

BUSINESS SITUATION

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

REAL gross domestic product (GDP) increased 2.7 percent in the third quarter of 2000, according to the "advance" estimates of the national income and product accounts (NIPA's), after increasing 5.6 percent in the second quarter (table 1 and chart 1).¹ The growth of real gross domestic purchases also slowed, to 2.9 percent from 6.5 percent. These slowdowns largely reflected a sharp slowdown in private inventory investment and a downturn in government spending.² For both GDP and gross domestic purchases, third-quarter

growth rates were below the average rates in the current expansion, when GDP has grown at an average annual rate of 3.7 percent, and gross domestic purchases, 4.1 percent.³

The price index for gross domestic purchases increased 2.4 percent in the third quarter after increasing 2.1 percent in the second. Real disposable personal income slowed to a 2.5-percent increase from a 3.7-percent increase. The personal saving rate swung to a negative 0.2 percent from a positive 0.3 percent.

The largest contributors to the third-quarter increase in real GDP were personal consumption expenditures (PCE), exports, and nonresidential fixed investment (table 2). PCE increased 4.5 percent and contributed 3.0 percentage points to GDP

1. Quarterly estimates in the NIPA's are expressed at seasonally adjusted annual rates. Quarter-to-quarter dollar changes are the differences between the published estimates. Quarter-to-quarter percent changes are annualized and are calculated from unrounded data unless otherwise specified.

Real estimates are calculated using a chain-type Fisher formula with annual weights for all years and quarterly weights for all quarters; real estimates are expressed both as index numbers (1996 = 100) and as chained (1996) dollars. Price indexes (1996 = 100) are also calculated using a chain-type Fisher formula.

2. In the NIPA's, private inventory investment is shown as change in private inventories, and government spending is shown as government consumption expenditures and gross investment.

3. The current expansion began in the second quarter of 1991.

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 (1996) dollars					Percent change from preceding quarter			
	Level		Change from preceding quarter			1999		2000	
	2000	1999	2000			IV	I	II	III
	III	IV	I	II	III	IV	I	II	III
Gross domestic product	9,382.2	178.3	107.7	127.1	63.3	8.3	4.8	5.6	2.7
Less: Exports of goods and services	1,164.6	25.8	16.4	37.0	42.8	10.3	6.3	14.3	16.2
Plus: Imports of goods and services	1,575.5	35.7	40.8	63.5	50.3	10.7	12.0	18.6	13.8
Equals: Gross domestic purchases	9,763.6	187.4	129.5	150.7	69.3	8.4	5.6	6.5	2.9
Less: Change in private inventories	79.9	41.8	-44.3	42.0	1.3	.....	.....	.....	.....
Nonfarm	74.9	29.5	-40.0	39.3	2.6	.....	.....	.....	.....
Farm	5.0	12.9	-4.3	2.6	-1.2	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	9,677.9	147.6	169.5	110.6	67.4	6.6	7.5	4.7	2.8
Personal consumption expenditures	6,330.4	87.2	112.5	47.1	69.8	5.9	7.6	3.1	4.5
Durable goods	902.9	25.6	46.4	-11.5	16.2	13.0	23.6	-5.0	7.5
Nondurable goods	1,883.3	32.0	26.7	16.3	22.2	7.4	6.0	3.6	4.9
Services	3,559.3	31.9	44.2	39.5	32.6	3.8	5.2	4.6	3.7
Private fixed investment	1,790.5	28.8	64.3	46.7	12.9	7.2	16.4	11.2	2.9
Nonresidential	1,436.3	29.3	63.5	47.2	23.8	9.5	21.0	14.6	6.9
Structures	278.2	6.0	13.4	3.0	1.2	9.7	22.3	4.4	1.7
Equipment and software	1,170.2	23.5	50.3	46.2	23.6	9.5	20.6	17.9	8.5
Residential	363.7	5	2.9	1.2	-8.9	.5	3.2	1.3	-9.2
Government consumption expenditures and gross investment	1,569.4	31.7	-4.4	18.6	-14.3	8.5	-1.1	4.8	-3.6
Federal	544.2	17.1	-21.0	21.7	-14.6	13.2	-14.2	17.2	-10.1
National defense	345.7	10.5	-19.4	13.6	-9.4	12.6	-19.8	16.9	-10.2
Nondefense	198.4	6.6	-1.7	8.2	-5.2	14.4	-3.3	17.8	-9.9
State and local	1,024.6	14.8	16.2	-2.8	0	6.1	6.6	-1.1	0
Addendum: Final sales of domestic product	9,296.7	138.7	147.5	87.3	61.4	6.4	6.7	3.9	2.7

NOTE.—Chained (1996) dollar series are calculated as the product of the chain-type quantity index and the 1996 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 (1996) dollar levels and residuals, which measure the extent of nonadditivity in each table, are shown in NIPA tables 1.2, 1.4, and 1.6. Percent changes are calculated from unrounded data. Percent changes in major aggregates are shown in NIPA table S.1. (See "Selected NIPA Tables", which begin on page D-2 in this issue.)

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

growth; about half of the growth in PCE was accounted for by expenditures for services. Exports increased 16.2 percent, its biggest increase in more than 3 years, and contributed 1.7 percentage points; the increase was attributable to all the major end-use categories, but nonautomotive capital goods contributed the most. Nonresidential fixed investment increased 6.9 percent and contributed 0.9 percentage point to GDP growth; the increase was accounted for by information processing equipment and software. These increases in consumer spending, exports, and fixed investment

were partly offset by an increase in imports that subtracted 1.9 percentage points from GDP growth and by a decrease in government spending that subtracted 0.6 percentage point.

The biggest contributors to the deceleration in GDP growth from the second quarter to the third were private inventory investment and Federal Government spending; inventory accumulation did not change much in the third quarter after surging in the second, and Federal Government spending decreased after increasing. A downturn in nonresidential fixed investment also contributed to the GDP deceleration.

Third-Quarter 2000 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 (2), shipments of civilian aircraft (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 private 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: Some Federal outlays were available for 2 months, others for 3, State and local construction put in place (2), State and local employment (3), and the employment cost index for the quarter;

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 list is available from BEA's Web site at <www.bea.doc.gov> and from STAT-USA's Web site at <www.stat-usa.gov>.

Table A.—Summary of Major Data Assumptions for Advance Estimates, 2000:III

[Billions of dollars, seasonally adjusted at annual rates]

	2000					
	April	May	June	July	August	September ¹
Fixed investment:						
Nonresidential structures:						
Buildings, utilities, and farm:						
Value of new nonresidential construction put in place	214.6	215.6	213.6	216.0	216.8	217.0
Equipment and software:						
Manufacturers' shipments of complete civilian aircraft	41.3	50.7	36.6	38.3	43.1	40.6
Manufacturers' shipments of nondefense capital goods other than aircraft	632.2	637.7	642.6	647.7	655.0	665.8
Residential structures:						
Value of new residential construction put in place:						
1-unit structures	238.6	237.7	233.2	228.1	227.0	226.9
2-or-more-unit structures	29.5	28.3	28.3	26.5	27.3	27.4
Change in private inventories nonfarm:						
Change in inventories for manufacturing and trade (except nonmerchant wholesalers) for industries other than motor vehicles and equipment in trade	52.2	87.8	77.0	64.9	68.9	59.1
Net exports: ²						
Exports of goods:						
U.S. exports of goods, balance-of-payments basis	750.8	753.0	797.6	781.2	815.6	816.7
Excluding nonmonetary gold	747.5	750.3	792.5	778.5	811.5	809.5
Imports of goods:						
U.S. imports of goods, balance-of-payments basis	1,193.5	1,190.7	1,240.0	1,243.4	1,252.5	1,271.6
Excluding nonmonetary gold	1,191.1	1,188.3	1,235.8	1,241.0	1,249.1	1,264.4
Net exports of goods (exports less imports)	-442.7	-437.7	-442.3	-462.3	-436.9	-454.9
Excluding nonmonetary gold	-443.7	-438.1	-443.3	-462.5	-437.7	-454.9
Government consumption expenditures and gross investment:						
State and local:						
Structures:						
Value of new construction put in place	173.1	168.8	160.4	157.3	160.6	163.6

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.

Motor vehicles.—Real motor vehicle output decreased 17.6 percent in the third quarter after decreasing 4.5 percent in the second; the bigger drop in the third quarter reflected a sharp downturn in truck output (table 3). Final sales of motor vehicles

to domestic purchasers increased slightly after decreasing.

Purchases of motor vehicles by consumers and by government increased after decreasing. Purchases by businesses (private fixed investment) decreased less than in the second quarter.

Factors frequently considered in analyses of consumer spending were mixed in the third quarter: The growth in real disposable personal income slowed; the Index of Consumer Sentiment (prepared by the University of Michigan's Survey Research Center) decreased but remained at a high level; and the unemployment rate was unchanged at 4.0 percent, its lowest level since 1969. Among factors specific to motor vehicles purchases, interest rates on new-car loans at commercial banks increased, and prices of new motor vehicles were unchanged.

Imports of motor vehicles increased substantially after a slight increase, and exports decreased after increasing.

Motor vehicle inventory investment decreased after increasing. The decrease reflected a swing from accumulation to liquidation in truck inventories; auto inventories increased more than in the second quarter. The inventory-sales ratio for new domestic autos, which is calculated from units data, edged up to 2.5 at the end of the third quarter from 2.3 at the end of the second; the traditional industry target is 2.4.

Table 2.—Contributions to Percent Change in Real Gross Domestic Product

[Seasonally adjusted at annual rates]

	1999	2000		
	IV	I	II	III
Percent change at annual rate:				
Gross domestic product	8.3	4.8	5.6	2.7
Percentage points at annual rates:				
Personal consumption expenditures	4.08	5.03	2.14	3.02
Durable goods	1.04	1.79	-.42	.60
Nondurable goods	1.47	1.19	.74	.96
Services	1.58	2.04	1.83	1.46
Gross private domestic investment	3.04	.92	3.66	.60
Fixed investment	1.26	2.68	1.93	.52
Nonresidential	1.22	2.54	1.87	.92
Structures .....	.29	.63	.14	.06
Equipment and software .....	.94	1.91	1.73	.87
Residential .....	.03	.14	.06	-.40
Change in private inventories	1.78	-1.76	1.73	.08
Net exports of goods and services	-.37	-.94	-1.00	-.25
Exports	1.09	.67	1.48	1.68
Goods .....	.94	.46	1.37	1.51
Services .....	.15	.21	.11	.17
Imports	-1.45	-1.61	-2.48	-1.93
Goods	-1.28	-1.28	-2.26	-1.54
Services	-.17	-.33	-.22	-.38
Government consumption expenditures and gross investment	1.50	-.18	.85	-.63
Federal .....	.79	-.93	.97	-.63
National defense .....	.48	-.86	.60	-.41
Nondefense .....	.30	-.07	.37	-.23
State and local .....	.71	.75	-.12	0

NOTE.—More detailed contributions to percent change in real gross domestic product are shown in NIPA table 8.2. Contributions to percent change in major components of real gross domestic product are shown in tables 8.3 through 8.6.

Table 3.—Motor Vehicle Output, Sales, and Inventories

[Seasonally adjusted at annual rates]

	Billions of chained (1996) dollars					Percent change from preceding quarter			
	Level	Change from preceding quarter				1999	2000		
	2000	1999	2000				IV	I	II
	III	IV	I	II	III				
Output	338.4	7.0	0.3	-4.1	-16.8	8.2	0.3	-4.5	-17.6
Autos	116.2	5.1	-.1	-9.0	-5.8	17.0	-.4	-24.8	-17.8
Trucks	221.5	2.0	.4	4.7	-10.9	3.7	.7	8.5	-17.5
Less: Exports	26.1	.7	.5	.4	-.3	12.4	8.0	5.9	-4.7
Autos	16.1	.7	.2	.3	-.6	19.5	3.9	7.0	-14.2
Trucks	10.0	0	.3	.1	.3	1.6	15.1	4.0	12.8
Plus: Imports	129.6	.5	3.3	.1	7.2	1.7	11.7	.4	25.9
Autos	111.9	.1	3.0	2.4	7.9	.5	12.7	9.7	34.2
Trucks	17.8	.4	.3	-2.2	-.6	8.1	7.0	-36.6	-13.3
Equals: Gross domestic purchases	442.7	6.7	3.2	-4.4	-9.0	6.2	2.8	-3.8	-7.7
Autos	213.3	4.4	2.8	-6.7	3.1	8.6	5.4	-11.8	6.0
Trucks	229.4	2.4	.4	2.3	-11.9	4.1	.7	3.9	-18.4
Less: Change in private inventories	5.6	5.2	-16.4	16.7	-9.1				
Autos	8.1	2.9	-4.3	2.0	5.7				
Trucks	-1.8	2.3	-11.2	13.4	-13.1				
Equals: Final sales to domestic purchasers	437.3	1.2	20.5	-21.9	.6	1.1	20.1	-17.8	.6
Autos	205.3	1.5	7.1	-8.7	-2.6	2.8	14.2	-15.1	-5.0
Trucks	231.9	-.2	13.4	-13.2	3.2	-.4	25.5	-20.1	5.8
Addenda:									
Personal consumption expenditures	268.8	3.5	17.4	-13.0	3.5	5.6	29.5	-17.4	5.4
Private fixed investment	155.7	-3.6	4.4	-8.0	-3.1	-8.4	11.4	-17.8	-7.5
Gross government investment	12.7	1.3	-1.3	-.9	.2	45.2	-31.6	-23.9	7.0

NOTE.—See note to table 1 for an explanation of chained (1996) dollars. Truck output includes new trucks only; auto output includes new cars and used cars. Chained (1996) dollar levels for motor vehicle output, auto and truck output, and residuals, which measure the extent of nonadditivity in each table, are in NIPA tables 1.4 and 8.9B.

Prices

The price index for gross domestic purchases, which measures the prices paid for goods and services purchased by U.S. residents, increased 2.4 percent in the third quarter after increasing 2.1 percent in the second (table 4). In the current expansion, these prices have increased at an average annual rate of 1.9 percent. In the third quarter, prices of gross domestic purchases less food and energy increased 1.9 percent after increasing 1.7 percent (chart 2).

PCE prices increased 2.2 percent after increasing 2.1 percent. Prices of food increased more than in the second quarter, and prices of energy goods and services increased less.⁴ Food prices increased 3.7 percent after increasing 2.3 percent; the acceleration partly reflected upturns in the prices of fresh fruits and of juices and nonalcoholic drinks that were only partly offset by decelerations in the prices of fresh vegetables, of beef and veal, and of pork. Energy prices increased 8.7 percent after increasing 13.0 percent. The slowdown reflected a deceleration in prices of gasoline and oil; in contrast, prices of fuel oil and coal turned up, and prices of electricity and gas increased more than in the second quarter. Prices of PCE less food and en-

4. "Energy goods and services" consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

Table 4.—Price Indexes

[Percent change at annual rates; based on seasonally adjusted index numbers (1996=100)]

	1999		2000	
	IV	I	II	III
Gross domestic product	1.6	3.3	2.4	2.0
Less: Exports of goods and services	2.7	1.9	1.9	.9
Plus: Imports of goods and services	5.3	5.6	.2	3.9
Equals: Gross domestic purchases	1.9	3.8	2.1	2.4
Less: Change in private inventories .....	.....	.....	.....	.....
Equals: Final sales to domestic purchasers	2.0	3.8	2.1	2.4
Personal consumption expenditures	2.2	3.5	2.1	2.2
Food	2.3	2.4	2.3	3.7
Energy goods and services ¹	11.7	35.1	13.0	8.7
Personal consumption expenditures less food and energy	1.7	2.2	1.4	1.5
Private nonresidential fixed investment	-8	1.8	1.6	1.9
Structures	3.6	4.7	3.7	3.2
Equipment and software	-2.1	.9	1.0	1.6
Private residential investment	2.6	5.2	2.6	2.5
Government consumption expenditures and gross investment	3.0	6.4	2.7	3.7
Federal	2.2	7.7	.6	2.8
National defense	2.4	7.1	.8	2.9
Nondefense	1.9	8.9	.4	2.5
State and local	3.5	5.7	3.8	4.2
Addendum: Gross domestic purchases less food and energy	1.5	2.8	1.7	1.9

1. Consists of gasoline, fuel oil, and other energy goods and of electricity and gas.

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.

ergy increased 1.5 percent after increasing 1.4 percent.

Prices of private nonresidential fixed investment increased 1.9 percent, about the same as in the preceding two quarters. These increases, which followed 18 consecutive quarterly decreases, largely reflected increases in the prices of software and of transportation equipment and smaller-than-usual decreases in computer prices.

Prices of government consumption expenditures and gross investment increased 3.7 percent after increasing 2.7 percent. Prices paid by the Federal Government increased 2.8 percent after increasing 0.6 percent. Prices paid by State and local governments increased 4.2 percent after increasing 3.8 percent.

The GDP price index, which measures the prices paid for goods and services produced in the United States, increased 2.0 percent after increasing 2.4 percent. The GDP price index, unlike the price index for gross domestic purchases, includes the prices of exports and excludes the prices of imports. Export prices increased 0.9 percent after increasing 1.9 percent, and import prices increased 3.9 percent after a 0.2-percent increase; the step-up in import prices reflected an acceleration in petroleum prices.

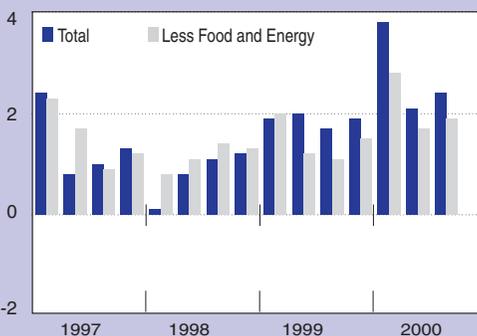
Personal income

Growth of real disposable personal income (DPI) slowed to 2.5 percent in the third quarter from 3.7 percent in the second; its average annual rate of growth over the current expansion has been 2.9 percent (chart 3). The personal saving rate (saving as a percentage of current-dollar DPI) continued

CHART 2

Gross Domestic Purchases Prices: Change From Preceding Quarter

Percent



Note—Percent change at annual rate from preceding quarter; based on seasonally adjusted index numbers (1996=100).

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

its long downtrend, as it swung to a negative 0.2 percent in the third quarter from a positive 0.3 percent in the second. Saving from current income may be negative when outlays are financed by borrowing (including borrowing through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods.

Personal income increased \$112.0 billion after increasing \$136.3 billion (table 5). The slowdown was more than accounted for by wage and salary disbursements and by transfer payments.

Wage and salary disbursements slowed to a \$64.9 billion increase after increasing \$79.7 billion. The slowdown was widespread but was most pronounced in government and in the service industries. In government, the slowdown partly reflected a downturn in the number of temporary

workers for Census 2000. In private industries, the slowdown was primarily accounted for by a downturn in average weekly hours.

Transfer payments slowed to an \$8.1 billion increase after increasing \$19.2 billion. The large second-quarter increase included benefit payments of \$9.2 billion (annual rate) that resulted from the Senior Citizens' Freedom to Work Act of 2000, which eliminated the "retirement earnings test" and allowed social security beneficiaries aged 65 and older to receive full benefits regardless of their earnings.

Table 5.—Personal Income and Its Disposition

[Billions of dollars; seasonally adjusted at annual rates]

	Level 2000	Change from preceding quarter				
		1999		2000		
		III	IV	I	II	III
Wage and salary disbursements	4,805.0	71.3	82.1	79.7	64.9	64.9
Private industries	4,040.0	64.2	66.7	69.5	60.0	60.0
Goods-producing industries	1,160.1	13.4	19.7	16.2	13.0	13.0
Manufacturing	820.4	6.1	7.7	10.3	7.3	7.3
Distributive industries	1,118.9	19.5	21.5	24.8	23.2	23.2
Service industries	1,761.0	31.4	25.4	28.6	23.8	23.8
Government	765.0	7.0	15.4	10.3	4.8	4.8
Other labor income	527.5	4.6	6.6	6.5	7.0	7.0
Proprietors' income with IVA and CCAAdj	726.6	29.9	4.3	15.6	17.1	17.1
Farm	32.4	16.2	-12.6	2.4	10.9	10.9
Nonfarm	694.2	13.7	16.9	13.3	6.1	6.1
Rental income of persons with CCAAdj	139.0	9.6	-6	-4.8	-1.8	-1.8
Personal dividend income	399.7	6.7	6.7	5.7	7.1	7.1
Personal interest income	1,045.4	19.6	22.6	19.7	14.1	14.1
Transfer payments to persons	1,074.2	7.1	19.5	19.2	8.1	8.1
Less: Personal contributions for social insurance	363.2	4.9	7.5	5.4	4.4	4.4
Personal income	8,354.1	143.8	133.5	136.3	112.0	112.0
Less: Personal tax and nontax payments	1,308.2	33.3	42.0	37.9	31.0	31.0
Equals: Disposable personal income	7,046.0	110.5	91.5	98.4	81.1	81.1
Less: Personal outlays	7,061.2	130.8	181.5	88.7	116.9	116.9
Equals: Personal saving	-15.3	-20.1	-90.0	9.6	-35.9	-35.9
Addenda: Special factors in personal income:						
In wages and salaries:						
Manufacturing bonus payments	0	2.5	-2.5	0	0	0
Verizon strike .....	.6	0	0	0	.6	.6
Boeing strike	0	0	-4	.4	0	0
Federal pay raise	7.8	0	7.0	0	.8	.8
Federal civilian retirement buyout payments	0	-1	.1	0	-1	-1
In farm proprietors' income:						
Federal subsidies	17.2	16.6	-13.0	.4	13.0	13.0
In rental income of persons with CCAAdj:						
Federal subsidies	3.8	3.7	-2.8	0	2.9	2.9
In transfer payments to persons:						
Social security earnings test	0	0	0	9.2	-9.2	-9.2
Social security retroactive payments .....	.6	1.2	-1.2	0	.6	.6
Cost-of-living adjustments in Federal transfer programs	10.8	.4	10.4	0	0	0
In personal contributions for social insurance:						
Tax rate, base, and law changes	2.5	0	2.5	0	0	0
In personal tax and nontax payments:						
Federal tax law changes	-5.4	0	-5.4	0	0	0
State tax law changes	-3.7	4.0	-3.1	1.9	-4	-4

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

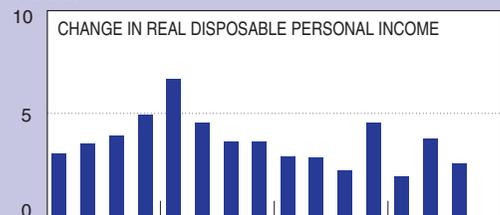
CHART 3

Selected Personal Income and Saving Measures

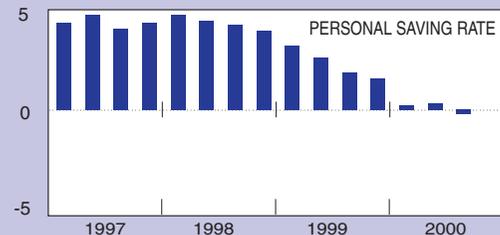
Billion \$



Percent



Percent



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

Personal interest income increased \$14.1 billion after increasing \$19.7 billion. The slowdown primarily reflected a deceleration in interest rates.

Proprietors' income increased \$17.1 billion after increasing \$15.6 billion. The income of farm proprietors increased more than in the second quarter, and the income of nonfarm proprietors increased less. Farm proprietors' income increased \$10.9 billion after increasing \$2.4 billion; the acceleration largely reflected the quarterly pattern of Federal subsidy payments. Nonfarm proprietors' income increased \$6.1 billion after increasing \$13.3 billion; the slowdown was primarily accounted for by slowdowns in

real estate brokers' commissions and in construction.

Rental income of persons decreased \$1.8 billion after decreasing \$4.8 billion. The decreases reflected the quarterly pattern of Federal farm subsidy payments to owners of leased farm land (nonoperator landlords).

Personal contributions for social insurance, which is subtracted in the calculation of personal income, increased \$4.4 billion after increasing \$5.4 billion, and personal tax and nontax payments increased \$31.0 billion after increasing \$37.9 billion. 