275	47,390	32,707	13,389
61	U.S. liabilities reported by U.S. banks, not included elsewhere	148,059	17,743	28,067	12,606	89,643	-50,497	40,888	17,743	28,067	12,606	89,643	-50,497	40,888
62	Allocations of special drawing rights													
63	Statistical discrepancy (sum of above items with sign reversed)	-99,724	-5,418	-28,762	-10,009	-55,535	-9,363	-10,972	394	-28,077	-20,027	-52,007	-3,146	-9,410
64	<i>Of which seasonal adjustment discrepancy</i>								5,812	685	-10,018	3,528	6,217	1,562
65	Memoranda:													
66	Balance on goods (lines 2 and 16)	-197,954	-42,656	-44,807	-59,258	-51,233	-48,155	-59,863	-49,723	-49,096	-49,296	-49,839	-55,698	-64,831
67	Balance on services (lines 3 and 17)	87,748	22,637	19,781	23,032	22,298	21,927	17,949	21,593	22,581	22,191	21,380		

Table F.3.—U.S. International Transactions, by Area
[Millions of dollars]

Line	(Credits +; debits -) ¹	Western Europe			European Union ¹⁴			United Kingdom			European Union (6) ¹⁵		
		1997		1998	1997		1998	1997		1998	1997		1998
		IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p
1	Exports of goods, services, and income	88,202	91,028	90,255	79,996	83,138	81,787	25,152	26,341	26,509	42,105	43,343	42,428
2	Goods, adjusted, excluding military ²	39,160	41,590	39,606	36,283	38,711	36,491	8,888	10,070	9,848	21,714	22,473	21,125
3	Services ³	22,695	21,582	22,763	20,251	19,257	20,386	6,508	6,129	6,756	9,940	9,325	9,629
4	Transfers under U.S. military agency sales contracts ⁴	1,108	1,066	1,099	699	696	675	88	89	91	165	165	165
5	Travel	5,491	4,883	5,655	5,051	4,502	5,159	1,858	1,655	2,091	2,298	1,999	2,157
6	Passenger fares	1,616	1,541	1,796	1,555	1,489	1,742	532	585	682	814	713	830
7	Other transportation	1,966	1,873	1,914	1,652	1,619	1,637	431	405	418	785	784	790
8	Royalties and license fees ⁵	4,388	4,252	4,345	4,134	4,002	4,108	933	809	855	2,455	2,315	2,345
9	Other private services ⁵	8,086	7,927	7,914	7,125	6,935	7,009	2,653	2,573	2,606	3,406	3,337	3,325
10	U.S. Government miscellaneous services	40	40	40	35	35	35	13	13	13	17	17	17
11	Income receipts on U.S. assets abroad	26,347	27,856	27,886	23,462	25,170	24,910	9,756	10,142	9,905	10,451	11,545	11,674
12	Direct investment receipts	11,945	12,970	13,685	10,141	11,385	11,851	3,033	3,234	3,144	5,677	6,669	7,171
13	Other private receipts	14,209	14,606	14,022	13,151	13,549	12,900	6,697	6,908	6,761	4,645	4,731	4,360
14	U.S. Government receipts	193	280	179	170	236	159	26			129	145	143
15	Imports of goods, services, and income	-94,544	-93,117	-99,807	-85,848	-84,530	-90,573	-31,562	-30,897	-32,098	-42,798	-42,504	-45,571
16	Goods, adjusted, excluding military ²	-46,610	-44,938	-48,201	-42,304	-40,618	-43,997	-8,838	-8,111	-8,667	-26,430	-25,671	-27,714
17	Services ³	-16,047	-15,721	-18,894	-14,113	-14,067	-16,579	-5,412	-5,348	-6,002	-6,760	-6,850	-8,190
18	Direct defense expenditures	-1,731	-1,734	-1,670	-1,355	-1,436	-1,320	-135	-131	-130	-1,106	-1,218	-1,100
19	Travel	-3,199	-3,267	-5,282	-2,912	-3,002	-4,584	-1,055	-1,006	-1,391	-1,444	-1,496	-2,368
20	Passenger fares	-1,721	-1,904	-2,645	-1,568	-1,728	-2,402	-602	-736	-960	-673	-689	-1,026
21	Other transportation	-2,620	-2,517	-2,680	-2,121	-2,090	-2,187	-575	-564	-573	-1,089	-1,063	-1,103
22	Royalties and license fees ⁵	-1,661	-1,572	-1,561	-1,397	-1,364	-1,329	-514	-541	-481	-660	-690	-686
23	Other private services ⁵	-4,821	-4,433	-4,760	-4,508	-4,195	-4,503	-2,507	-2,346	-2,441	-1,601	-1,507	-1,720
24	U.S. Government miscellaneous services	-294	-294	-296	-252	-252	-254	-24	-24	-26	-187	-187	-187
25	Income payments on foreign assets in the United States	-31,887	-32,458	-32,712	-29,431	-29,845	-29,997	-17,312	-17,438	-17,429	-9,608	-9,983	-9,667
26	Direct investment payments	-7,394	-7,606	-7,369	-6,836	-6,868	-6,617	-2,786	-2,322	-2,239	-3,489	-3,979	-3,402
27	Other private payments	-14,990	-15,120	-15,451	-13,813	-13,938	-14,261	-9,585	-9,882	-10,036	-3,501	-3,405	-3,537
28	U.S. Government payments	-9,503	-9,732	-9,892	-8,782	-9,039	-9,119	-4,941	-5,234	-5,154	-2,618	-2,599	-2,728
29	Unilateral transfers, net	-83	-41	-84	133	171	226	279	346	373	59	30	60
30	U.S. Government grants ⁴	-58	-70	-196	-1		-4						
31	U.S. Government pensions and other transfers	-387	-333	-328	-299	-289	-293	-49	-50	-48	-172	-159	-166
32	Private remittances and other transfers ⁶	362	362	440	433	460	523	328	396	421	231	189	226
33	U.S. assets abroad, net (increase/capital outflow (-))	-43,492	-42,410	-56,773	-42,199	-38,517	-52,270	-40,838	-7,058	-42,288	-597	-14,637	-4,574
34	U.S. official reserve assets, net ⁷	-134	-151	-148	-1,351	-420	-135				-1,351	-420	-135
35	Gold												
36	Special drawing rights												
37	Reserve position in the International Monetary Fund												
38	Foreign currencies	-134	-151	-148	-1,351	-420	-135				-1,351	-420	-135
39	U.S. Government assets, other than official reserve assets, net	205	187	-142	119	136	-18	134			-2	9	-16
40	U.S. credits and other long-term assets	-63	-93	-59	-45	-77	-38						
41	Repayments on U.S. credits and other long-term assets ⁸	259	273	130	160	204	37	127					
42	U.S. foreign currency holdings and U.S. short-term assets, net	9	7	-83	4	9	-17	7			-2	9	-16
43	U.S. private assets, net	-43,563	-42,446	-56,613	-40,967	-38,233	-52,117	-40,972	-7,058	-42,288	756	-14,226	-4,423
44	Direct investment	-17,346	-22,106	-26,632	-16,742	-20,009	-24,383	-9,667	-9,247	-14,352	-5,593	-7,151	-8,532
45	Foreign securities	-7,475	-1,060	-9,975	-7,656	-948	-12,096	-7,597	-569	-6,935	1,171	296	-658
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-22,553	-5,201		-21,132	-4,128		-16,246	-3,670		-3,828	4,272	
47	U.S. claims reported by U.S. banks, not included elsewhere	3,811	-14,079	-20,006	4,563	-13,148	-15,638	-7,462	6,428	-21,001	9,006	-11,643	4,767
48	Foreign assets in the United States, net (increase/capital inflow (+))	146,863	78,157	94,169	128,072	75,869	84,710	71,247	61,970	43,593	47,541	10,785	35,779
49	Foreign official assets in the United States, net	-5,517	-3,511	5,378	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities ⁹	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other ¹⁰	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities ¹¹	106	-97	25	155	10	168	45	13	46	94	37	139
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets ¹²	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	152,380	81,668	88,791	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	18,819	20,441	14,818	14,513	16,661	13,341	734	8,302	6,160	10,015	6,404	5,938
58	U.S. Treasury securities	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency												
60	U.S. securities other than U.S. Treasury securities	26,768	51,675	55,397	21,649	47,178	48,767	11,599	30,946	30,198	7,930	13,261	16,103
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	34,465	23,367		28,359	28,307	18,243	9,167	25,486		18,303	1,718	
62	U.S. liabilities reported by U.S. banks, not included elsewhere	(17)	(17)	(17)	18,639	18,287	22,434	18,497	18,277	18,719	18,119	18,635	18,599
63	Allocations of special drawing rights												
64	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-96,946	-33,617	-27,760	-80,154	-36,131	-23,880	-24,278	-50,702	3,911	-46,310	2,983	-28,122
65	Memoranda:												
66	Balance on goods (lines 2 and 16)	-7,450	-3,348	-8,595	-6,021	-1,907	-7,506	50	1,959	1,181	-4,716	-3,198	-6,589
67	Balance on services (lines 3 and 17)	6,648	5,861	3,869	6,138	5,190	3,807	1,096	781	754	3,180	2,475	1,439
68	Balance on goods and services (lines 65 and 66)	-802	2,513	-4,726	117	3,283	-3,699	1,146	2,740	1,935	-1,536	-723	-6,150
69	Balance on investment income (lines 11 and 25)	-5,540	-4,602	-4,826	-5,969	-4,675	-5,087	-7,556	-7,296	-7,524	843	1,562	2,007
70	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) ¹³	-6,342	-2,089	-9,552	-5,852	-1,392	-8,786	-6,410	-4,556	-5,589	-693	839	-3,143
71	Unilateral transfers, net (line 29)	-83	-41	-84	133	171	226	279	346	373	59	30	60
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) ¹³	-6,425	-2,130	-9,636	-5,719	-1,221	-8,560	-6,131	-4,210	-5,216	-634	869	-3,083

¹ Preliminary.
² Revised.
1. Credits, +; Exports of goods, services, and income; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); decrease in U.S. official reserve assets; increase in foreign official assets in the United States.
Debits, -: Imports of goods, services, and income; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets); increase in U.S. official reserve assets; decrease in foreign official assets in the United States.
2. Excludes exports of goods under U.S. military agency sales contracts identified in Census export documents, excludes imports of goods under direct defense expenditures identified in Census import documents, and reflects various other adjustments (for valuation, coverage, and timing) of Census statistics to balance of payments basis; see table 2 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 SURVEY.

3. Includes some goods: Mainly military equipment in line 4; major equipment, other materials, supplies, and petroleum products purchased abroad by U.S. military agencies in line 18; and fuels purchased by airline and steamship operators in lines 7 and 21.
4. Includes transfers of goods and services under U.S. military grant programs.
5. Beginning in 1982, these lines are presented on a gross basis. The definition of exports is revised to exclude U.S. parents' payments to foreign affiliates and to include U.S. affiliates' receipts from foreign parents. The definition of imports is revised to include U.S. parents' payments to foreign affiliates and to exclude U.S. affiliates' receipts from foreign parents.
6. Beginning in 1982, the "other transfers" component includes taxes paid by U.S. private residents to foreign governments and taxes paid by private nonresidents to the U.S. Government.
7. For all areas, amounts outstanding June 30, 1998, are as follows in millions of dollars: Line 34, 71,162; line 35, 11,047; line 36, 10,001; line 37, 18,946; line 38, 31,169. Data are preliminary.

Table F.3.—U.S. International Transactions, by Area—Continued

[Millions of dollars]

Line	(Credits +; debits -) ¹	Eastern Europe			Canada			Latin America and Other Western Hemisphere			Japan		
		1997		1998	1997		1998	1997		1998	1997		1998
		IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p
1	Exports of goods, services, and income	3,344	3,448	3,609	49,326	49,825	50,583	63,967	61,402	62,209	26,059	25,947	24,294
2	Goods, adjusted, excluding military ²	2,090	2,008	2,308	39,643	39,575	40,679	37,500	35,281	35,691	15,859	14,782	14,084
3	Services ³	969	950	971	4,840	5,258	5,070	11,415	10,583	10,564	8,266	8,456	8,019
4	Transfers under U.S. military agency sales contracts ⁴	112	89	67	24	23	24	156	158	174	112	638	109
5	Travel	282	254	379	1,282	1,823	1,780	4,779	4,309	4,223	2,467	2,085	2,580
6	Passenger fares	36	39	45	345	444	354	1,262	1,200	1,312	1,233	1,159	1,083
7	Other transportation	112	79	73	605	580	588	1,022	836	829	790	717	760
8	Royalties and license fees ⁵	61	61	65	390	343	365	584	535	570	1,766	1,614	1,540
9	Other private services ⁵	356	418	332	2,190	2,041	1,955	3,574	3,507	3,418	1,887	2,232	1,936
10	U.S. Government miscellaneous services	10	10	10	4	4	4	38	38	38	11	11	11
11	Income receipts on U.S. assets abroad	285	490	330	4,843	4,992	4,834	15,052	15,538	15,954	1,934	2,709	2,191
12	Direct investment receipts	53	231	107	2,417	2,493	2,329	4,628	4,651	4,532	344	740	581
13	Other private receipts	199	173	180	2,426	2,499	2,505	10,317	10,818	11,326	1,566	1,940	1,600
14	U.S. Government receipts	33	86	43				107	69	96	24	29	10
15	Imports of goods, services, and income	-3,138	-3,273	-3,933	-49,298	-48,896	-51,227	-57,019	-55,814	-58,185	-45,014	-42,280	-42,290
16	Goods, adjusted, excluding military ²	-2,247	-2,418	-2,848	-44,210	-43,891	-44,922	-36,480	-34,847	-36,767	-31,428	-30,353	-30,000
17	Services ³	-487	-493	-669	-3,375	-3,127	-4,135	-8,525	-8,357	-8,440	-4,252	-3,764	-3,699
18	Direct defense expenditures	-84	-41	-50	-12	-12	-15	-93	-93	-82	-295	-362	-350
19	Travel	-106	-137	-262	-833	-772	-1,593	-3,777	-3,802	-3,815	-707	-625	-713
20	Passenger fares	-63	-51	-99	-109	-99	-143	-648	-772	-631	-198	-181	-207
21	Other transportation	-44	-67	-60	-800	-726	-750	-599	-571	-603	-1,097	-990	-1,012
22	Royalties and license fees ⁵	-4	-5	-4	-91	-105	-94	-50	-51	-49	-666	-502	-397
23	Other private services ⁵	-171	-177	-179	-1,494	-1,377	-1,504	-3,247	-2,957	-3,149	-1,255	-1,070	-986
24	U.S. Government miscellaneous services	-15	-15	-15	-36	-36	-36	-111	-111	-111	-34	-34	-34
25	Income payments on foreign assets in the United States	-404	-362	-416	-1,713	-1,878	-2,170	-12,014	-12,610	-12,978	-9,334	-8,163	-8,591
26	Direct investment payments	-3	-1	-2	-467	-618	-954	-474	-684	-694	-1,702	-639	-1,633
27	Other private payments	-142	-120	-129	-1,006	-997	-993	-8,720	-9,080	-9,349	-2,158	-2,354	-1,985
28	U.S. Government payments	-259	-241	-285	-240	-263	-223	-2,820	-2,846	-2,935	-5,474	-5,170	-4,973
29	Unilateral transfers, net	-641	-671	-810	-84	-132	-111	-2,932	-2,953	-2,903	-19	-75	-21
30	U.S. Government grants ⁴	-292	-296	-454				-357	-315	-243			
31	U.S. Government pensions and other transfers	-10	-10	-9	-102	-120	-125	-174	-160	-149	-23	-24	-22
32	Private remittances and other transfers ⁶	-339	-365	-347	18	-12	14	-2,401	-2,478	-2,511	4	-51	1
33	U.S. assets abroad, net (increase/capital outflow (-))	2,202	-165	-1,450	-6,103	-4,664	-5,593	-65,653	-16,386	-48,422	3,375	14,884	21,344
34	U.S. official reserve assets, net ⁷										-19	-26	-838
35	Gold												
36	Special drawing rights												
37	Reserve position in the International Monetary Fund												
38	Foreign currencies										-19	-26	-838
39	U.S. Government assets, other than official reserve assets, net	-7	-27	35	12	1		94	102	178	2	10	
40	U.S. credits and other long-term assets	-56	-174	-10				-250	-245	-132			
41	Repayments on U.S. credits and other long-term assets ⁸	47	147	10				354	347	311			
42	U.S. foreign currency holdings and U.S. short-term assets, net	2		35	12	1		-10	(*)	-1	2	10	
43	U.S. private assets, net	2,209	-138	-1,485	-6,115	-4,665	-5,593	-65,747	-16,488	-48,600	3,392	14,900	22,182
44	Direct investment	382	-703	-511	-1,910	-3,440	-2,268	-6,770	-5,300	-2,670	458	-494	-1,822
45	Foreign securities	-107	4	-428	857	46		-816	-1,927	-10,446	5,964	-3,972	4,059
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-114	136		-2,237	-662		-21,400	1,247	-9,700	-746	-1,572	
47	U.S. claims reported by U.S. banks, not included elsewhere	2,048	425	-546	-2,825	-609	-2,509	-34,377	-14,362	-25,784	-2,284	20,938	19,945
48	Foreign assets in the United States, net (increase/capital inflow (+))	-7,451	-1,303	-1,398	-114	458	4,535	49,519	10,925	76,296	16,769	-20,119	-17,877
49	Foreign official assets in the United States, net	(18)	(18)	(18)	-2,476	1,531	-879	(18)	(18)	(18)	(18)	(18)	(18)
50	U.S. Government securities	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
51	U.S. Treasury securities ⁹	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
52	Other ¹⁰	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
53	Other U.S. Government liabilities ¹¹	-25	72	-44	8		5	-54	-64	-69	-136	-625	489
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
55	Other foreign official assets ¹²	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
56	Other foreign assets in the United States, net	(18)	(18)	(18)	2,362	-1,073	5,414	(18)	(18)	(18)	(18)	(18)	(18)
57	Direct investment	35	32	7	2,029	791	2,278	1,951	571	1,911	2,537	3,569	2,000
58	U.S. Treasury securities	(18)	(18)	(18)	(17)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency												
60	U.S. securities other than U.S. Treasury securities	41	64	199	913	1,703	-537	8,805	22,842	10,299	18	-2,583	3,637
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-63	38		583	-33		11,665	9,729	5,200	1,912	-1,855	
62	U.S. liabilities reported by U.S. banks, not included elsewhere	18 -7,439	18 -1,509	18 -1,560	(17)	(17)	(17)	18 27,152	18 -22,153	18 58,955	18 12,438	18 -18,625	18 -24,003
63	Allocations of special drawing rights												
64	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	5,684	1,964	3,982	6,273	3,409	1,813	12,118	2,826	-28,995	-1,170	21,643	14,550
65	Memoranda:												
65	Balance on goods (lines 2 and 16)	-157	-410	-540	-4,567	-4,316	-4,243	1,020	434	-1,076	-15,569	-15,571	-15,916
66	Balance on services (lines 3 and 17)	482	457	302	1,465	2,131	935	2,890	2,226	2,124	4,014	4,692	4,320
67	Balance on goods and services (lines 65 and 66)	325	47	-238	-3,102	-2,185	-3,308	3,910	2,660	1,048	-11,555	-10,879	-11,596
68	Balance on investment income (lines 11 and 25)	-119	128	-86	3,130	3,114	2,664	3,038	2,928	2,976	-7,400	-5,454	-6,400
69	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) ¹³	206	175	-324	28	929	-644	6,948	5,588	4,024	-18,955	-16,333	-17,996
70	Unilateral transfers, net (line 29)	-641	-671	-810	-84	-132	-111	-2,932	-2,953	-2,903	-19	-75	-21
71	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) ¹³	-435	-496	-1,134	-56	797	-755	4,016	2,635	1,121	-18,974	-16,408	-18,017

8. Includes sales of foreign obligations to foreigners.

9. Consists of bills, certificates, marketable bonds and notes, and nonmarketable convertible and nonconvertible bonds and notes.

10. Consists of U.S. Treasury and Export-Import Bank obligations, not included elsewhere, and of debt securities of U.S. Government corporations and agencies.

11. Includes, primarily, U.S. Government liabilities associated with military agency sales contracts and other transactions arranged with or through foreign official agencies; see table 4 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 SURVEY.

12. Consists of investments in U.S. corporate stocks and in debt securities of private corporations and State and local governments.

13. Conceptually, the sum of lines 71 and 63 is equal to "net foreign investment" in the national income and product accounts (NIPA's). However, the foreign transactions account in the NIPA's (a) includes adjustments to the international transactions accounts for the treatment of gold, (b) includes adjustments for the different geographical treatment of transactions with U.S. territories and Puerto Rico, and (c) includes services furnished without payment by financial pension plans except life insurance carriers and private noninsured pension plans. A reconciliation of the balance on goods and services from the international accounts and the NIPA net exports appears in the "Reconciliation and Other Special Tables" section in this issue of the SURVEY OF CURRENT BUSINESS. A reconciliation of the other foreign transactions in the two sets of accounts appears in table 4.5 of the full set of NIPA tables (published annually in the August issue of the SURVEY).

Table F.3.—U.S. International Transactions, by Area—Continued

[Millions of dollars]

Line	(Credits +; debits -) ¹	Australia			Other countries in Asia and Africa			International organizations and unallocated ¹⁵		
		1997	1998		1997	1998		1997	1998	
		IV	I ^r	II ^p	IV	I ^r	II ^p	IV	I ^r	II ^p
1	Exports of goods, services, and income	5,734	5,698	5,550	60,062	53,789	51,664	5,919	5,849	6,007
2	Goods, adjusted, excluding military ²	2,899	3,109	2,863	40,845	34,244	32,944			
3	Services ³	1,523	1,306	1,367	13,304	13,706	13,119	1,456	1,503	1,486
4	Transfers under U.S. military agency sales contracts ⁴	221	212	219	2,425	2,486	2,394			
5	Travel	443	337	361	2,405	2,126	2,847			
6	Passenger fares	161	117	123	419	377	401			
7	Other transportation	87	76	78	2,191	1,999	1,990	124	130	147
8	Royalties and license fees ⁵	182	158	174	1,119	1,046	1,071	459	434	442
9	Other private services ⁵	425	402	406	4,662	5,584	4,328	873	939	897
10	U.S. Government miscellaneous services	4	4	6	83	88	88			
11	Income receipts on U.S. assets abroad	1,312	1,283	1,320	5,913	5,839	5,601	4,463	4,346	4,521
12	Direct investment receipts	604	508	556	2,840	2,916	2,627	2,455	2,319	2,464
13	Other private receipts	708	775	764	2,786	2,646	2,742	1,858	1,845	1,862
14	U.S. Government receipts			287	277	232	232	150	182	195
15	Imports of goods, services, and income	-2,455	-2,441	-2,434	-81,694	-76,018	-79,195	-2,355	-2,748	-2,464
16	Goods, adjusted, excluding military ²	-1,261	-1,262	-1,430	-66,993	-61,035	-63,870			
17	Services ³	-719	-722	-573	-8,096	-8,179	-8,347	-669	-1,054	-653
18	Direct defense expenditures	-12	-11	-12	-828	-892	-871			
19	Travel	-251	-260	-158	-2,211	-2,427	-2,448			
20	Passenger fares	-148	-150	-112	-1,116	-1,103	-1,190			
21	Other transportation	-63	-67	-42	-1,942	-1,796	-1,842	-272	-332	-362
22	Royalties and license fees ⁵	-9	-17	-11	-42	-38	-41	-184	-545	-173
23	Other private services ⁵	-224	-205	-226	-1,758	-1,721	-1,753	-213	-177	-118
24	U.S. Government miscellaneous services	-12	-12	-12	-199	-202	-202			
25	Income payments on foreign assets in the United States	-475	-457	-431	-6,605	-6,804	-6,978	-1,686	-1,694	-1,811
26	Direct investment payments	-215	-190	-194	121	182	148	-927	-902	-963
27	Other private payments	-148	-172	-161	-2,460	-2,653	-2,563	-758	-789	-835
28	U.S. Government payments	-112	-95	-76	-4,266	-4,333	-4,563	-1	-3	-13
29	Unilateral transfers, net	-24	-40	-32	-6,173	-3,433	-2,772	-2,612	-2,272	-2,178
30	U.S. Government grants ⁴				-4,369	-1,338	-928	-137	-247	-239
31	U.S. Government pensions and other transfers	-9	-9	-9	-122	-122	-122	-532	-241	-138
32	Private remittances and other transfers ⁶	-15	-31	-23	-1,682	-1,973	-1,722	-1,943	-1,784	-1,801
33	U.S. assets abroad, net (increase/capital outflow (-))	-1,966	-1,431	-6,206	-375	4,618	-1,463	-6,453	-3,037	-133
34	U.S. official reserve assets, net ⁷							-4,371	-267	-959
35	Gold									
36	Special drawing rights							-150	-182	72
37	Reserve position in the International Monetary Fund							-4,221	-85	-1,031
38	Foreign currencies									
39	U.S. Government assets, other than official reserve assets, net	1	-1	3	-24	-374	-383	-254	-286	-317
40	U.S. credits and other long-term assets				-474	-391	-641	-254	-286	-317
41	Repayments on U.S. credits and other long-term assets ⁸				437	410	270			
42	U.S. foreign currency holdings and U.S. short-term assets, net	1	-1	3	13	-393	-12			
43	U.S. private assets, net	-1,967	-1,430	-6,209	-351	4,992	-1,080	-1,828	-2,484	1,143
44	Direct investment	-542	-1,316	-3,630	-2,375	-2,178	-1,608	-2,391	-1,727	-2,326
45	Foreign securities	-566	-15	-1,251	-4,439	-3,778	-4,747	936	-125	158
46	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	-687	128		-155	-690		-15	18	3,337
47	U.S. claims reported by U.S. banks, not included elsewhere	-172	-227	-1,328	6,618	11,638	5,275	-358	-650	-26
48	Foreign assets in the United States, net (increase/capital inflow (+))	1,275	-674	1,121	2,565	19,974	-1,570	10,046	7,754	8,667
49	Foreign official assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)			
50	U.S. Government securities	(18)	(18)	(18)	(18)	(18)	(18)			
51	U.S. Treasury securities ⁹	(18)	(18)	(18)	(18)	(18)	(18)			
52	Other ¹⁰	(18)	(18)	(18)	(18)	(18)	(18)			
53	Other U.S. Government liabilities ¹¹	-160	-178	-179	17	-167	-649			
54	U.S. liabilities reported by U.S. banks, not included elsewhere	(18)	(18)	(18)	(18)	(18)	(18)			
55	Other foreign official assets ¹²	(18)	(18)	(18)	(18)	(18)	(18)			
56	Other foreign assets in the United States, net	(18)	(18)	(18)	(18)	(18)	(18)	10,046	7,754	8,667
57	Direct investment	304	1,475	497	988	-2,116	205	771	811	838
58	U.S. Treasury securities	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
59	U.S. currency							9,900	746	2,349
60	U.S. securities other than U.S. Treasury securities	-173	175	-326	373	3,217	647	38	-74	215
61	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	-88	-159		-1,103	1,563		19	57	8,189
62	U.S. liabilities reported by U.S. banks, not included elsewhere	18 1,392	18 -1,987	18 1,129	18 2,290	18 17,477	18 -1,773	18 -682	18 6,214	18 -2,924
63	Allocations of special drawing rights									
64	Statistical discrepancy, and transfers of funds between foreign areas, net (sum of above items with sign reversed)	-2,564	-1,112	2,001	25,615	1,070	33,336	-4,545	-5,546	-9,899
65	Memoranda:									
66	Balance on goods (lines 2 and 16)	1,638	1,847	1,433	-26,148	-26,791	-30,926			
67	Balance on services (lines 3 and 17)	804	584	794	5,208	5,527	4,772	787	449	833
68	Balance on goods and services (lines 65 and 66)	2,442	2,431	2,227	-20,940	-21,264	-26,154	787	449	833
69	Balance on investment income (lines 11 and 25)	837	826	889	-692	-965	-1,377	2,777	2,652	2,710
70	Balance on goods, services, and income (lines 1 and 15 or lines 67 and 68) ¹³	3,279	3,257	3,116	-21,632	-22,229	-27,531	3,564	3,101	3,543
71	Unilateral transfers, net (line 29)	-24	-40	-32	-6,173	-3,433	-2,772	-2,612	-2,272	-2,178
70	Balance on current account (lines 1, 15, and 29 or lines 69 and 70) ¹³	3,255	3,217	3,084	-27,805	-25,662	-30,303	952	829	1,365

14. The "European Union" includes the "European Union (6)," United Kingdom, Denmark, Ireland, Greece, Spain, and Portugal. Beginning with the first quarter of 1995, the "European Union" also includes Austria, Finland, and Sweden.

15. The "European Union (6)" includes Belgium, France, Germany (includes the former German Democratic Republic (East Germany) beginning in the fourth quarter of 1990), Italy, Luxembourg, Netherlands, European Atomic Energy Community, European Coal and Steel Community, and European Investment Bank.

16. Includes, as part of international and unallocated, the estimated direct investment in foreign affiliates engaged in international shipping, in operating oil and gas drilling equipment internationally, and in petroleum trading. Also

includes taxes withheld; current-cost adjustments associated with U.S. and foreign direct investment; small transactions in business services that are not reported by country; and net U.S. currency flows, for which geographic source data are not available.

17. Details not shown separately; see totals in lines 49 and 56.

18. Details not shown separately are included in line 62.

NOTE.—The data in tables F.2 and F.3 are from tables 1 and 10 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

Table F.4.—Private Service Transactions

[Millions of dollars]

Line		1996	1997	Seasonally adjusted					
				1997				1998	
				I	II	III	IV	I ^r	II ^p
1	Exports of private services	222,134	239,215	58,144	59,695	60,545	60,827	60,203	61,184
2	Travel (table F.2, line 5)	69,751	73,268	18,197	18,542	18,325	18,204	17,967	18,235
3	Passenger fares (table F.2, line 6)	20,413	20,895	5,130	5,189	5,212	5,364	5,198	5,287
4	Other transportation (table F.2, line 7)	26,074	26,911	6,698	6,724	6,678	6,809	6,460	6,392
5	Freight	11,146	11,773	2,913	2,910	2,919	3,031	2,901	2,754
6	Port services	14,929	15,137	3,785	3,814	3,759	3,778	3,559	3,638
7	Royalties and license fees (table F.2, line 8)	32,823	33,676	8,306	8,407	8,580	8,381	8,675	8,872
8	Affiliated	24,710	25,515	6,267	6,373	6,543	6,330	6,600	6,767
9	U.S. parents' receipts	22,781	23,457	5,905	5,897	5,929	5,724	5,905	6,103
10	U.S. affiliates' receipts	1,929	2,058	362	476	614	606	695	664
11	Unaffiliated	8,113	8,161	2,039	2,034	2,037	2,051	2,075	2,105
12	Industrial processes ¹	3,488	3,272	832	819	812	809	811	815
13	Other ²	4,625	4,889	1,207	1,215	1,225	1,242	1,264	1,290
14	Other private services (table F.2, line 9)	73,073	84,465	19,813	20,833	21,750	22,069	21,903	22,398
15	Affiliated services	23,779	26,336	6,250	6,579	6,791	6,717	6,644	6,867
16	U.S. parents' receipts	14,772	16,164	3,794	4,045	4,128	4,198	4,101	4,097
17	U.S. affiliates' receipts	9,007	10,172	2,456	2,534	2,663	2,519	2,543	2,770
18	Unaffiliated services	49,295	58,128	13,563	14,254	14,959	15,352	15,259	15,531
19	Education	7,888	8,278	2,013	2,052	2,108	2,105	2,100	2,096
20	Financial services	8,382	11,064	2,395	2,598	2,914	3,157	2,891	3,170
21	Insurance, net	1,971	2,391	578	592	605	616	629	642
22	Premiums received	5,978	5,952	1,494	1,485	1,483	1,491	1,508	1,531
23	Losses paid	4,007	3,561	916	892	879	875	880	890
24	Telecommunications	3,270	3,771	889	938	956	987	969	895
25	Business, professional, and technical services	17,599	21,304	4,946	5,293	5,500	5,564	5,669	5,756
26	Other unaffiliated services ³	10,185	11,321	2,742	2,780	2,876	2,923	3,001	2,973
27	Imports of private services	142,261	156,236	37,610	38,817	39,769	40,039	40,530	40,833
28	Travel (table F.2, line 19)	48,048	51,220	12,736	12,764	12,897	12,823	13,309	13,422
29	Passenger fares (table F.2, line 20)	15,818	18,235	4,311	4,663	4,704	4,557	4,650	4,709
30	Other transportation (table F.2, line 21)	27,403	28,949	7,034	7,317	7,200	7,397	7,250	7,389
31	Freight	16,539	17,644	4,201	4,581	4,408	4,454	4,461	4,674
32	Port services	10,864	11,305	2,833	2,736	2,792	2,943	2,789	2,715
33	Royalties and license fees (table F.2, line 22)	7,854	9,411	2,106	2,168	2,559	2,578	2,850	2,467
34	Affiliated	5,506	7,087	1,566	1,600	1,941	1,980	1,877	1,862
35	U.S. parents' payments	766	955	217	220	235	284	247	260
36	U.S. affiliates' payments	4,740	6,132	1,349	1,380	1,706	1,696	1,630	1,602
37	Unaffiliated	2,347	2,324	540	568	618	598	973	605
38	Industrial processes ¹	1,233	1,265	320	315	313	317	324	335
39	Other ²	1,115	1,060	221	253	305	282	649	270
40	Other private services (table F.2, line 23)	43,138	48,421	11,423	11,905	12,409	12,684	12,471	12,846
41	Affiliated services	16,668	18,324	4,414	4,473	4,635	4,801	4,419	4,788
42	U.S. parents' payments	8,089	9,407	2,179	2,355	2,427	2,445	2,324	2,472
43	U.S. affiliates' payments	8,579	8,917	2,235	2,118	2,208	2,356	2,095	2,316
44	Unaffiliated services	26,469	30,098	7,009	7,432	7,774	7,883	8,052	8,058
45	Education	1,247	1,347	318	333	346	349	348	364
46	Financial services	2,995	3,906	846	1,002	1,093	965	999	989
47	Insurance, net	3,773	5,208	1,115	1,261	1,381	1,452	1,477	1,471
48	Premiums paid	14,652	15,036	3,683	3,735	3,787	3,832	3,869	3,900
49	Losses recovered	10,879	9,828	2,568	2,474	2,406	2,380	2,392	2,429
50	Telecommunications	8,304	8,113	2,006	1,999	2,028	2,080	2,121	2,049
51	Business, professional, and technical services	5,550	6,571	1,543	1,615	1,676	1,737	1,832	1,905
52	Other unaffiliated services ³	4,600	4,952	1,181	1,221	1,251	1,299	1,275	1,280
	Memoranda:								
53	Balance on goods (table F.2, line 65)	-191,337	-197,954	-49,723	-49,096	-49,296	-49,839	-55,698	-64,831
54	Balance on private services (line 1 minus line 27)	79,873	82,979	20,534	20,878	20,776	20,788	19,673	20,351
55	Balance on goods and private services (lines 53 and 54)	-111,464	-114,975	-29,189	-28,218	-28,520	-29,051	-36,025	-44,480

^p Preliminary.^r Revised.

1. Patented techniques, processes, and formulas and other intangible property rights that are used in goods production.

2. Copyrights, trademarks, franchises, rights to broadcast live events, and other intangible property rights.

3. Other unaffiliated services receipts (exports) include mainly expenditures of foreign govern-

ments and international organizations in the United States. Payments (imports) include mainly wages of foreign residents temporarily employed in the United States and Canadian and Mexican commuters in U.S. border areas.

NOTE.—The data in table F.4 are from table 3 in "U.S. International Transactions, Second Quarter 1998" in the October 1998 issue of the SURVEY OF CURRENT BUSINESS, which presents the most recent estimates from the balance of payments accounts.

G. Investment Tables

Table G.1.—International Investment Position of the United States at Yearend, 1996 and 1997

[Millions of dollars]

Line	Type of investment	Position 1996 ^r	Changes in position in 1997 (decrease (-))				Total (a+b+c+d)	Position 1997 ^p
			Attributable to:					
			Capital flows	Valuation adjustments				
				Price changes	Exchange rate changes ¹	Other changes ²		
(a)	(b)	(c)	(d)	(a+b+c+d)				
1	Net international investment position of the United States:							
2	With direct investment positions at current cost (line 3 less line 24)	-767,076	-254,939	-51,669	-127,725	-22,159	-456,492	-1,223,568
2	With direct investment positions at market value (line 4 less line 25)	-743,656	-254,939	-116,094	-197,805	-9,961	-578,799	-1,322,455
	U.S. assets abroad:							
3	With direct investment positions at current cost (lines 5+10+15) ...	3,767,018	478,502	175,135	-155,352	-27,992	470,293	4,237,311
4	With direct investment positions at market value (lines 5+10+16) ...	4,347,148	478,502	416,045	-224,102	-10,474	659,971	5,007,119
5	U.S. official reserve assets	160,739	1,010	-20,762	-6,144	-7	-25,903	134,836
6	Gold	96,698		³ -20,762		⁴ -7	-20,769	75,929
7	Special drawing rights	10,312	350		-635		-285	10,027
8	Reserve position in the International Monetary Fund	15,435	3,575		-939		2,636	18,071
9	Foreign currencies	38,294	-2,915		-4,570		-7,485	30,809
10	U.S. Government assets, other than official reserve assets	81,677	-174		-17	-3	-194	81,483
11	U.S. credits and other long-term assets ⁵	79,786	-202		-8	-3	-213	79,573
12	Repayable in dollars	79,114	-168			-4	-172	78,942
13	Other ⁶	672	-34		-8	1	-41	631
14	U.S. foreign currency holdings and U.S. short-term assets	1,891	28		-9		19	1,910
	U.S. private assets:							
15	With direct investment at current cost (lines 17+19+22+23)	3,524,602	477,666	195,897	-149,191	-27,982	496,390	4,020,992
16	With direct investment at market value (lines 18+19+22+23)	4,104,732	477,666	436,807	-217,941	-10,464	686,068	4,790,800
	Direct investment abroad:							
17	At current cost	936,954	121,843	9,325	-28,998	-15,252	86,918	1,023,872
18	At market value	1,517,084	121,843	250,235	-97,748	2,266	276,596	1,793,680
19	Foreign securities	1,280,159	87,981	186,572	-108,411		166,142	1,446,301
20	Bonds	403,373	46,723	8,671	-13,718		41,676	445,049
21	Corporate stocks	876,786	41,258	177,901	-94,693		124,466	1,001,252
22	U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	449,978	120,403		-7,724	-261	112,418	562,396
23	U.S. claims reported by U.S. banks, not included elsewhere	857,511	147,439		-4,058	-12,469	130,912	988,423
	Foreign assets in the United States:							
24	With direct investment at current cost (lines 26+33)	4,534,094	733,441	226,804	-27,627	-5,833	926,785	5,460,879
25	With direct investment at market value (lines 26+34)	5,090,804	733,441	532,139	-26,297	-513	1,238,770	6,329,574
26	Foreign official assets in the United States	801,062	15,817	16,968		54	32,839	833,901
27	U.S. Government securities	612,656	-2,936	4,615		55	1,734	614,390
28	U.S. Treasury securities	592,891	-7,270	4,174		55	-3,041	589,850
29	Other	19,765	4,334	441			4,775	24,540
30	Other U.S. Government liabilities ⁷	23,099	-2,521			-1	-2,522	20,577
31	U.S. liabilities reported by U.S. banks, not included elsewhere	113,098	21,928				21,928	135,026
32	Other foreign official assets	52,209	-654	12,353			11,699	63,908
	Other foreign assets:							
33	With direct investment at current cost (lines 35+37+38+39+42+43) ...	3,733,032	717,624	209,836	-27,627	-5,887	893,946	4,626,978
34	With direct investment at market value (lines 36+37+38+39+42+43) ...	4,289,742	717,624	515,171	-26,297	-567	1,205,931	5,495,673
	Direct investment in the United States:							
35	At current cost	666,962	93,449	-2,680	-1,330	-4,556	84,883	751,845
36	At market value	1,223,672	93,449	302,655		764	396,868	1,620,540
37	U.S. Treasury securities	504,792	146,710	10,459			157,169	661,961
38	U.S. currency	186,843	24,782				24,782	211,625
39	U.S. securities other than U.S. Treasury securities	1,199,460	196,845	202,057	-20,378		378,524	1,577,984
40	Corporate and other bonds	588,043	130,879	19,532	-20,378		130,033	718,076
41	Corporate stocks	611,417	65,966	182,525			248,491	859,908
42	U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	346,727	107,779		380	-1,331	106,828	453,555
43	U.S. liabilities reported by U.S. banks, not included elsewhere	828,248	148,059		-6,299		141,760	970,008

^p Preliminary.^r Revised.

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

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

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

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

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

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

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

NOTE.—The data in this table are from table 1 in "International Investment Position of the United States in 1997" in the July 1998 issue of the SURVEY OF CURRENT BUSINESS.

Table G.2.—U.S. Direct Investment Abroad: Selected Items, by Country and by Industry of Foreign Affiliate, 1995–97

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital outflows (inflows (-))			Income		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
All countries, all industries	699,015	777,203	860,723	92,074	74,833	114,537	87,346	92,105	100,703
By country									
Canada	83,498	91,301	99,859	8,602	7,260	10,734	8,799	9,024	10,692
Europe	344,596	382,366	420,934	52,275	35,992	60,558	40,853	43,179	47,869
<i>Of which:</i>									
France	33,358	33,746	34,615	5,196	4,750	3,166	2,707	3,389	2,637
Germany	44,242	44,651	43,931	3,349	1,467	3,002	4,215	3,842	4,117
Netherlands	42,113	54,437	64,648	9,386	6,914	14,329	7,456	8,667	10,240
United Kingdom	106,332	122,692	138,765	13,830	12,080	22,435	10,921	12,016	12,898
Latin America and Other Western Hemisphere	131,377	147,535	172,481	16,040	16,081	23,784	16,210	17,810	19,992
<i>Of which:</i>									
Brazil	25,002	28,699	35,727	6,954	3,812	6,545	3,759	4,104	4,551
Mexico	16,873	19,900	25,395	2,983	2,713	5,933	1,585	2,862	3,969
Africa	6,017	6,832	10,253	352	739	3,790	1,797	1,797	1,887
Middle East	7,198	7,793	8,959	879	538	1,111	1,373	1,411	1,562
Asia and Pacific	122,711	136,481	142,704	14,342	12,190	13,815	18,146	18,562	18,325
<i>Of which:</i>									
Australia	24,328	28,409	26,125	5,537	3,071	1,101	2,769	2,846	3,288
Japan	37,309	35,684	35,569	2,336	-326	781	4,091	3,414	3,198
International	3,618	4,896	5,533	-416	2,034	746	167	322	376
By industry									
Petroleum	68,639	74,499	85,726	675	5,058	11,455	9,036	11,692	12,114
Manufacturing	243,954	272,244	288,290	44,472	25,149	32,280	34,325	34,365	37,532
Food and kindred products	28,896	32,998	38,380	3,718	2,700	6,325	4,480	4,826	5,116
Chemicals and allied products	61,374	72,209	73,487	16,924	5,657	8,026	8,614	9,525	9,415
Primary and fabricated metals	11,555	14,178	14,732	1,570	5,283	1,054	1,380	1,353	1,535
Industrial machinery and equipment	29,626	31,597	33,563	4,408	2,565	4,529	4,251	4,555	5,083
Electronic and other electric equipment	27,514	31,623	33,833	7,060	3,883	3,930	4,466	4,217	4,861
Transportation equipment	34,076	33,839	36,439	5,888	561	3,846	3,709	3,182	4,842
Other manufacturing	50,913	55,801	57,855	4,903	4,500	4,570	7,425	6,707	6,679
Wholesale trade	68,102	69,638	69,080	8,880	5,701	3,403	9,118	8,488	9,041
Depository institutions	29,181	33,673	34,359	1,032	1,488	2,935	3,242	3,083	2,953
Finance (except depository institutions), insurance, and real estate	218,313	240,972	280,920	22,001	23,035	45,410	24,589	27,817	29,815
Services	29,721	35,793	40,874	4,014	3,343	5,464	4,136	3,588	5,258
Other industries	41,105	50,384	61,475	11,000	11,061	13,591	2,902	3,072	3,991

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

The data in this table are from tables 17 and 18 in "U.S. Direct Investment Abroad: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997" in the October 1998 issue of the SURVEY OF CURRENT BUSINESS.

Table G.3.—Selected Financial and Operating Data for Nonbank Foreign Affiliates of U.S. Companies, by Country and by Industry of Affiliate, 1996

	Number of affiliates	Millions of dollars			Thousands of employees
		Total assets	Sales	Net income	
All countries, all industries	21,901	3,075,516	2,227,014	135,108	7,616.5
By country					
Canada	2,027	276,622	253,783	10,866	921.8
Europe	10,745	1,751,550	1,178,077	68,478	3,194.2
<i>Of which:</i>					
France	1,257	141,315	134,816	4,549	451.5
Germany	1,374	222,802	244,658	7,766	607.9
Italy	761	60,524	72,170	2,049	186.1
Netherlands	1,051	161,889	122,760	13,823	160.8
Switzerland	520	81,964	61,964	7,336	52.4
United Kingdom	2,447	813,742	310,685	14,998	976.4
Latin America and Other Western Hemisphere	3,366	370,529	223,869	24,112	1,529.2
<i>Of which:</i>					
Brazil	417	60,037	56,026	4,101	318.2
Mexico	847	67,437	71,739	7,021	733.9
Africa	522	28,979	23,170	2,475	122.0
Middle East	346	34,991	23,667	3,309	79.1
Asia and Pacific	4,791	592,420	517,020	24,869	1,756.9
<i>Of which:</i>					
Australia	878	94,457	70,036	3,322	275.1
Japan	1,005	248,312	204,364	5,684	405.4
International	104	20,424	7,427	999	13.2
By industry					
Petroleum	1,575	295,592	380,364	18,166	236.0
Manufacturing	8,162	846,555	1,041,357	54,026	4,477.9
Food and kindred products	778	111,189	121,167	6,973	557.1
Chemicals and allied products	1,990	204,573	199,326	16,417	611.1
Primary and fabricated metals	733	42,238	43,005	1,594	244.7
Industrial machinery and equipment	1,012	110,215	167,313	6,782	527.2
Electronic and other electric equipment	859	77,154	99,884	5,841	838.5
Transportation equipment	526	133,225	233,763	4,970	707.5
Other manufacturing	2,264	167,960	176,900	11,449	991.9
Wholesale trade	4,976	210,485	393,052	14,229	563.3
Finance (except depository institutions), insurance, and real estate	2,940	1,333,484	117,435	35,223	196.2
Services	2,676	131,702	115,569	4,950	829.1
Other industries	1,572	257,698	179,235	8,514	1,314.0

NOTE.—The data in this table are from "U.S. Multinational Companies: Operations in 1996" in the September 1998 issue of the SURVEY OF CURRENT BUSINESS.

Table G.4.—Foreign Direct Investment in the United States: Selected Items, by Country of Foreign Parent and by Industry of Affiliate, 1995–97

[Millions of dollars]

	Direct investment position on a historical-cost basis			Capital inflows (outflows (-))			Income		
	1995	1996	1997	1995	1996	1997	1995	1996	1997
All countries, all industries	535,553	594,088	681,651	58,772	76,453	90,748	30,931	31,970	42,502
By country									
Canada	45,618	54,799	64,022	4,824	8,235	9,411	3,658	3,295	3,215
Europe	332,374	368,322	425,220	39,686	51,672	60,021	21,745	24,759	31,245
<i>Of which:</i>									
France	36,167	41,132	47,088	2,725	5,983	8,728	1,729	2,570	3,037
Germany	46,017	59,863	69,701	7,908	18,995	10,712	1,642	2,283	3,003
Netherlands	65,116	74,320	84,862	-1,526	11,487	10,274	5,003	6,592	7,175
United Kingdom	116,272	121,288	129,551	16,255	11,000	8,582	10,630	9,593	11,700
Latin America and Other Western Hemisphere	27,873	29,180	35,701	2,886	3,266	5,921	1,206	1,566	2,003
<i>Of which:</i>									
Brazil	750	689	698	116	-60	48	91	48	44
Mexico	1,850	1,436	1,723	-263	38	145	23	28	180
Africa	1,113	645	1,608	-117	-460	942	31	-118	-105
Middle East	5,801	5,977	6,882	-360	538	866	140	166	607
Asia and Pacific	122,774	135,166	148,218	11,854	13,202	13,587	4,152	2,303	5,537
<i>Of which:</i>									
Australia	10,356	13,877	16,229	2,003	3,739	2,557	435	362	61
Japan	104,997	114,534	123,514	8,118	10,214	9,430	3,611	3,159	6,363
By industry									
Petroleum	34,907	43,770	47,679	3,863	8,842	4,462	3,274	4,369	4,721
Manufacturing	214,504	242,320	267,070	28,739	34,500	36,228	15,431	16,220	19,172
Food and kindred products	27,032	27,897	27,473	5,652	1,829	-133	1,736	1,983	1,838
Chemicals and allied products	72,125	76,708	88,767	11,771	6,692	14,494	5,806	5,159	6,125
Primary and fabricated metals	14,193	17,364	20,454	403	4,968	2,235	1,245	1,046	1,487
Machinery	37,098	39,114	46,027	3,516	2,429	7,400	2,209	1,207	2,836
Other manufacturing	64,056	81,238	84,349	7,398	18,583	12,233	4,435	6,824	6,886
Wholesale trade	66,871	75,115	87,564	6,556	8,247	11,275	3,847	2,448	3,617
Retail trade	12,533	13,733	16,093	1,336	2,506	1,320	538	513	669
Depository institutions	33,883	32,161	37,099	6,879	555	5,840	4,578	2,883	3,489
Finance, except depository institutions	34,803	37,658	42,526	4,009	4,443	5,078	472	1,182	2,108
Insurance	50,647	54,715	69,092	3,807	7,409	11,090	1,837	2,794	5,050
Real estate	30,170	33,179	34,118	-639	541	658	-609	-69	511
Services	32,058	32,358	45,604	1,551	3,838	7,164	-132	404	974
Other industries	25,176	29,080	34,806	2,672	5,572	7,632	1,695	1,225	2,191

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

The data in this table are from tables 16 and 17 in "Foreign Direct Investment in the United States: Detail for Historical-Cost Position and Related Capital and Income Flows, 1997" in the September 1998 issue of the SURVEY OF CURRENT BUSINESS.

Table G.5.—Selected Financial and Operating Data of Nonbank U.S. Affiliates of Foreign Companies, by Country of Ultimate Beneficial Owner and by Industry of Affiliate, 1996

	Number of affiliates	Millions of dollars				Thousands of employees	Millions of dollars	
		Total assets	Sales	Net income	Gross product		U.S. exports of goods shipped by affiliates	U.S. imports of goods shipped to affiliates
All countries, all industries	12,626	2,613,985	1,596,022	21,110	339,485	4,977.5	136,588	252,990
By country								
Canada	1,289	263,862	121,650	5,035	30,026	618.6	5,658	14,123
Europe	5,411	1,507,678	881,931	15,885	218,174	3,103.9	63,104	86,533
<i>Of which:</i>								
France	667	274,775	127,434	3,120	32,584	411.8	18,386	12,888
Germany	1,328	249,891	168,151	3,096	40,467	610.2	13,493	28,304
Netherlands	397	180,292	111,395	2,785	29,299	378.8	4,468	8,969
Switzerland	623	275,890	96,026	310	19,461	306.2	6,457	7,550
United Kingdom	1,203	413,966	277,026	5,890	73,960	972.6	12,354	13,267
Latin America and Other Western Hemisphere	1,088	57,482	53,767	147	12,699	155.4	5,725	10,621
<i>Of which:</i>								
Brazil	78	10,652	4,462	160	283	4.5	1,192	1,241
Mexico	275	8,454	7,982	-643	1,439	35.8	688	2,248
Africa	74	11,708	10,605	733	2,555	22.7	522	560
Middle East	430	26,501	21,024	-258	5,292	61.8	607	5,481
Asia and Pacific	4,249	635,683	487,580	-3,370	65,469	972.9	60,077	134,416
<i>Of which:</i>								
Australia	171	44,617	23,013	243	5,539	77.4	1,268	1,375
Japan	3,240	549,408	418,320	-2,271	54,560	776.4	52,555	117,433
United States	85	111,071	19,466	2,938	5,270	42.2	894	1,255
By industry								
Petroleum	236	114,735	152,832	5,586	32,733	111.8	9,984	21,080
Manufacturing	2,950	578,886	552,023	7,153	156,354	2,213.6	58,821	78,531
Food and kindred products	257	58,624	49,562	3,591	11,783	205.4	2,848	3,379
Chemicals and allied products	338	180,996	134,451	549	42,095	409.8	15,656	14,254
Primary and fabricated metals	407	60,804	62,902	1,010	16,079	233.3	4,066	7,390
Machinery	736	95,234	124,066	-737	31,863	536.8	20,575	28,733
Other manufacturing	1,212	183,228	181,042	2,738	54,534	828.4	15,677	24,776
Wholesale trade	2,230	233,829	466,700	2,839	41,973	488.6	62,792	147,958
Retail trade	352	50,063	94,028	377	24,544	821.0	1,507	3,408
Finance, except depository institutions	907	705,181	58,230	64	6,001	49.3	15	21
Insurance	161	575,947	89,625	5,306	10,658	152.0	0	0
Real estate	3,507	100,549	13,903	-1,718	4,984	27.1	7	1
Services	1,283	105,297	56,247	-3,402	21,840	633.8	738	1,173
Other industries	1,000	149,497	112,434	4,907	40,398	480.3	2,725	818

^D Suppressed to avoid disclosure of data of individual companies.

NOTE.—The data in this table are from "Foreign Direct Investment in the United States: New Investment in 1997 and Affiliate Operations in 1996" in the June 1998 issue of the SURVEY OF CURRENT BUSINESS.

H. International Perspectives

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

Table H.1.—International Perspectives

	1996	1997	1997						1998							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Exchange rates per U.S. dollar (not seasonally adjusted)																
Canada (Can./US\$)	1.3638	1.3849	1.3775	1.3872	1.3872	1.3869	1.4128	1.4271	1.4409	1.4334	1.4166	1.4298	1.4452	1.4655	1.4869	1.5346
France (FFr/US\$)	5.1158	5.8393	6.0511	6.2010	6.0031	5.8954	5.8001	5.9542	6.0832	6.0744	6.1257	6.0782	5.9528	6.0118	6.0280	5.9912
Germany (DM/US\$)	1.5049	1.7348	1.7939	1.8400	1.7862	1.7575	1.7323	1.7788	1.8165	1.8123	1.8272	1.8132	1.7753	1.7928	1.7976	1.7869
Italy (L/US\$)	15.4276	17.0381	17.4591	17.9712	17.4322	17.2109	16.9708	17.4386	17.8787	17.8828	17.9907	17.9124	17.5079	17.6632	17.7242	17.6301
Japan (¥/US\$)	1.0878	1.2106	1.1538	1.1793	1.2089	1.2106	1.2538	1.2973	1.2955	1.2585	1.2908	1.3175	1.3490	1.4033	1.4079	1.4468
Mexico (Peso/US\$)	7.6004	7.9177	7.8679	7.7818	7.7809	7.8708	8.2716	8.1271	8.2272	8.5021	8.5681	8.5017	8.5848	8.9200	8.8990	9.3712
United Kingdom (US\$/£)	1.5607	1.6376	1.6694	1.6035	1.6013	1.6330	1.6889	1.6597	1.6350	1.6408	1.6619	1.6723	1.6382	1.6504	1.6437	1.6342
Addendum: Exchange value of the U.S. dollar ¹	87.34	96.38	97.48	99.96	98.29	97.07	96.37	98.82	100.52	99.93	100.47	100.30	99.61	100.90	101.38	101.80
Unemployment rates (percent, seasonally adjusted)																
Canada	9.7	9.2	9.0	9.0	9.0	9.1	9.0	8.6	8.9	8.6	8.5	8.4	8.4	8.4	8.4	8.3
France	12.3	12.5	12.6	12.5	12.5	12.5	12.4	12.3	12.2	12.1	11.9	11.9	11.9	11.8	11.8	11.8
Germany	10.4	11.5	11.6	11.7	11.7	11.8	11.8	11.8	11.5	11.5	11.3	11.3	11.2	11.0	10.9	10.9
Italy	12.1	12.3	.....	12.1	.....	.....	12.2	.....	.....	12.0	.....	.....	12.4	.....	.....	.....
Japan	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.5	3.6	3.9	4.1	4.1	4.3	4.1	4.3
Mexico	5.5	3.7	3.8	3.5	3.3	3.3	3.4	3.4	3.5	3.5	3.4	3.3	3.2	3.3	3.0	.....
United Kingdom	7.3	5.5	5.4	5.3	5.2	5.1	5.0	4.9	4.9	4.8	4.8	4.8	4.8	4.8	4.7	4.6
Addendum: United States	5.4	4.9	4.9	4.9	4.9	4.8	4.6	4.7	4.7	4.6	4.7	4.3	4.3	4.5	4.5	4.5
Consumer prices (seasonally adjusted, 1990=100)																
Canada	113.5	115.3	115.5	115.7	115.6	115.7	115.5	115.4	116.0	116.1	116.2	116.1	116.5	116.7	116.7	116.7
France	113.8	115.2	115.0	115.3	115.5	115.5	115.7	115.7	115.3	115.7	115.9	116.2	116.3	116.4	115.9	116.1
Germany (1991=100)	116.5	118.6	119.2	119.3	119.0	118.9	118.9	119.1	119.1	119.4	119.2	119.5	119.9	120.0	120.3	120.2
Italy	133.2	136.0	136.0	136.1	136.2	136.6	137.1	137.1	137.5	137.9	138.3	138.4	138.6	138.8	138.8	138.9
Japan	107.1	109.0	109.3	109.5	109.7	109.9	109.7	109.6	109.6	109.7	109.9	109.6	109.6	109.5	109.2	109.1
Mexico	301.7	364.0	365.3	368.6	373.2	376.2	380.4	385.7	394.1	401.0	405.7	409.5	412.7	417.6	421.7	425.6
United Kingdom	121.1	124.9	124.9	125.7	126.3	126.5	126.5	126.9	126.5	127.1	127.5	128.9	129.6	129.6	129.2	129.8
Addendum: United States	120.0	122.9	122.9	123.1	123.5	123.7	123.8	123.9	123.9	124.0	124.0	124.3	124.7	124.8	125.0	125.2
Real gross domestic product (percent change from preceding quarter, seasonally adjusted at annual rates)																
Canada	1.2	3.7	.....	4.3	.....	.....	2.8	.....	.....	3.4	.....	.....	1.8	.....	.....	.....
France	1.5	2.3	.....	3.8	.....	.....	3.1	.....	.....	2.5	.....	.....	2.8	.....	.....	.....
Germany	1.3	2.3	.....	2.3	.....	.....	1.2	.....	.....	5.9	.....	.....	.4	.....	.....	.....
Italy .....	.7	1.5	.....	2.3	.....	.....	1.1	.....	.....	-6	.....	.....	2.0	.....	.....	.....
Japan	3.9	.9	.....	3.2	.....	.....	-1.5	.....	.....	-5.2	.....	.....	-3.3	.....	.....	.....
Mexico	5.2	7.0	.....	4.9	.....	.....	-1.7	.....	.....	6.2	.....	.....	7.8	.....	.....	.....
United Kingdom	2.6	3.5	.....	4.0	.....	.....	2.9	.....	.....	3.1	.....	.....	1.9	.....	.....	.....
Addendum: United States	3.4	3.9	.....	4.2	.....	.....	3.0	.....	.....	5.5	.....	.....	1.8	.....	.....	3.3

See footnotes at the end of the table.

Table H.1.—International Perspectives—Continued

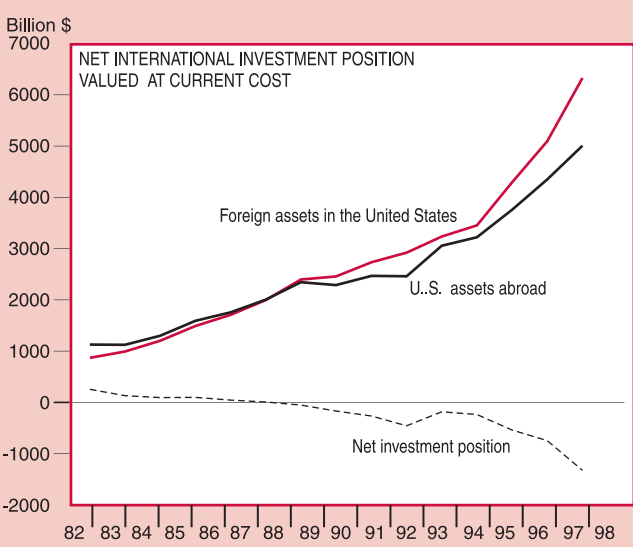
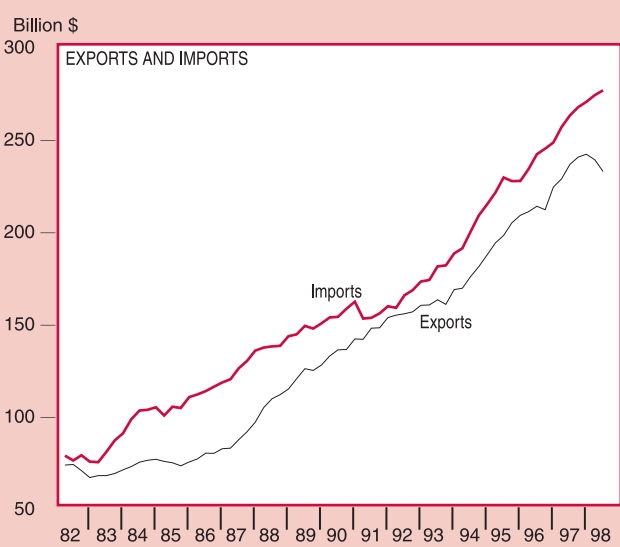
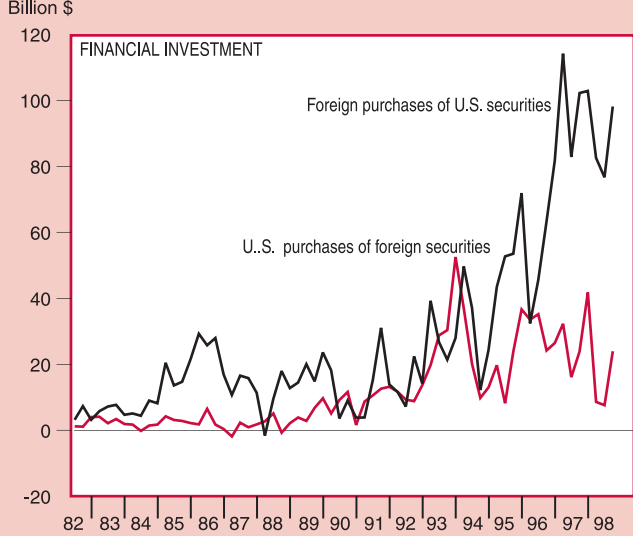
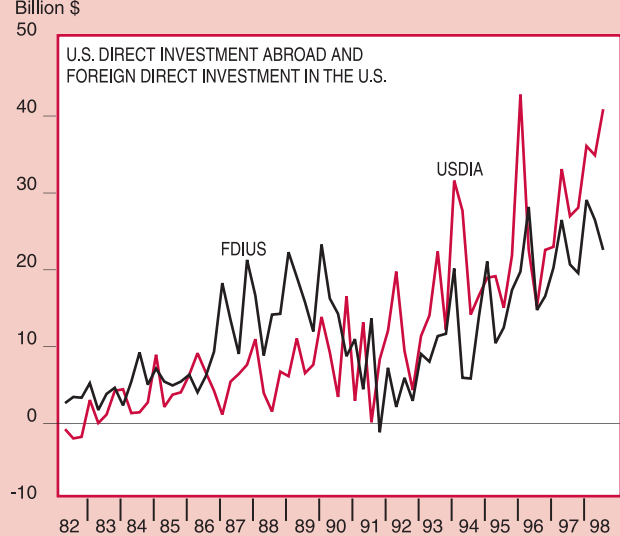
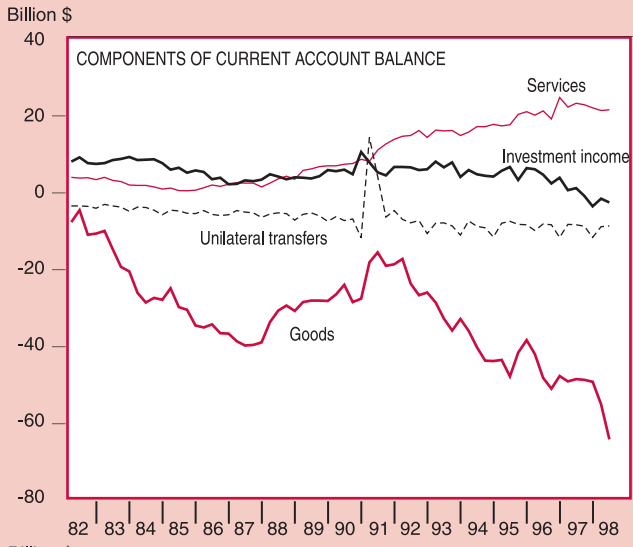
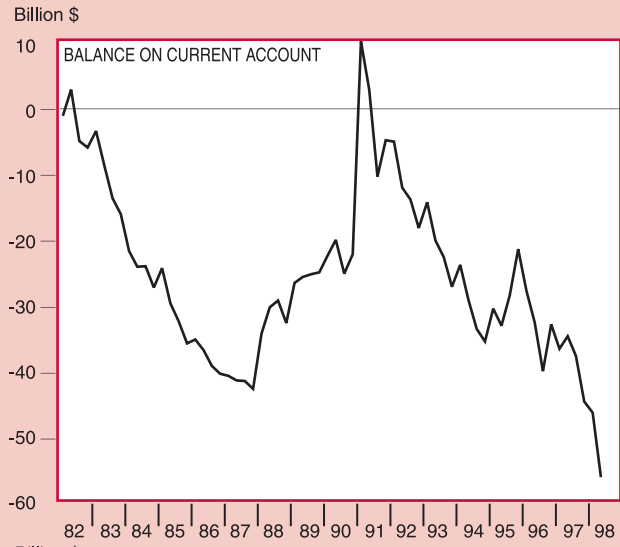
	1996	1997	1997						1998							
			July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Short-term, 3-month, interest rates (percent, not seasonally adjusted)																
Canada	4.43	3.53	3.51	3.63	3.60	3.76	3.99	4.58	4.62	4.96	4.85	4.88	5.00	5.00	5.02	5.15
France	3.94	3.46	3.39	3.43	3.41	3.59	3.69	3.69	3.62	3.57	3.57	3.63	3.61	3.57	3.56	3.56
Germany	3.31	3.33	3.14	3.26	3.31	3.58	3.74	3.74	3.57	3.51	3.52	3.63	3.63	3.56	3.54	3.50
Italy	8.82	6.88	6.89	6.87	6.67	6.65	6.49	6.08	6.09	6.13	5.62	5.23	5.11	5.12	4.88	4.89
Japan .....	.59	.60	.67	.59	.56	.53	.55	.89	.95	1.10	.81	.70	.59	.58	.74	.73
Mexico	32.91	21.26	19.40	20.15	20.51	19.91	22.01	19.88	19.37	19.63	20.76	19.47	18.85	20.99	21.82	.....
United Kingdom	6.02	6.83	6.95	7.15	7.20	7.25	7.54	7.62	7.48	7.45	7.48	7.44	7.41	7.62	7.70	7.66
Addendum:																
United States	5.02	5.07	5.07	5.13	4.97	4.95	5.15	5.16	5.09	5.11	5.03	5.00	5.03	4.99	4.96	4.94
Long-term interest rates, government bond yields (percent, not seasonally adjusted)																
Canada	7.54	6.47	6.30	6.30	6.19	5.94	5.76	5.85	5.58	5.60	5.64	5.50	5.52	5.45	5.46	5.65
France	6.51	5.67	5.50	5.65	5.55	5.80	5.66	5.45	5.26	5.11	5.04	5.12	5.05	4.95	4.91	4.61
Germany	6.20	5.70	5.60	5.70	5.60	5.60	5.60	5.30	5.10	5.00	4.90	4.90	5.00	4.80	4.70	4.40
Italy	9.40	6.86	6.52	6.66	6.36	6.20	6.13	5.74	5.43	5.38	5.20	5.15	5.21	5.08	4.97	4.79
Japan	3.10	2.37	2.51	2.35	2.21	1.99	1.94	1.94	1.95	2.00	1.86	1.87	1.66	1.54	1.68	1.10
United Kingdom	7.82	7.04	7.04	7.08	6.80	6.50	6.61	6.36	6.08	6.03	5.95	5.79	5.83	5.73	5.75	5.54
Addendum:																
United States	6.44	6.35	6.22	6.30	6.21	6.03	5.88	5.81	5.54	5.57	5.65	5.64	5.65	5.50	5.46	5.34
Share price indices (not seasonally adjusted, 1990=100)																
Canada	154	189	201	193	206	200	190	196	196	207	221	224	222	215	203	162
France	118	152	161	161	160	159	151	157	163	175	195	208	216	223	228	211
Germany	116	158	175	176	170	171	161	171	177	188	201	214	219	227	237	215
Italy	96	131	138	139	145	149	145	154	175	189	214	238	232	225	239	224
Japan	74	64	70	68	65	62	57	55	56	58	58	56	56	55	58	54
Mexico	555	779	889	815	933	815	873	917	801	839	880	894	795	751	745	.....
United Kingdom	167	189	190	194	198	203	194	200	205	216	226	232	237	236	238	222
Addendum:																
United States	195	249	262	262	267	272	268	275	275	290	306	315	313	311	320	294

1. Index of weighted average exchange value of U.S. dollar against currencies of other G-10 countries. March 1973=100. Weights are 1972-76 global trade of each of the 10 countries. Series revised as of August 1978. For description and back data, see: "Index of the weighted-average exchange value of the U.S. dollar: Revision" on page 700 of the August 1978 *Federal Reserve Bulletin*.

NOTE.—All exchange rates are from the Board of Governors of the Federal Reserve System. U.S. interest rates, unemployment rates, and GDP growth rates are from the Federal Reserve, the Bureau of Labor Statistics, and BEA, respectively. All other data (including U.S. consumer prices and U.S. share prices, both of which have been rebased to 1990 to facilitate comparison) are © OECD, October 1998, *OECD Main Economic Indicators* and are reproduced with permission of the OECD.

I. Charts

THE U.S. IN THE INTERNATIONAL ECONOMY



Regional Data

J. State and Regional Tables

The tables in this section include the most recent estimates of State personal income and gross state product. The sources of these estimates are noted.

The quarterly and annual State personal income estimates and the gross state product estimates are available on diskettes or CD-ROM. For information on personal income, E-mail reis.remd@bea.doc.gov; write to the Regional Economic Information System, BE-55, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5360. For information on gross state product, E-mail gspread@bea.doc.gov; write to the Regional Economic Analysis Division, BE-61, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230; or call 202-606-5340.

Table J.1.—Quarterly Personal Income for States and Regions

[Millions of dollars, seasonally adjusted at annual rates]

Area name	1995				1996				1997				1998		Percent change			
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	1997:II-1997:III	1997:III-1997:IV	1997:IV-1998:I	1998:I-1998:II
United States ...	5,967,461	6,018,892	6,082,265	6,171,934	6,269,149	6,373,076	6,459,289	6,534,446	6,652,349	6,729,607	6,807,743	6,893,137	6,992,622	7,070,608	1.2	1.3	1.4	1.1
New England	357,442	361,896	366,184	371,417	375,401	381,684	386,940	392,636	400,057	404,197	408,687	416,018	418,025	422,811	1.1	1.8	.5	1.1
Connecticut	103,187	103,982	105,285	106,653	108,076	109,850	111,408	112,865	115,568	116,716	117,801	120,173	121,364	122,398	.9	2.0	1.0	.9
Maine	24,297	24,588	24,670	25,027	25,357	25,742	26,130	26,516	26,860	27,117	27,250	27,718	27,662	27,944	.5	1.7	-.2	1.0
Massachusetts	166,446	168,846	171,309	173,963	175,544	178,711	181,154	184,185	187,604	189,401	191,843	194,783	195,514	198,083	1.3	1.5	.4	1.3
New Hampshire	28,365	29,039	29,136	29,665	30,109	30,502	30,954	31,373	31,770	32,264	32,863	33,536	33,508	33,904	1.9	2.1	-.1	1.2
Rhode Island	22,905	23,166	23,380	23,517	23,602	23,935	24,168	24,530	24,886	25,235	25,404	25,939	26,047	26,334	.7	2.1	.4	1.1
Vermont	12,243	12,275	12,404	12,591	12,801	12,945	13,126	13,167	13,368	13,465	13,527	13,869	13,931	14,148	.5	2.5	.4	1.6
Mideast	1,168,773	1,177,598	1,186,970	1,200,728	1,221,822	1,240,073	1,252,618	1,268,123	1,286,623	1,294,001	1,307,359	1,325,111	1,338,687	1,349,940	1.0	1.4	1.0	.8
Delaware	18,040	18,228	18,399	18,809	19,188	19,557	19,894	20,338	20,461	20,535	20,984	21,253	21,571	21,849	2.2	1.3	1.5	1.3
District of Columbia	17,685	17,769	17,776	17,900	18,114	18,041	18,304	18,516	18,518	18,556	18,785	18,810	19,109	19,174	1.2	.1	1.6	.3
Maryland	129,789	130,755	131,621	132,996	135,367	137,271	139,168	140,885	143,530	145,008	146,626	149,076	150,167	151,267	1.1	1.7	.7	.7
New Jersey	232,328	234,314	236,066	238,649	242,577	246,138	248,770	251,583	256,574	257,195	260,425	264,072	269,107	270,398	1.3	1.4	1.9	.5
New York	494,307	497,847	502,044	507,533	517,969	525,046	528,586	535,929	543,202	545,785	551,121	558,018	562,848	569,104	1.0	1.3	.9	1.1
Pennsylvania	276,624	278,684	281,073	284,840	288,670	294,019	297,896	300,872	304,338	306,921	309,418	313,883	315,885	318,147	.8	1.4	.6	.7
Great Lakes	998,966	1,002,627	1,010,742	1,024,339	1,033,924	1,050,139	1,063,992	1,072,260	1,089,826	1,102,775	1,112,544	1,128,280	1,144,562	1,155,371	.9	1.4	1.4	.9
Illinois	294,780	296,221	298,855	303,621	308,925	313,159	317,533	320,850	325,755	330,778	333,773	338,659	342,221	346,643	.9	1.5	1.1	1.3
Indiana	123,304	123,464	124,202	125,446	126,961	129,059	130,819	131,890	133,922	135,332	136,081	138,446	140,370	141,699	.6	1.7	1.4	.9
Michigan	225,155	224,581	226,291	229,018	229,192	233,247	235,191	236,881	240,721	242,939	245,346	248,308	255,184	256,771	1.0	1.2	2.8	.6
Ohio	244,240	246,168	248,230	251,428	252,533	256,422	260,150	261,335	266,513	269,357	271,661	275,434	278,952	281,005	.9	1.4	1.3	.7
Wisconsin	111,487	112,191	113,164	114,825	116,312	118,252	120,299	121,304	122,915	124,369	125,683	127,433	127,836	129,254	1.1	1.4	.3	1.1
Plains	392,184	395,297	399,104	405,533	416,904	424,059	430,228	434,037	439,487	445,613	450,253	454,888	460,552	465,711	1.0	1.0	1.2	1.1
Iowa	57,353	57,628	58,241	59,271	61,593	62,644	63,596	63,687	65,011	65,973	66,344	67,110	67,337	68,045	.6	1.2	.3	1.1
Kansas	54,620	54,976	55,579	56,296	57,616	58,354	59,244	59,959	60,909	62,031	62,753	63,555	64,241	64,881	1.2	1.3	1.1	1.0
Minnesota	107,683	108,739	109,627	111,755	114,644	116,850	118,705	119,487	120,635	122,568	124,079	125,545	128,182	129,837	1.2	1.2	2.1	1.3
Missouri	113,349	114,487	115,559	116,874	118,805	120,589	122,100	123,703	126,407	127,403	128,724	130,068	131,630	133,230	1.0	1.0	1.2	1.2
Nebraska	33,965	34,086	34,599	35,307	36,779	37,550	37,990	38,644	38,546	39,103	39,473	39,656	39,887	40,284	.9	.5	.6	1.0
North Dakota	11,574	11,702	11,681	11,955	12,728	12,985	13,286	13,204	12,720	12,901	13,050	13,146	13,256	13,355	1.2	.7	.8	.7
South Dakota	13,639	13,680	13,818	14,077	14,740	15,087	15,208	15,354	15,260	15,634	15,828	15,808	16,020	16,080	1.2	-.1	1.3	.4
Southeast	1,300,230	1,311,781	1,326,883	1,350,262	1,367,913	1,394,180	1,415,301	1,429,538	1,458,543	1,473,455	1,489,403	1,507,310	1,524,915	1,542,120	1.1	1.2	1.2	1.1
Alabama	80,324	80,839	81,668	82,531	83,276	84,773	85,991	86,601	88,320	88,980	89,630	90,682	91,485	92,357	.7	1.2	.9	1.0
Arkansas	43,776	44,114	44,547	45,539	45,853	47,100	47,670	47,867	48,605	49,280	49,646	50,281	50,780	51,185	.7	1.3	1.0	.8
Florida	315,990	318,709	322,644	328,319	335,661	341,387	346,580	350,981	357,042	361,288	365,944	369,115	372,556	377,843	1.3	.9	.9	1.4
Georgia	152,731	154,021	156,577	160,632	162,790	167,154	170,174	171,867	176,047	177,802	179,814	181,816	185,692	188,259	1.1	1.1	2.1	1.4
Kentucky	70,812	71,358	71,860	73,014	73,702	75,097	76,466	77,071	79,137	80,111	80,926	81,836	82,772	83,591	1.0	1.1	1.1	1.0
Louisiana	80,091	80,884	82,317	82,701	83,507	84,830	85,778	86,350	87,634	88,603	89,315	90,825	91,797	92,557	.8	1.7	1.1	.8
Mississippi	43,939	44,227	44,788	45,538	46,178	47,045	47,678	47,790	48,574	49,183	49,548	50,240	50,902	51,405	.7	1.4	1.3	1.0
North Carolina	148,051	149,658	150,975	154,837	156,392	160,437	162,905	165,042	169,423	171,247	172,550	175,072	177,401	179,056	.8	1.5	1.3	.9
South Carolina	68,399	69,021	69,709	70,904	71,575	72,985	74,191	74,876	76,399	77,101	78,017	79,083	79,116	80,442	1.2	1.4	0.0	1.7
Tennessee	108,673	109,794	110,972	112,809	113,205	115,098	116,739	117,933	120,220	121,295	122,656	124,373	125,169	126,106	1.1	1.4	.6	.7
Virginia	155,952	157,517	159,004	161,233	163,260	165,494	167,897	169,745	173,447	174,637	177,257	179,640	182,660	184,459	1.5	1.3	1.7	1.0
West Virginia	31,492	31,639	31,803	32,206	32,515	32,781	33,233	33,414	33,696	33,926	34,099	34,346	34,585	34,861	.5	.7	.7	.8
Southwest	563,435	571,717	579,757	590,088	600,186	610,071	619,471	628,078	644,274	655,280	666,804	674,515	690,059	699,771	1.8	1.2	2.3	1.4
Arizona	84,131	85,251	87,244	89,193	91,126	92,654	94,329	95,380	97,701	99,266	100,940	102,821	104,457	106,370	1.7	1.9	1.6	1.8
New Mexico	29,882	30,109	30,525	30,916	31,338	31,706	32,014	32,251	32,771	33,242	33,449	33,724	34,018	34,353	.6	.8	.9	1.0
Oklahoma	59,845	60,369	60,839	61,820	62,584	63,506	64,167	64,978	66,605	67,061	67,492	67,052	68,288	68,978	.6	-.7	1.8	1.0
Texas	389,576	395,988	401,149	408,160	415,138	422,205	428,961	435,469	447,197	455,712	464,924	470,919	483,296	490,669	2.0	1.3	2.6	1.4
Rocky Mountain	171,069	172,633	175,474	179,473	182,156	185,753	188,626	191,109	195,137	198,256	201,525	203,850	207,808	210,786	1.6	1.2	1.9 </	

Table J.2.—Annual Personal Income and Disposable Personal Income for States and Regions

Area name	Personal income					Disposable personal income				
	Millions of dollars			Percent change ¹		Millions of dollars			Percent change ¹	
	1995	1996	1997	1995-96	1996-97	1995	1996	1997	1995-96	1996-97
United States	6,060,138	6,408,990	6,770,709	5.8	5.6	5,266,018	5,519,456	5,782,771	4.8	4.8
New England	364,235	384,165	407,240	5.5	6.0	310,142	322,864	338,807	4.1	4.9
Connecticut	104,777	110,550	117,564	5.5	6.3	87,710	91,150	95,844	3.9	5.2
Maine	24,646	25,936	27,236	5.2	5.0	21,767	22,775	23,664	4.6	3.9
Massachusetts	170,141	179,876	190,908	5.7	6.1	143,513	149,655	157,289	4.3	5.1
New Hampshire	29,051	30,734	32,608	5.8	6.1	25,780	26,933	28,316	4.5	5.1
Rhode Island	23,242	24,059	25,366	3.5	5.4	20,444	21,014	21,968	2.8	4.5
Vermont	12,378	13,010	13,557	5.1	4.2	10,928	11,338	11,725	3.7	3.4
Midwest	1,183,517	1,245,659	1,303,273	5.3	4.6	1,014,319	1,058,161	1,096,276	4.3	3.6
Delaware	18,369	19,744	20,808	7.5	5.4	15,762	16,818	17,561	6.7	4.4
District of Columbia	17,783	18,244	18,667	2.6	2.3	15,274	15,403	15,599	.8	1.3
Maryland	131,290	138,173	146,060	5.2	5.7	112,283	117,199	122,404	4.4	4.4
New Jersey	235,337	247,267	259,567	5.1	5.0	201,584	210,077	218,716	4.2	4.1
New York	500,433	526,883	549,531	5.3	4.3	425,229	442,766	457,170	4.1	3.3
Pennsylvania	280,305	295,349	308,640	5.4	4.5	244,187	255,898	264,826	4.8	5.4
Great Lakes	1,009,168	1,055,079	1,108,356	4.5	5.0	870,278	902,634	940,038	3.7	4.1
Illinois	298,369	315,117	332,241	5.6	5.4	256,666	268,591	280,555	4.6	4.5
Indiana	124,104	129,682	135,945	4.5	4.8	107,496	111,768	116,286	4.0	4.0
Michigan	226,261	233,628	244,329	3.3	4.6	195,048	199,665	206,863	2.4	3.6
Ohio	247,517	257,610	270,741	4.1	5.1	214,290	221,498	231,071	3.4	4.3
Wisconsin	112,917	119,042	125,100	5.4	5.1	96,779	101,113	105,263	4.5	4.1
Plains	398,029	426,307	447,560	7.1	5.0	345,678	367,590	382,544	6.3	4.1
Iowa	58,123	62,880	66,110	8.2	5.1	50,916	54,944	57,369	7.9	4.4
Kansas	55,368	58,793	62,312	6.2	6.0	48,213	50,806	53,437	5.4	5.2
Minnesota	109,451	117,421	123,207	7.3	4.9	92,684	97,903	101,664	5.6	3.8
Missouri	115,067	121,299	128,151	5.4	5.6	100,814	105,563	110,663	4.7	4.8
Nebraska	34,489	37,741	39,195	9.4	3.9	30,136	32,991	33,887	9.5	2.7
North Dakota	11,728	13,051	12,954	11.3	-7	10,454	11,687	11,458	11.8	-2.0
South Dakota	13,803	15,122	15,632	9.6	3.4	12,462	13,695	14,065	9.9	2.7
Southeast	1,322,289	1,401,733	1,482,178	6.0	5.7	1,163,967	1,225,611	1,286,299	5.3	5.0
Alabama	81,346	85,160	89,403	4.7	5.0	72,328	75,505	78,864	4.4	4.4
Arkansas	44,494	47,122	49,453	5.9	4.9	39,567	41,797	43,698	5.6	4.5
Florida	321,415	343,652	363,347	6.9	5.7	282,893	298,779	313,157	5.6	4.8
Georgia	155,990	167,996	178,870	7.7	6.5	135,874	145,240	153,501	6.9	5.7
Kentucky	71,761	75,584	80,503	5.3	6.5	62,812	65,909	69,816	4.9	5.9
Louisiana	81,498	85,117	89,094	4.4	4.7	73,270	76,078	78,930	3.8	3.7
Mississippi	44,623	47,173	49,386	5.7	4.7	40,617	42,850	44,646	5.5	4.2
North Carolina	150,880	161,194	172,073	6.8	6.7	131,204	139,857	148,185	6.6	6.0
South Carolina	69,508	73,407	77,650	5.6	5.8	61,397	64,517	67,823	5.1	5.1
Tennessee	110,562	115,744	122,136	4.7	5.5	99,137	103,038	107,991	3.9	4.8
Virginia	158,426	166,599	176,245	5.2	5.8	136,427	142,556	149,438	4.5	4.8
West Virginia	31,785	32,986	34,017	3.8	3.1	28,441	29,486	30,250	3.7	2.6
Southwest	576,249	614,451	660,218	6.6	7.4	513,740	543,549	580,867	5.8	6.9
Arizona	86,455	93,372	100,182	8.0	7.3	75,760	81,022	86,140	6.9	6.3
New Mexico	30,358	31,827	33,297	4.8	4.6	27,095	28,250	29,335	4.3	3.8
Oklahoma	60,718	63,809	67,052	5.1	5.1	53,722	56,117	58,582	4.5	4.4
Texas	398,718	425,443	459,688	6.7	8.0	357,162	378,160	406,809	5.9	7.6
Rocky Mountain	174,662	186,911	199,692	7.0	6.8	151,139	160,589	170,127	6.3	5.9
Colorado	90,884	97,764	105,158	7.6	7.6	78,112	83,279	88,701	6.6	6.5
Idaho	22,071	23,430	24,681	6.2	5.3	19,280	20,432	21,377	6.0	4.6
Montana	15,906	16,557	17,316	4.1	4.6	14,052	14,557	15,103	3.6	3.8
Utah	35,897	38,825	41,689	8.2	7.4	30,947	33,403	35,665	7.9	6.8
Wyoming	9,903	10,336	10,848	4.4	5.0	8,748	8,917	9,281	1.9	4.1
Far West	1,031,987	1,094,684	1,162,192	6.1	6.2	896,754	938,457	987,813	4.7	5.3
Alaska	14,419	14,711	15,199	2.0	3.3	12,346	12,566	12,903	1.8	2.7
California	754,269	798,020	846,017	5.8	6.0	654,979	682,407	717,166	4.2	5.1
Hawaii	29,333	29,698	30,479	1.2	2.6	25,652	25,826	26,363	.7	2.1
Nevada	37,512	41,423	44,524	10.4	7.5	32,371	35,352	37,669	9.2	6.6
Oregon	67,822	73,044	77,791	7.7	6.5	57,945	62,094	65,389	7.2	5.3
Washington	128,633	137,788	148,182	7.1	7.5	113,460	120,213	128,322	6.0	6.7

1. Percent changes are 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 national income and product accounts (NIPA) estimate of personal income because, by definition, it omits the earnings of Federal civilian and military personnel

stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 1 and 3 in "State Personal Income, Revised Estimates for 1982-97" in the October 1998 issue of the SURVEY.

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

Area name	Per capita personal income ¹				Per capita disposable personal income ¹			
	Dollars			Rank in U.S.	Dollars			Rank in U.S.
	1995	1996	1997	1997	1995	1996	1997	1997
United States	23,063	24,169	25,298	.....	20,041	20,814	21,607	.....
New England	27,426	28,828	30,440	.....	23,353	24,228	25,325	.....
Connecticut	32,073	33,835	35,954	1	26,849	27,898	29,311	1
Maine	19,970	20,941	21,928	36	17,638	18,388	19,053	36
Massachusetts	28,073	29,559	31,207	3	23,680	24,593	25,711	3
New Hampshire	25,341	26,490	27,806	8	22,487	23,214	24,146	5
Rhode Island	23,480	24,344	25,689	15	20,653	21,263	22,248	12
Vermont	21,237	22,184	23,018	32	18,750	19,333	19,908	32
Mideast	26,630	27,993	29,245	.....	22,823	23,779	24,600	.....
Delaware	25,666	27,291	28,443	6	22,024	23,246	24,005	7
District of Columbia	32,197	33,830	35,290	.....	27,655	28,563	29,490	.....
Maryland	26,115	27,305	28,671	5	22,334	23,161	24,028	6
New Jersey	29,581	30,901	32,233	2	25,338	26,254	27,160	2
New York	27,578	29,055	30,299	4	23,434	24,416	25,206	4
Pennsylvania	23,270	24,530	25,678	17	20,271	21,254	22,033	16
Great Lakes	23,208	24,136	25,253	.....	20,014	20,649	21,418	.....
Illinois	25,297	26,603	27,929	7	21,761	22,675	23,584	8
Indiana	21,442	22,251	23,183	29	18,573	19,178	19,830	33
Michigan	23,434	24,009	24,998	18	20,201	20,519	21,165	20
Ohio	22,233	23,078	24,203	21	19,249	20,657	21,657	22
Wisconsin	22,084	23,132	24,199	22	18,927	19,648	20,362	27
Plains	21,686	23,083	24,100	.....	18,834	19,904	20,599	.....
Iowa	20,462	22,078	23,177	30	17,925	19,292	20,113	30
Kansas	21,547	22,796	24,014	23	18,763	19,699	20,594	23
Minnesota	23,759	25,260	26,295	12	20,119	21,061	21,697	17
Missouri	21,610	22,615	23,723	26	18,933	19,681	20,485	25
Nebraska	21,078	22,891	23,656	27	18,417	20,011	20,452	26
North Dakota	18,287	20,308	20,213	45	16,300	18,187	17,878	41
South Dakota	18,782	20,503	21,183	37	16,956	18,567	19,060	35
Southeast	20,817	21,800	22,776	.....	18,324	19,061	19,766	.....
Alabama	19,086	19,864	20,699	38	16,971	17,612	18,259	38
Arkansas	17,935	18,802	19,602	47	15,949	16,677	17,321	45
Florida	22,665	23,833	24,795	20	19,949	20,721	21,370	18
Georgia	21,689	22,906	23,893	25	18,892	19,803	20,504	24
Kentucky	18,609	19,470	20,599	40	16,288	16,978	17,864	42
Louisiana	18,828	19,608	20,473	41	16,927	17,526	18,138	39
Mississippi	16,585	17,402	18,087	50	15,096	15,807	16,351	50
North Carolina	20,994	22,054	23,174	31	18,256	19,135	19,957	31
South Carolina	18,871	19,751	20,651	39	16,669	17,359	18,037	40
Tennessee	21,118	21,808	22,752	33	18,936	19,414	20,117	29
Virginia	24,000	24,992	26,172	14	20,667	21,385	22,192	15
West Virginia	17,446	18,120	18,734	49	15,610	16,198	16,660	49
Southwest	20,578	21,535	22,734	.....	18,346	19,050	20,002	.....
Arizona	20,068	21,057	21,994	35	17,585	18,271	18,911	37
New Mexico	18,003	18,599	19,249	48	16,068	16,508	16,959	48
Oklahoma	18,560	19,363	20,214	44	16,422	17,029	17,661	44
Texas	21,279	22,285	23,647	28	19,061	19,808	20,927	21
Rocky Mountain	21,227	22,310	23,436	.....	18,369	19,168	19,967	.....
Colorado	24,290	25,618	27,015	9	20,877	21,823	22,787	10
Idaho	18,947	19,729	20,393	42	16,551	17,205	17,663	43
Montana	18,310	18,886	19,704	46	16,175	16,605	17,186	47
Utah	18,182	19,244	20,246	43	15,675	16,556	17,320	46
Wyoming	20,695	21,532	22,611	34	18,281	18,577	19,347	34
Far West	23,753	24,901	26,061	.....	20,640	21,347	22,151	.....
Alaska	23,965	24,318	24,945	19	20,520	20,771	21,177	19
California	23,901	25,050	26,218	13	20,755	21,421	22,225	13
Hawaii	24,883	25,105	25,686	16	21,761	21,832	22,217	14
Nevada	24,525	25,876	26,553	10	21,164	22,084	22,465	11
Oregon	21,579	22,852	23,984	24	18,436	19,427	20,160	28
Washington	23,664	24,964	26,412	11	20,872	21,780	22,872	9

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

NOTE.—The personal income level shown for the United States is derived as the sum of the State estimates. It differs from the national income and product accounts (NIPA) estimate of personal income because, by definition, it omits the earnings of Federal civilian and military personnel

stationed abroad and of U.S. residents employed abroad temporarily by private U.S. firms. It can also differ from the NIPA estimate because of different data sources and revision schedules.

Source: Tables 2 and 4 in "State Personal Income, Revised Estimates for 1982-97" in the October 1998 issue of the SURVEY.

Table J.4.—Gross State Product for States and Regions by Industry, 1996

[Millions of dollars]

State and region	Rank of total gross state product	Total gross state product	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government
United States ¹		7,631,022	129,842	113,631	306,052	1,332,093	648,280	516,777	667,903	1,445,535	1,539,525	931,384
New England		435,880	3,409	292	14,686	72,794	28,636	29,226	35,538	107,237	101,792	42,271
Connecticut	21	124,046	893	52	4,055	20,712	7,698	8,229	9,211	35,041	27,029	11,126
Maine	41	28,894	513	15	1,297	5,333	2,151	1,723	3,197	5,340	5,410	3,915
Massachusetts	11	208,591	1,212	130	6,606	32,265	13,128	14,845	16,373	50,880	53,879	19,273
New Hampshire	40	34,108	252	31	1,198	7,557	2,590	2,113	3,098	7,566	6,617	3,088
Rhode Island	44	25,629	208	19	895	4,282	1,426	1,835	2,242	5,802	5,814	3,106
Vermont	50	14,611	332	46	635	2,645	1,234	890	1,416	2,607	3,043	1,762
Mideast		1,440,922	9,244	2,464	48,440	197,808	121,614	92,909	106,168	358,390	324,047	179,839
Delaware	42	28,331	290	6	970	5,993	1,509	1,124	1,698	10,026	4,042	2,673
District of Columbia		51,197	14	12	442	1,285	2,769	580	1,369	8,863	16,684	19,180
Maryland	17	143,190	1,338	100	7,216	12,317	11,307	9,046	12,514	30,573	33,229	25,552
New Jersey	8	276,377	1,524	128	9,675	37,985	27,540	25,132	20,221	64,187	60,211	29,773
New York	2	613,287	2,780	471	17,629	72,154	49,518	37,741	42,056	182,389	140,228	68,323
Pennsylvania	6	328,540	3,298	1,748	12,509	68,074	28,971	19,286	28,310	62,352	69,654	34,338
Great Lakes		1,233,424	16,660	4,670	50,574	313,739	97,437	87,053	107,524	201,866	226,610	127,292
Illinois	4	370,778	5,052	1,282	15,476	71,444	34,029	28,507	29,877	71,023	76,832	37,257
Indiana	15	155,797	2,735	715	7,228	49,338	12,578	9,382	14,212	20,426	23,893	15,289
Michigan	9	263,336	2,526	1,173	10,131	71,683	17,509	18,874	23,420	41,538	48,791	27,691
Ohio	7	304,353	3,331	1,134	11,753	82,669	23,506	21,535	27,984	46,511	53,989	31,941
Wisconsin	20	139,160	3,016	365	5,986	38,605	9,816	8,756	12,030	22,367	23,105	15,114
Plains		514,201	23,553	3,406	22,473	99,777	47,400	39,066	45,461	79,404	92,293	61,367
Iowa	29	76,315	5,771	177	3,138	18,292	6,123	5,213	6,296	10,915	11,655	8,735
Kansas	31	68,014	2,986	983	2,838	12,451	7,340	5,311	6,540	8,608	11,360	9,597
Minnesota	18	141,573	4,174	877	6,195	27,115	10,876	11,776	12,275	25,352	27,558	15,374
Missouri	16	145,123	2,621	522	6,697	31,122	14,920	10,659	13,223	21,345	27,768	16,246
Nebraska	36	47,187	4,330	114	2,097	6,662	4,853	3,495	3,906	7,007	8,055	6,669
North Dakota	49	15,701	1,668	482	764	1,184	1,695	1,377	1,427	1,989	2,741	2,374
South Dakota	46	20,289	2,003	251	745	2,951	1,591	1,236	1,795	4,188	3,156	2,373
Southeast		1,674,519	30,754	29,524	71,440	315,211	152,763	111,941	161,015	265,718	308,111	228,041
Alabama	25	99,190	2,016	1,474	4,144	22,131	9,301	6,259	9,781	12,694	15,996	15,395
Arkansas	32	56,417	2,886	570	2,240	13,898	6,163	3,469	5,729	6,453	8,344	6,664
Florida	5	360,496	6,520	787	17,031	29,286	32,296	26,417	40,362	78,695	84,406	44,696
Georgia	10	216,033	3,801	906	8,356	39,079	24,166	18,940	19,333	35,515	38,919	27,019
Kentucky	26	95,410	2,438	2,448	3,752	26,833	7,933	5,565	8,472	10,733	14,293	12,944
Louisiana	22	121,143	1,488	17,973	5,086	22,989	10,690	6,451	9,502	14,709	19,054	13,201
Mississippi	33	56,406	1,798	507	2,192	13,208	6,003	3,150	5,630	6,474	9,032	8,410
North Carolina	12	204,229	4,757	259	8,563	55,075	16,135	13,094	18,242	29,719	31,418	26,968
South Carolina	27	89,476	1,208	223	4,195	23,768	7,107	5,172	9,180	11,861	13,505	13,258
Tennessee	19	140,750	1,651	399	5,527	32,244	11,076	10,396	15,368	19,450	27,633	17,005
Virginia	13	197,809	1,952	997	8,635	29,986	17,021	11,068	16,168	35,268	39,364	37,351
West Virginia	38	37,160	240	2,980	1,720	6,716	4,873	1,960	3,248	4,147	6,147	5,129
Southwest		778,815	11,565	49,688	34,892	125,482	77,631	53,480	70,763	115,141	141,929	98,243
Arizona	24	111,520	1,899	1,480	6,442	16,143	8,644	6,997	11,743	21,120	22,546	14,505
New Mexico	37	42,698	808	3,050	1,979	7,027	3,262	1,823	3,800	5,937	7,468	7,545
Oklahoma	30	72,767	1,531	3,879	2,332	12,587	7,289	4,421	7,267	9,064	12,634	11,762
Texas	3	551,830	7,327	41,278	24,138	89,725	58,436	40,239	47,953	79,020	99,282	64,431
Rocky Mountain		229,833	5,684	9,956	12,246	29,427	24,530	13,873	22,154	35,767	44,767	31,430
Colorado	23	116,227	2,053	1,936	6,219	14,226	12,957	7,355	11,274	19,815	25,161	15,231
Idaho	43	27,898	1,744	174	1,653	5,754	2,442	1,689	2,774	3,431	4,548	3,691
Montana	47	18,509	943	903	893	1,430	2,331	1,192	1,839	2,473	3,557	2,948
Utah	35	50,352	583	1,620	2,858	7,051	4,400	3,094	5,167	8,304	9,892	7,383
Wyoming	48	16,847	361	5,323	622	967	2,400	543	1,101	1,744	1,610	2,177
Far West		1,323,429	28,973	13,631	51,301	177,855	98,269	89,229	119,281	282,013	299,977	162,901
Alaska	45	24,161	355	5,424	983	1,161	3,770	710	1,576	2,584	2,871	4,728
California	1	962,696	20,564	5,776	31,656	134,179	67,135	65,857	85,443	218,439	222,748	110,900
Hawaii	39	36,317	445	28	1,753	1,123	3,732	1,446	4,192	7,768	8,077	7,752
Nevada	34	53,687	406	1,969	4,495	2,589	4,146	2,478	5,053	9,877	17,336	5,339
Oregon	28	86,967	2,590	104	4,731	17,868	6,711	6,937	7,586	14,140	15,939	10,361
Washington	14	159,602	4,612	332	7,683	20,934	12,775	11,802	15,432	29,205	33,006	23,823

1. The GSP estimates for transportation and public utilities and for finance, insurance, and real estate differ from BEA's November 1997 estimates of gross product originating (GPO) for the Nation for these industries because of the incorporation of source data that were not available when the GPO estimates were published.

NOTE.—Totals shown for the United States differ from the national income and product account estimates of gross domestic product (GDP) because GSP is derived from gross domestic income, which differs from GDP by the statistical discrepancy. In addition, GSP excludes and GDP includes the compensation of Federal civilian and military

personnel stationed abroad and government consumption of fixed capital for military structures located abroad and for military equipment, except office equipment. Also, GSP and GDP have different revision schedules.

Source: Tables 6 and 7 in "Gross State Product by Industry, 1977-96" in the June 1998 issue of the SURVEY OF CURRENT BUSINESS.

K. Local Area Table

Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1994–96

Area name	Personal income			Percent change ²	Per capita personal income ³			Rank in U.S.	Area name	Personal income			Percent change ²	Per capita personal income ³			Rank in U.S.
	Millions of dollars				Dollars					Millions of dollars				Dollars			
	1994	1995	1996		1994	1995	1996			1994	1995	1996		1994	1995	1996	
United States¹	5,774,875	6,137,878	6,480,031	5.6	22,186	23,359	24,436		Cleveland-Lorain-Elyria, OH*	53,474	56,730	59,150	4.3	23,971	25,434	26,529	46
Metropolitan portion	4,883,837	5,201,691	5,490,338	5.5	23,494	24,794	25,926		Colorado Springs, CO	9,005	9,812	10,544	7.5	19,872	21,112	22,320	148
Nonmetropolitan portion	891,038	936,187	989,693	5.7	16,999	17,675	18,530		Columbia, MO	2,457	2,655	2,824	6.4	20,286	21,509	22,424	144
Consolidated Metropolitan Statistical Areas									Columbia, SC	9,846	10,556	11,212	6.2	20,332	21,513	22,529	137
Chicago-Gary-Kenosha, IL-IN-WI	222,978	238,058	250,787	5.3	26,242	27,866	29,195		Columbus, GA-AL	4,827	5,098	5,398	5.9	17,665	18,777	19,860	243
Cincinnati-Hamilton, OH-KY-IN	42,644	45,357	47,786	5.4	22,511	23,787	24,901		Columbus, OH	32,316	34,293	35,966	4.9	22,738	23,910	24,893	78
Cleveland-Akron, OH	68,194	72,543	75,712	4.4	23,485	24,967	26,025		Corpus Christi, TX	6,526	6,866	7,285	6.1	17,387	18,127	19,034	277
Dallas-Fort Worth, TX	106,085	114,316	122,834	7.5	24,294	25,653	26,906		Cumberland, MD-WV	1,680	1,739	1,807	3.9	16,637	17,249	18,052	292
Denver-Boulder-Greeley, CO	56,092	60,771	65,084	7.1	25,657	27,262	28,650		Dallas, TX*	74,328	80,498	86,785	7.8	25,596	27,145	28,513	29
Detroit-Ann Arbor-Flint, MI	132,287	141,283	147,044	4.1	24,802	26,264	27,113		Danville, VA	1,862	1,947	2,005	3.0	16,970	17,806	18,404	288
Houston-Galveston-Brazoria, TX	98,543	105,839	112,597	6.4	24,046	25,424	26,556		Davenport-Moline-Rock Island, IA-IL	7,332	7,729	8,122	5.1	20,543	21,635	22,746	132
Los Angeles-Riverside-Orange County, CA	341,769	360,329	378,298	5.0	22,417	23,533	24,522		Dayton-Springfield, OH	20,870	22,184	23,017	3.8	21,885	23,292	24,239	93
Miami-Fort Lauderdale, FL	75,283	80,181	84,660	5.6	22,150	23,294	24,341		Daytona Beach, FL	7,903	8,460	8,959	5.9	17,892	18,783	19,565	255
Milwaukee-Racine, WI	39,656	42,156	44,087	4.6	24,268	25,768	26,923		Decatur, AL	2,626	2,788	2,911	4.4	18,998	19,984	20,706	210
New York-No. New Jersey-Long Island, NY-NJ-CT-PA	590,202	626,539	659,399	5.2	29,970	31,732	33,303		Decatur, IL	2,438	2,546	2,719	6.8	20,902	21,905	23,582	116
Philadelphia-Wilmington-Atlantic City, PA-NJ-DE-MD	152,556	161,128	169,717	5.3	25,587	26,989	28,413		Denver, CO*	46,819	50,815	54,449	7.2	26,119	27,810	29,234	24
Portland-Salem, OR-WA	44,697	48,636	52,531	8.0	22,508	24,000	25,343		Des Moines, IA	10,016	10,669	11,339	6.3	23,996	25,246	26,557	45
Sacramento-Yolo, CA	35,322	37,783	39,619	4.9	22,283	23,518	24,288		Detroit, MI*	109,265	116,667	121,458	4.1	24,897	26,373	27,250	36
San Francisco-Oakland-San Jose, CA	188,817	203,046	217,884	7.3	28,990	30,989	32,933		Dothan, AL	2,364	2,508	2,579	2.8	17,669	18,707	19,334	268
Seattle-Tacoma-Bremerton, WA	81,292	87,159	93,546	7.3	25,287	26,716	28,269		Dover, DE	2,162	2,318	2,481	7.0	18,123	19,155	20,374	223
Washington-Baltimore, DC-MD-VA-WV	195,280	205,681	215,836	4.9	27,766	29,018	30,204		Dubuque, IA	1,770	1,866	1,952	4.6	20,088	21,139	22,096	156
									Duluth-Superior, MN-WI	4,539	4,775	5,024	5.2	18,863	20,068	21,191	191
Metropolitan Statistical Areas⁴									Dutchess County, NY*	6,133	6,479	6,823	5.3	23,519	24,790	25,946	55
Abilene, TX	2,161	2,333	2,452	5.1	17,824	19,057	20,198	228	Eau Claire, WI	2,587	2,768	2,921	5.5	18,271	19,468	20,452	219
Akron, OH*	14,721	15,812	16,562	4.7	21,873	23,386	24,371	90	El Paso, TX	9,004	9,491	9,919	4.5	13,536	14,026	14,480	312
Albany, GA	2,066	2,187	2,305	5.4	17,768	18,790	19,688	247	Elkhart-Goshen, IN	3,632	3,823	3,958	3.5	22,170	22,948	23,449	118
Albany-Schenectady-Troy, NY	20,327	21,010	21,708	3.3	23,069	23,850	24,695	82	Elmira, NY	1,769	1,848	1,933	4.6	18,749	19,630	20,451	212
Albuquerque, NM	13,132	14,255	14,943	4.8	20,331	21,598	22,353	146	Enid, OK	1,071	1,110	1,161	4.6	18,897	19,419	20,417	220
Alexandria, LA	2,303	2,413	2,477	2.7	18,294	19,048	19,656	249	Erie, PA	5,541	5,758	5,989	4.0	19,775	20,552	21,389	176
Allentown-Bethlehem-Easton, PA	13,828	14,551	15,228	4.7	22,649	23,804	24,866	77	Eugene-Springfield, OR	5,782	6,217	6,601	6.2	19,351	20,520	21,534	172
Altoona, PA	2,391	2,488	2,616	5.1	18,079	18,849	19,919	239	Evansville-Henderson, IN-KY	6,146	6,384	6,748	5.7	21,478	22,247	23,430	119
Amarillo, TX	3,930	4,211	4,377	4.0	19,776	20,610	21,215	187	Fargo-Moorhead, ND-MN	3,179	3,373	3,680	9.1	19,654	20,622	22,335	147
Anchorage, AK	6,907	7,057	7,209	2.2	27,471	28,129	29,908	28	Fayetteville, NC	4,892	5,251	5,549	5.7	17,261	18,468	19,556	256
Ann Arbor, MI*	13,561	14,687	15,464	5.3	26,441	28,165	29,137	25	Fayetteville-Springdale-Rogers, AR	4,711	5,124	5,449	6.3	19,346	20,217	20,856	202
Annisston, AL	1,921	2,034	2,107	3.6	16,553	17,439	18,082	290	Flagstaff, AZ-UT	1,829	1,965	2,105	7.1	16,049	16,885	17,847	294
Appleton-Oshkosh-Neenah, WI	7,201	7,730	8,158	5.5	21,704	23,026	24,300	98	Flint, MI*	9,461	9,929	10,121	1.9	21,892	22,875	23,240	123
Asheville, NC	4,119	4,430	4,706	6.2	20,205	21,407	22,454	142	Florence, AL	2,401	2,567	2,668	3.9	17,744	18,488	19,508	259
Athens, GA	2,424	2,623	2,802	6.8	18,187	19,487	20,463	218	Florence, SC	2,194	2,303	2,441	6.0	18,136	18,808	19,808	245
Atlanta, GA	81,442	89,020	96,193	8.1	24,451	25,938	27,241	37	Fort Collins-Loveland, CO	4,449	4,855	5,280	8.8	20,959	22,378	23,841	103
Atlantic-Cape May, NJ*	8,582	9,060	9,413	3.9	26,067	27,360	28,266	31	Fort Lauderdale, FL*	34,500	36,990	39,081	5.7	24,883	26,167	27,129	40
Augusta-Aiken, GA-SC	8,442	8,868	9,134	3.0	18,848	19,604	20,161	230	Fort Myers-Cape Coral, FL	8,340	8,966	9,578	6.8	22,706	23,903	25,144	71
Austin-San Marcos, TX	20,642	22,704	24,632	8.5	21,350	22,615	23,669	109	Fort Pierce-Port St. Lucie, FL	6,428	6,868	7,321	6.6	23,110	24,281	25,269	68
Bakersfield, CA	10,255	10,671	11,073	3.8	16,790	17,335	17,810	295	Fort Smith, AR-OK	3,249	3,449	3,599	4.3	17,576	18,311	18,841	281
Baltimore, MD*	59,932	62,952	65,994	4.8	24,429	25,558	26,731	44	Fort Walton Beach, FL	3,071	3,211	3,314	9.4	19,109	19,666	21,218	186
Bangor, ME (NECMA)	2,615	2,706	2,805	3.7	17,909	18,728	19,495	261	Fort Wayne, IN	10,391	11,017	11,513	4.5	22,205	23,400	24,281	92
Barnstable-Yarmouth, MA (NECMA)	1,115	5,515	5,870	6.4	26,188	27,700	29,009	26	Fort Worth-Arlington, TX*	31,757	33,817	36,048	6.6	21,710	22,711	23,690	106
Baton Rouge, LA	5,251	11,880	12,404	4.4	20,176	21,135	21,910	164	Fresno, CA	14,666	15,260	16,097	5.5	17,526	18,043	18,727	284
Beaumont-Port Arthur, TX	6,996	7,354	7,598	3.3	18,729	19,621	20,292	225	Gadsden, AL	1,743	1,834	1,867	1.8	17,096	17,978	18,248	289
Bellingham, WA	2,760	2,956	3,170	7.2	18,938	19,828	20,827	203	Gainesville, FL	3,681	3,936	4,140	5.2	19,039	20,131	20,968	200
Benton Harbor, MI	3,234	3,422	3,523	3.0	20,063	21,168	21,861	166	Galveston-Texas City, TX*	4,759	5,036	5,322	5.5	20,270	21,256	22,154	155
Bergen-Passaic, NJ*	42,747	44,777	46,943	4.8	32,518	33,920	35,371	5	Gary, IN*	12,795	13,435	14,151	5.3	20,725	21,676	22,783	130
Billings, MT	2,510	2,674	2,791	4.4	20,468	21,482	22,235	153	Glens Falls, NY	2,242	2,347	2,436	3.8	18,418	19,181	19,902	242
Biloxi-Gulfport-Pascagoula, MS	5,814	6,061	6,291	3.8	17,259	17,775	18,440	287	Goldensboro, NC	1,751	1,881	1,990	5.8	16,111	17,004	17,798	296
Binghamton, NY	5,152	5,255	5,403	2.8	19,800	20,450	21,274	180	Grand Forks, ND-MN	1,793	1,880	2,026	7.8	17,206	18,081	19,383	254
Birmingham, AL	19,172	20,521	21,659	5.5	21,787	23,101	24,227	94	Grand Junction, CO	1,889	2,016	2,145	6.4	18,257	18,999	19,806	246
Bismarck, ND	1,710	1,816	1,914	5.4	19,440	20,386	21,227	185	Grand Rapids-Muskegon-Holland, MI	21,577	23,213	24,508	5.6	21,807	23,158	24,139	95
Bloomington, IN	2,037	2,154	2,277	5.7	17,933	18,687	19,646	251	Great Falls, MT	1,524	1,627	1,701	4.5	18,803	20,120	21,051	195
Bloomington-Normal, IL	3,067	3,262	3,420														

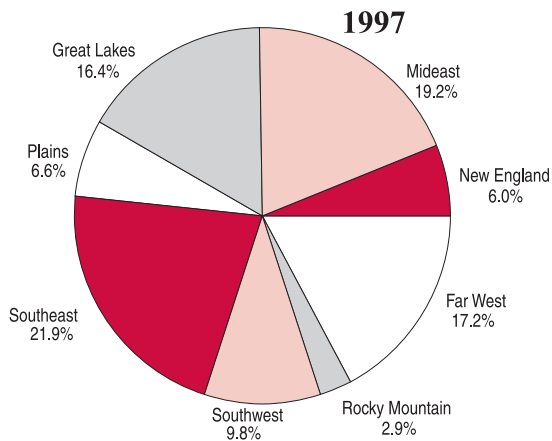
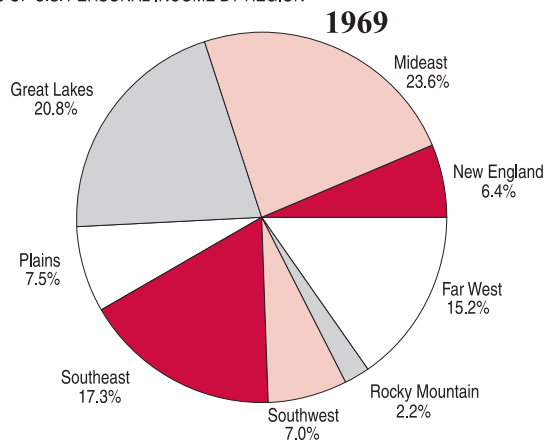
Table K.1.—Personal Income and Per Capita Personal Income by Metropolitan Area, 1994–96—Continued

Area name	Personal income				Per capita personal income ³				Area name	Personal income				Per capita personal income ³			
	Millions of dollars			Percent change ²	Dollars			Rank in U.S.		Millions of dollars			Percent change ²	Dollars			Rank in U.S.
	1994	1995	1996		1994	1995	1996			1994	1995	1996		1994	1995	1996	
Jonesboro, AR	1,219	1,337	1,415	5.8	16,638	17,891	18,590	286	Raleigh-Durham-Chapel Hill, NC	22,796	24,901	26,843	7.8	23,643	25,061	26,255	52
Joplin, MO	2,554	2,754	2,942	6.8	18,024	19,182	20,195	229	Rapid City, SD	1,630	1,734	1,805	4.1	18,848	19,917	20,770	207
Kalamazoo-Battle Creek, MI	9,241	9,771	10,204	4.4	20,967	22,078	22,962	128	Reading, PA	8,085	8,481	8,890	4.8	23,198	24,209	25,248	69
Kankakee, IL*	1,898	2,040	2,159	5.8	18,783	20,142	21,261	183	Redding, CA	3,053	3,137	3,262	4.0	19,111	19,499	20,144	231
Kansas City, MO-KS	38,562	41,353	43,810	5.9	23,281	24,738	25,949	54	Reno, NV	7,495	8,178	8,819	7.8	26,468	28,126	29,528	21
Kenosha, WI*	2,761	2,964	3,098	4.5	20,102	21,268	21,913	162	Richland-Kennebec-Pasco, WA	3,581	3,709	3,808	2.7	20,597	20,690	21,120	192
Killeen-Temple, TX	4,555	4,875	5,114	4.9	15,816	16,744	17,117	301	Richmond-Petersburg, VA	22,776	23,991	25,213	5.1	24,860	25,908	26,974	43
Knoxville, TN	12,954	13,906	14,420	3.7	20,588	21,740	22,247	152	Riverside-San Bernardino, CA*	52,445	54,986	57,446	5.0	17,979	18,453	19,090	275
Kokomo, IN	2,223	2,418	2,512	3.9	22,372	24,258	25,053	72	Roanoke, VA	5,192	5,566	5,804	4.3	22,730	24,382	25,387	64
La Crosse, WI-MN	2,448	2,554	2,705	5.9	20,395	21,175	22,320	148	Rochester, MN	2,652	2,792	2,996	7.3	23,486	24,834	26,478	48
Lafayette, IN	6,143	6,481	6,916	6.7	17,042	17,779	18,785	283	Rochester, NY	25,426	26,996	27,751	4.0	23,399	24,588	25,443	60
Lafayette, LA	3,201	3,343	3,531	5.6	19,040	19,690	20,640	214	Rockford, IL	7,421	7,931	8,293	4.6	21,479	22,738	23,523	117
Lake Charles, LA	3,184	3,390	3,577	5.5	18,336	19,287	20,084	234	Rocky Mount, NC	2,472	2,635	2,801	6.3	17,606	18,510	19,474	265
Lakeland-Winter Haven, FL	7,756	8,278	8,797	6.3	18,061	18,977	19,905	241	Sacramento, CA*	32,231	34,506	36,201	4.9	22,397	23,661	24,444	89
Lancaster, PA	9,804	10,287	10,870	5.7	22,147	22,997	24,138	96	Saginaw-Bay City-Midland, MI	8,497	9,014	9,426	4.6	21,101	22,394	23,900	120
Lansing-East Lansing, MI	9,213	9,697	10,092	4.1	20,747	21,784	22,587	136	St. Cloud, MN	2,765	2,921	3,132	7.2	17,662	18,425	19,594	253
Laredo, TX	1,930	2,007	2,160	7.6	11,732	11,675	12,199	314	St. Joseph, MO	1,800	1,881	1,971	4.8	18,399	19,311	20,298	224
Las Cruces, NM	2,136	2,295	2,383	3.9	13,627	14,378	14,529	311	St. Louis, MO-IL	60,119	64,142	67,118	4.6	23,733	25,238	26,337	50
Las Vegas, NV-AZ	23,990	26,739	29,588	10.7	22,244	23,481	24,706	81	Salem, OR*	5,663	6,132	6,534	6.6	18,441	19,578	20,480	217
Lawrence, KS	1,511	1,627	1,717	5.6	17,350	18,431	19,147	272	Salinas, CA	8,021	8,477	8,761	3.4	23,304	24,580	25,032	73
Lawton, OK	1,814	1,904	1,965	3.2	15,436	16,525	17,090	302	Salt Lake City-Ogden, UT	22,195	24,130	26,085	8.1	18,731	20,015	21,271	181
Lewiston-Auburn, ME (NECMA)	1,931	1,992	2,071	4.0	18,718	19,416	20,385	222	San Angelo, TX	1,843	1,947	2,040	4.8	18,276	19,193	19,996	237
Lexington, KY	9,063	9,805	10,522	7.3	21,061	22,579	23,929	101	San Antonio, TX	27,806	29,887	31,553	5.6	19,457	20,499	21,237	184
Lima, OH	2,993	3,122	3,222	3.2	19,200	20,069	20,727	209	San Diego, CA	58,191	61,380	65,008	5.9	22,111	23,201	24,282	91
Lynchburg, VA	4,817	5,136	5,451	6.1	21,305	22,413	23,951	113	San Francisco, CA*	57,102	61,301	65,512	6.9	29,932	31,391	39,746	1
Little Rock-North Little Rock, AR	11,025	11,850	12,531	5.7	20,541	21,878	22,882	129	San Jose, CA*	46,175	51,238	56,218	9.7	29,577	37,307	35,965	4
Longview-Marshall, TX	3,668	3,886	4,114	5.9	18,234	19,086	19,950	238	San Luis Obispo-Atascadero-Paso Robles, CA	4,397	4,652	4,941	6.2	19,645	20,515	21,483	173
Los Angeles-Long Beach, CA*	204,873	216,269	226,592	4.8	22,584	23,885	24,945	75	Santa Barbara-Santa Maria-Lompoc, CA	9,415	9,874	10,395	5.3	24,589	25,764	27,003	42
Louisville, KY-IN	21,942	23,298	24,487	5.1	22,418	23,666	24,764	79	Santa Cruz-Watsonville, CA*	5,835	6,207	6,631	6.8	24,846	26,288	27,896	33
Lubbock, TX	4,373	4,586	4,874	6.3	19,000	19,824	21,065	193	Santa Fe, NM	3,113	3,421	3,635	3.3	23,714	25,255	27,774	58
Lynchburg, VA	3,942	4,133	4,309	4.3	19,435	20,256	20,962	201	Santa Rosa, CA*	10,196	10,761	11,524	7.1	24,813	25,860	27,353	35
Macon, GA	5,755	6,127	6,487	5.9	18,771	19,853	20,791	206	Sarasota-Bradenton, FL	14,472	15,756	16,443	5.6	27,937	29,674	30,931	14
Madison, WI	9,797	10,510	11,080	5.4	25,161	26,798	28,087	112	Savannah, GA	5,596	5,952	6,320	6.2	20,299	21,343	22,477	141
Manfield, OH	3,214	3,379	3,517	4.1	18,340	19,275	20,067	236	Scranton-Wilkes-Barre-Hazleton, PA	12,364	12,924	13,398	3.7	19,470	20,462	21,363	177
McAllen-Edinburg-Mission, TX	4,954	5,303	5,680	7.1	10,680	11,032	11,478	315	Seattle-Bellevue-Everett, WA*	60,298	64,801	69,844	7.8	27,736	29,494	31,372	13
Medford-Ashdan, OR	3,150	3,392	3,605	6.3	19,447	20,502	21,410	175	Sharon, PA	2,156	2,267	2,370	4.5	17,695	18,579	19,386	267
Melbourne-Titusville-Palm Bay, FL	8,961	9,412	9,836	4.5	20,245	20,922	21,640	168	Sheboygan, WI	2,331	2,478	2,581	4.2	21,729	22,811	23,863	115
Memphis, TN-AR-MS	23,677	25,603	26,826	4.8	22,492	24,048	24,945	75	Sherman-Deleon, TX	1,751	1,880	2,014	7.1	17,998	19,159	20,080	235
Merced, CA	3,068	2,999	3,294	9.8	15,641	15,505	17,064	303	Saginaw-Bossier City, LA	7,310	7,630	7,885	3.1	19,395	20,156	20,786	208
Miami, FL*	40,783	43,190	45,579	5.5	20,268	21,292	22,370	145	Sioux City, IA-NE	2,325	2,492	2,659	6.7	19,475	20,693	21,974	159
Middlesex-Somerset-Hunterdon, NJ*	33,091	35,459	37,473	5.7	31,051	32,928	34,366	7	Sioux Falls, SD	3,500	3,719	4,018	8.0	22,632	23,724	25,246	70
Milwaukee-Waukesha, WI*	35,578	37,815	39,526	4.5	24,510	26,040	27,202	38	South Bend, IN	5,472	5,782	5,943	2.8	21,468	22,543	23,095	126
Minneapolis-St. Paul, MN-WI	70,644	75,469	80,878	7.2	26,246	27,682	29,299	23	Spokane, WA	7,803	8,303	8,701	4.8	19,712	20,691	21,555	170
Mobile, AL	9,038	9,608	10,156	5.7	17,664	18,627	19,508	259	Springfield, IL	4,403	4,579	4,819	5.3	21,779	22,556	23,633	110
Modesto, CA	7,149	7,404	7,884	6.5	17,602	18,037	18,953	279	Springfield, MO	5,704	6,139	6,444	5.0	19,766	20,884	21,702	167
Monmouth-Ocean, NJ*	28,071	29,758	31,199	4.8	27,162	28,359	29,343	22	Springfield, MA (NECMA)	12,639	13,451	13,949	3.7	21,240	22,687	23,601	112
Monroe, LA	2,537	2,728	2,881	5.6	17,398	18,619	19,321	252	State College, PA	2,389	2,538	2,662	4.9	18,435	19,460	20,135	232
Montgomery, AL	6,217	6,620	6,956	5.1	19,989	21,088	21,973	161	Steubenville-Weirton, OH-WV	2,481	2,531	2,615	3.3	17,445	18,165	19,189	280
Muncie, IN	2,311	2,411	2,491	3.3	19,435	20,304	21,063	194	Steuven-Lodi, CA	9,456	9,885	10,410	5.3	18,274	18,845	19,531	258
Myrtle Beach, SC	2,800	3,092	3,318	7.3	18,407	19,626	20,271	226	Sumter, SC	1,552	1,638	1,743	6.4	14,616	15,357	16,298	307
Naples, FL	5,820	6,073	6,478	8.3	32,737	33,204	34,830	6	Syracuse, NY	15,479	16,133	16,581	2.8	20,622	21,552	22,253	151
Nashville, TN	25,676	27,852	29,266	5.1	24,040	25,207	26,262	51	Tacoma, WA*	12,680	13,544	14,353	6.0	19,895	20,928	21,913	162
Nassau-Suffolk, NY*	82,459	85,472	89,919	5.2	31,187	32,237	33,837	10	Tallahassee, FL	4,813	5,169	5,450	5.4	18,891	20,069	20,985	199
New Haven-Bridgeport-Stamford-Danbury-Waterbury, CT*	55,291	59,964	63,249	5.5	34,063	36,964	38,962	2	Tampa-St. Petersburg-Clearwater, FL	46,279	49,670	52,738	6.2	21,503	22,817	23,984	99
New London-Norwich, CT (NECMA)	6,289	6,643	6,927	4.3	24,956	26,228	27,385	34	Terre Haute, IN	2,686	2,805	2,872	2.4	18,002	18,772	19,226	271
New Orleans, LA	26,769	28,209	29,021	2.9	20,474	21,527	22,179	154	Texarkana, TX-Texarkana, AR	2,082	2,198	2,306	4.9	16,981	17,916	18,666	285
New York, NY*	253,351	270,487	285,207	5.4	29,498	31,474	33,177	11	Toledo, OH	13,336	14,094	14,628	3.8	21,804	23,066	23,955	100
Newark, NJ*	59,212	62,635	65,787	5.0	30,675	32,401	33,952	9	Topeka, KS	3,561	3,770	3,936	4.4	21,620	22,883	23,888	102
Newburgh, NY-PA*	7,383	7,739	8,069	4.3	20,814	21,583	22,279	150	Trenton, NJ*	10,220	10,891	11,296	3.7	31,114	33,078	34,292	8
Norfolk-Virginia Beach-Newport News, VA-NC	29,902	31,397	32,726	4.2	19,616	20,507	21,311	179	Tucson, AZ	13,838	14,828	15,766	6.3	18,840	19,647	20,535	216
Oakland, CA*	59,219	62,872	66,728	6.1	26,910	28,405	29,842	20	Tulsa, OK	15,668	16,825	17,456	5.6	21,182	22,170	23,141	125
Ocala, FL	3,830	4,114	4,392	6.8	17,460	18,217	18,975	278	Tuscaloosa, AL	2,850	3,011	3,159	4.9	18,277	19,003	19,887	244
Odessa-Midland, TX	4,840	5,121	5,392	5.3	20,520	21,607	22,493	140	Tyler, TX	3,242	3,469	3,706	6.8	20,316	21,457	22,506	139
Oklahoma City, OK	19,537	20,515	21,620	5.4	19,429	20,244	21,148	190	Utica-Rome, NY	5							

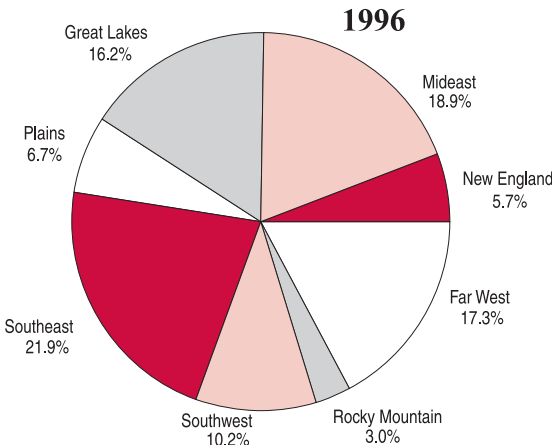
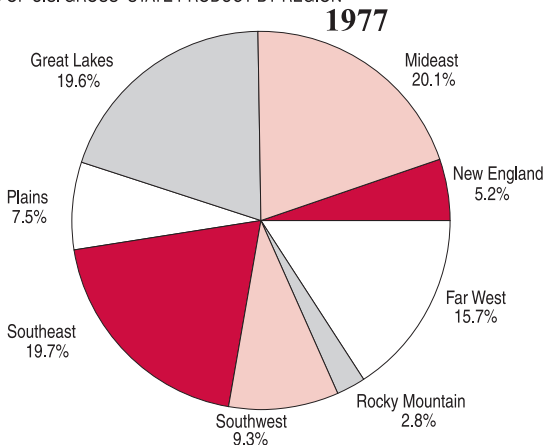
L. Charts

SELECTED REGIONAL ESTIMATES

SHARES OF U.S. PERSONAL INCOME BY REGION



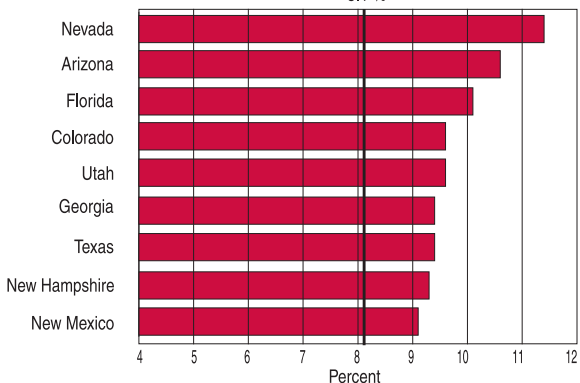
SHARES OF U.S. GROSS STATE PRODUCT BY REGION



AVERAGE ANNUAL GROWTH RATE OF PERSONAL INCOME, 1969-97

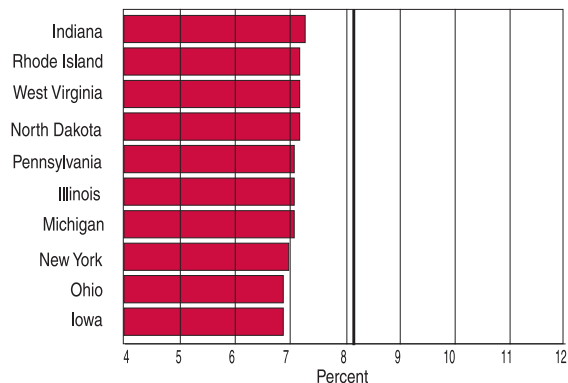
STATES WITH FASTEST GROWTH

U.S. average
8.1%



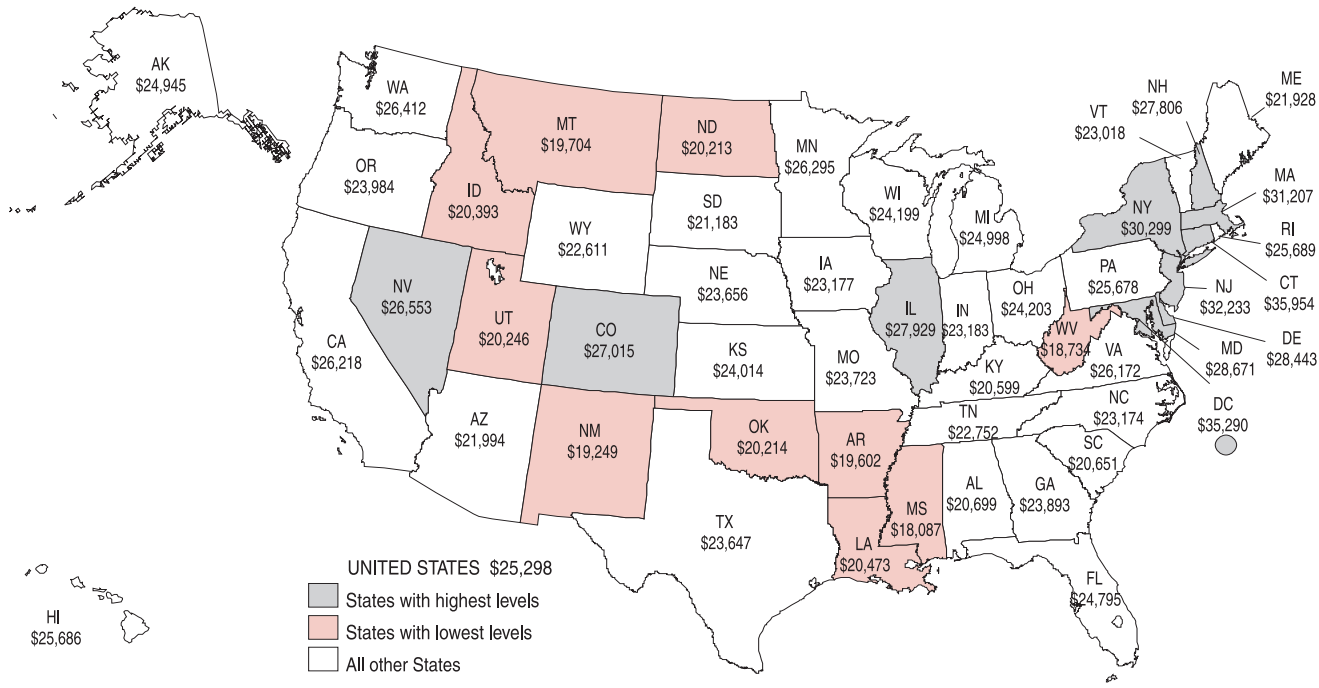
STATES WITH SLOWEST GROWTH

U.S. average
8.1%

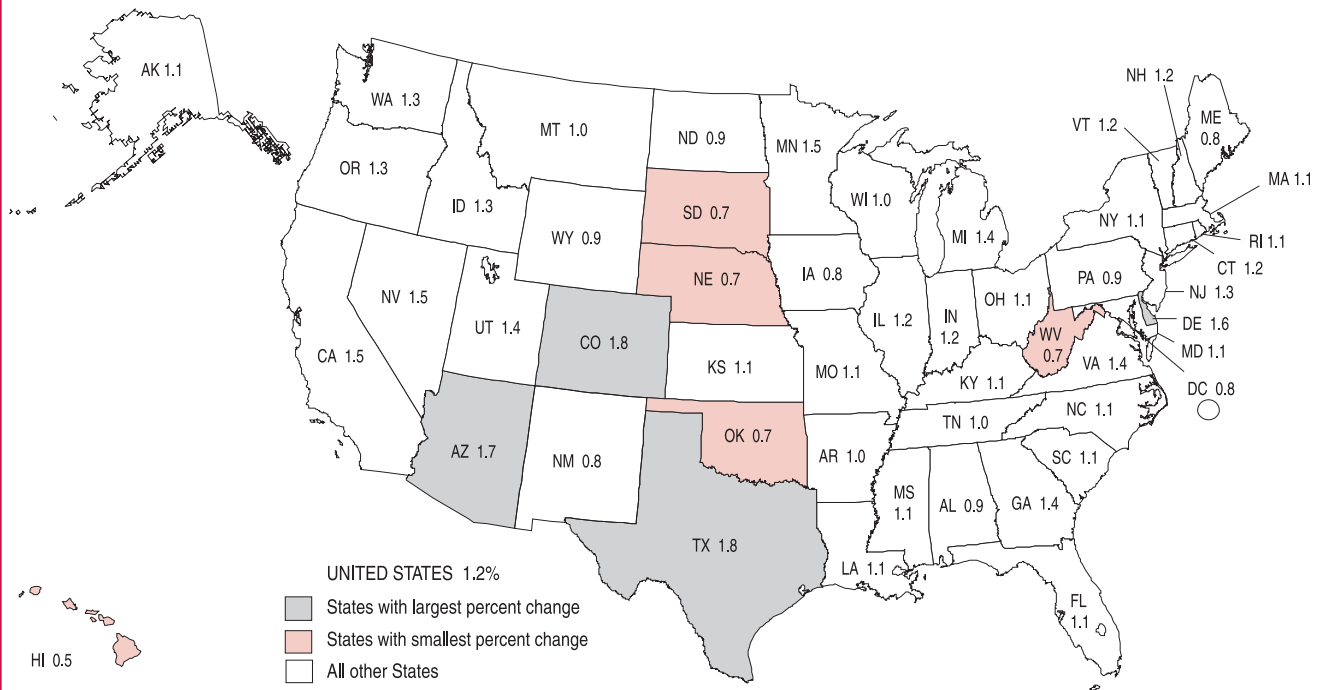


SELECTED REGIONAL ESTIMATES

PER CAPITA PERSONAL INCOME, 1997



PERSONAL INCOME GROWTH: AVERAGE QUARTERLY PERCENT CHANGE, 1997:II-1998:II



Appendix A

Additional Information About BEA's NIPA Estimates

Statistical Conventions

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

The annual changes in quantities and prices are calculated using a Fisher formula that incorporates weights from 2 adjacent years. (Similar formulas are used to calculate the quarterly indexes for the most recent quarters, called the "tail" period, and for the indexes for the other quarters, called the "historical period.") For example, the 1996–97 annual percent change in real GDP uses prices for 1996 and 1997 as weights, and the 1996–97 annual percent change in price uses quantities for 1996 and 1997 as weights. These annual changes are "chained" (multiplied) together to form time series of quantity and price. 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. The Fisher formula also produces changes in quantities and prices that are not affected by the choice of base periods. In addition, because the changes in quantities and prices calculated in this way are symmetric, the product of a quantity index and the corresponding price index is generally equal to the current-dollar index.

In addition, BEA prepares measures of real GDP and its components in a dollar-denominated form, designated "*chained (1992) dollar estimates*." These estimates are computed by multiplying the 1992 current-dollar value of GDP, or of a GDP component, by the corresponding quantity index number. For example, if a current-dollar GDP component equaled \$100 in 1992 and if real output for this component increased by 10 percent in 1993, then the "chained (1992) dollar" value of this component in 1993 would be \$110 (\$100 × 1.10). Note that percentage changes in the chained

(1992) dollar estimates and the percentage changes calculated from the quantity indexes are identical, except for small differences due to rounding.

Because of the formula used for calculating real GDP, the chained (1992) dollar estimates for detailed GDP components *do not add* to the chained-dollar value of GDP or to any intermediate aggregates. A "*residual*" line is shown as the difference between GDP and the sum of the most detailed components shown in each table. The residual generally is small close to the base period but tends to become larger as one moves further from it. NIPA table 8.2 provides accurate measures of the contributions of the major components to the percentage change in real GDP for all periods.

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

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

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

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

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

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

Reconciliation Tables

Table 1.—Reconciliation of Changes in BEA-Derived Compensation Per Hour with BLS Average Hourly Earnings

[Percent change from preceding period]

	1995	1996	1997	Seasonally adjusted at annual rates				
				1997		1998		
				III	IV	I	II	III ^p
BEA-derived compensation per hour of all persons in the nonfarm business sector (less housing)	2.3	3.5	3.7	3.9	5.0	4.6	4.0	4.4
<i>Less:</i> Contribution of supplements to wages and salaries per hour	-7	-1.1	-6	-5	-8	-1	-4	-4
<i>Plus:</i> Contribution of wages and salaries per hour of persons in housing and in nonprofit institutions	-1	-1	-2	-6	-6	-2	-2	.1
<i>Less:</i> Contribution of wages and salaries per hour of persons in government enterprises, unpaid family workers, and self-employed	0	.1	.2	.3	.1	.1	-2	.3
Equals: BEA-derived wages and salaries per hour of all employees in the private nonfarm sector	2.9	4.4	3.9	3.5	5.2	4.5	4.4	4.6
<i>Less:</i> Contribution of wages and salaries per hour of nonproduction workers in manufacturing .....	.1	-2	.2	.6	.5	.1	-1	-3
<i>Less:</i> Other differences ¹	0	1.2	-1	-1.1	0	.5	-1	1.6
Equals: BLS average hourly earnings of production or nonsupervisory workers on private nonfarm payrolls	2.8	3.4	3.9	4.0	4.6	3.9	4.6	3.3
Addendum: BLS estimates of compensation per hour in the nonfarm business sector ²	2.4	3.5	3.7	3.9	4.9	4.6	4.0	.....

^p Preliminary.

¹ Includes BEA use of non-BLS data and differences in detailed weighting. Annual estimates also include differences in BEA and BLS benchmark procedures; quarterly estimates also include differences in seasonal adjustment procedures.

² These estimates differ from the BEA-derived estimates (first line) because the BLS estimates include compensation and hours of tenant-occupied housing.

BEA Bureau of Economic Analysis
BLS Bureau of Labor Statistics

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

[Billions of dollars]

	Line	1996	1997	Seasonally adjusted at annual rates					
				1997				1998	
				I	II	III	IV	I	II
Exports of goods, services, and income, BPA's	1	1,064.0	1,179.4	1,135.1	1,181.1	1,201.9	1,199.4	1,196.2	1,170.4
<i>Less:</i> Gold, BPA's	2	6.9	5.7	6.7	9.3	3.4	3.4	5.3	4.2
Statistical differences ¹	3	0	0	0	0	0	0	4.8	4.1
Other items	4	1.1	.8	1.1	.6	.6	.9	.8	.7
<i>Plus:</i> Adjustment for grossing of parent/affiliate interest payments	5	3.4	3.9	3.3	3.6	4.2	4.6	3.9	4.2
Adjustment for U.S. territories and Puerto Rico	6	34.4	37.0	36.0	37.4	36.8	37.9	37.0	37.2
Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans	7	15.5	17.1	16.8	17.2	17.1	17.3	17.3	17.6
Equals: Exports of goods and services and receipts of factor income, NIPA's	8	1,109.3	1,230.9	1,183.3	1,229.4	1,256.0	1,254.9	1,243.6	1,220.2
Imports of goods, services, and income, BPA's	9	1,158.3	1,294.9	1,247.5	1,285.4	1,316.5	1,330.2	1,345.3	1,359.1
<i>Less:</i> Gold, BPA's	10	7.7	6.6	8.7	11.0	3.0	3.8	6.7	5.5
Statistical differences ¹	11	0	0	0	0	0	0	1.8	2.7
Other items	12	0	0	0	0	0	0	0	0
<i>Plus:</i> Gold, NIPA's	13	-3.8	-3.5	-3.5	-3.8	-3.4	-3.3	-3.2	-3.0
Adjustment for grossing of parent/affiliate interest payments	14	3.4	3.9	3.3	3.6	4.2	4.6	3.9	4.2
Adjustment for U.S. territories and Puerto Rico	15	22.4	26.5	23.7	25.8	28.0	28.3	27.4	28.5
Imputed interest paid to rest of world	16	15.5	17.1	16.8	17.2	17.1	17.3	17.3	17.6
Equals: Imports of goods and services and payments of factor income, NIPA's	17	1,188.1	1,332.3	1,279.1	1,317.3	1,359.4	1,373.3	1,382.2	1,398.2
Balance on goods, services, and income, BPA's (1-9)	18	-94.3	-115.5	-112.4	-104.3	-114.6	-130.8	-149.1	-188.7
<i>Less:</i> Gold (2-10+13)	19	-4.6	-4.4	-5.5	-5.5	-3.0	-3.7	-4.6	-4.3
Statistical differences (3-11) ¹	20	0	0	0	0	0	0	3.0	1.4
Other items (4-12)	21	1.1	.8	1.1	.6	.6	.9	.8	.7
<i>Plus:</i> Adjustment for U.S. territories and Puerto Rico (6-15)	22	12.0	10.5	12.3	11.6	8.8	9.6	9.6	8.7
Equals: Net exports of goods and services and net receipts of factor income, NIPA's (8-17)	23	-78.8	-101.4	-95.8	-87.9	-103.4	-118.4	-138.6	-178.0

¹ Consists of statistical revisions in the NIPA's that have not yet been incorporated into the BPA's (1998:II) and statistical revisions in the BPA's that have not yet been incorporated into the NIPA's (1998:I-1998:II).

BPA's Balance of payments accounts
NIPA's National income and product accounts

Appendix B

Suggested Reading

Mid-Decade Strategic Plan

BEA has published the following articles in the SURVEY OF CURRENT BUSINESS on the development and implementation of its strategic plan for improving the accuracy, reliability, and relevance of the national, regional, and international accounts.

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

“Mid-Decade Strategic Review of BEA’s Economic Accounts: An Update” (April 1995)

“BEA’s Mid-Decade Strategic Plan: A Progress Report” (June 1996)

Mid-Decade Strategic Review of BEA’s Economic Accounts: Background Papers (1995) presents seven background papers that evaluate the state of the U.S. economic accounts and that identify the problems and the prospects for improving the accounts.

Methodology

BEA has published a wealth of information about the methodology used to prepare its national, regional, and international estimates.

National

National income and product accounts (NIPA’s)

NIPA Methodology Papers: This series documents the conceptual framework of the NIPA’s and the methodology used to prepare the estimates.

An Introduction to National Economic Accounting (NIPA Methodology Paper No. 1, 1985) [Also appeared in the March 1985 issue of the SURVEY]

Corporate Profits: Profits Before Tax, Profits Tax Liability, and Dividends (NIPA Methodology Paper No. 2, 1985)

Foreign Transactions (NIPA Methodology Paper No. 3, 1987) [Revised version forthcoming]

GNP: An Overview of Source Data and Estimating Methods (NIPA Methodology Paper No. 4, 1987) [Largely superseded by “A Guide to the NIPA’s” (March 1998 SURVEY)]

Government Transactions (NIPA Methodology Paper No. 5, 1988)

Personal Consumption Expenditures (NIPA Methodology Paper No. 6, 1990)

The methodologies described in these papers are subject to periodic improvements that are typically introduced as part of the annual and comprehensive revisions of the NIPA’s; these improvements are

described in the SURVEY articles that cover these revisions.

“Annual Revision of the U.S. National Income and Product Accounts”: This series of SURVEY articles, the latest of which was published in the August 1998 issue, describes the annual NIPA revisions and the improvements in methodology.

“Completion of the Comprehensive Revision of the National Income and Product Accounts, 1929–96” (May 1997) is the last in a series of SURVEY articles that describe the most recent comprehensive revision of the NIPA’s.

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

Information on the sources and methods used to prepare the national estimates of personal income, which provide the basis for the State estimates of personal income, can be found in *State Personal Income, 1929–93* (1995).

“Gross Domestic Product as a Measure of U.S. Production” (August 1991 SURVEY) briefly explains the difference between GDP and gross national product.

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

“Reliability and Accuracy of the Quarterly Estimates of GDP” (October 1993 SURVEY) evaluates GDP estimates by examining the record of revisions in the quarterly estimates.

Availability

Most of the items listed here are available on BEA’s Web site at <www.bea.doc.gov>. In addition, see the inside back cover of this issue for the availability of some of the publications.

The *Catalog of BEA Products* is available on BEA’s Web site; a printed copy can be obtained by writing to the Public Information Office, BE-53, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, DC 20230, or by calling 202-606-9900.

Wealth and related estimates

“Improved Estimates of Fixed Reproducible Tangible Wealth, 1929–95” (May 1997 SURVEY) describes the most recent comprehensive revision of the estimates of fixed reproducible tangible wealth.

Gross product by industry

“Improved Estimates of Gross Product by Industry, 1959–94” (August 1996 SURVEY) describes the most recent comprehensive revision of the estimates of gross product by industry.

“Gross Product by Industry, 1947–96” (November 1997 SURVEY) and “Gross Product by Industry, 1995–97” (November 1998 SURVEY) present the most recent revisions to the estimates of gross product by industry and briefly describe changes in methodology.

Input-output accounts

“Benchmark Input-Output Accounts for the U.S. Economy, 1992” (November 1997 SURVEY) describes the preparation of the 1992 input-output accounts and the concepts and methods underlying the U.S. input-output accounts.

Satellite accounts

Satellite accounts that extend the analytical capacity of the national accounts by focusing on a particular aspect of activity are presented in the following SURVEY articles.

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

“A Satellite Account for Research and Development” (November 1994)

“U.S. Transportation Satellite Accounts for 1992” (April 1998)

“U.S. Travel and Tourism Satellite Accounts for 1992” (July 1998)

*International**Balance of payments accounts (BPA’s)*

The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures (1990) describes the methodologies used in preparing the estimates in the BPA’s and of the international investment position of the United States. These methodologies are subject to periodic improvements that are typically introduced as part of the annual revisions of the BPA’s.

“U.S. International Transactions, Revised Estimates”: This series of SURVEY articles, the latest of which was published in the July 1998 issue, describes

the annual BPA revisions and the improvements in methodology.

Direct investment

The coverage, concepts, definitions, and classifications used in the benchmark surveys of U.S. direct investment abroad and of foreign direct investment in the United States are presented in the publications of the final results of the following benchmark surveys.

U.S. Direct Investment Abroad: 1994 Benchmark Survey, Final Results (1998)

Foreign Direct Investment in the United States: 1992 Benchmark Survey, Final Results (1995)

The types of data on direct investment that are collected and published by BEA and the clarifications of the differences between the data sets are presented in the following SURVEY articles.

“A Guide to BEA Statistics on U.S. Multinational Companies” (March 1995)

“A Guide to BEA Statistics on Foreign Direct Investment in the United States” (February 1990)

Surveys of international services

U.S. International Transactions in Private Services: A Guide to the Surveys Conducted by the Bureau of Economic Analysis (1998) provides information on the 11 surveys that BEA conducts on these transactions—including classifications, definitions, release schedules, and methods used to prepare the estimates—and samples of the survey forms.

*Regional**Personal income*

State Personal Income, 1929–93 (1995) includes a description of the methodology used to prepare the estimates of State personal income. [Also available on the CD-ROM *State Personal Income, 1929–97*]

Local Area Personal Income, 1969–92 (1994) includes a description of the methodology used to prepare the estimates of local area personal income. [Also available on the CD-ROM *Regional Economic Information System, 1969–96*]

Gross state product

“Comprehensive Revision of Gross State Product by Industry, 1977–94” (June 1997 SURVEY) summarizes the sources and methods for BEA’s estimates of gross state product.

“Gross State Product by Industry, 1977–96” (June 1998 SURVEY) presents the most recent revision to the estimates of gross state product by industry and briefly describes changes in methodology. 