

Annual Revision of the U.S. National Income and Product Accounts

- Annually, 1991-93
- Quarterly, 1991:I-1994:I

IN THIS issue of the SURVEY OF CURRENT BUSINESS, the Bureau of Economic Analysis (BEA) presents revised estimates of the national income and product accounts (NIPA's) for 1991-93 and the first quarter of 1994. As is usual in annual NIPA revisions, source data that are more complete, more detailed, and otherwise more appropriate than previously available information have been incorporated into the estimates. In addition, several methodological changes have been made.

The first section of this article discusses the impact of the revisions on several measures of economic activity, the second section provides a summary of the revisions and the major source data underlying them, and the third section describes the changes in methodology and summarizes the source data and methods used to

prepare the NIPA estimates. Appendix A to this article shows, in current dollars, the revised annual estimates and the revisions for the five summary accounts of the NIPA's. Tables containing most of the revised NIPA estimates and the "advance" estimates for the second quarter of 1994 follow this article. An index to the complete set of NIPA tables begins on page 125.

The presentation of the revised estimates and related estimates will continue in subsequent issues of the SURVEY. The August SURVEY will contain the alternative quantity and price measures that usually appear in NIPA tables 7.1-7.9, 7.11-7.12, and 8.1;¹ it will also present revised estimates of fixed reproducible tangible wealth

1. The annual revision will affect the chain-type annual-weighted indexes back to the third quarter of 1989 and the benchmark-years-weighted indexes back to the first quarter of 1988.

CHART 1

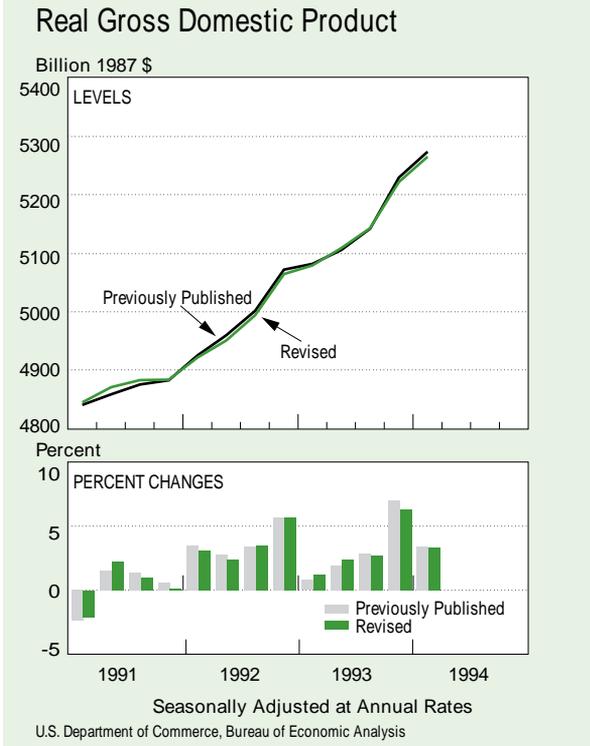
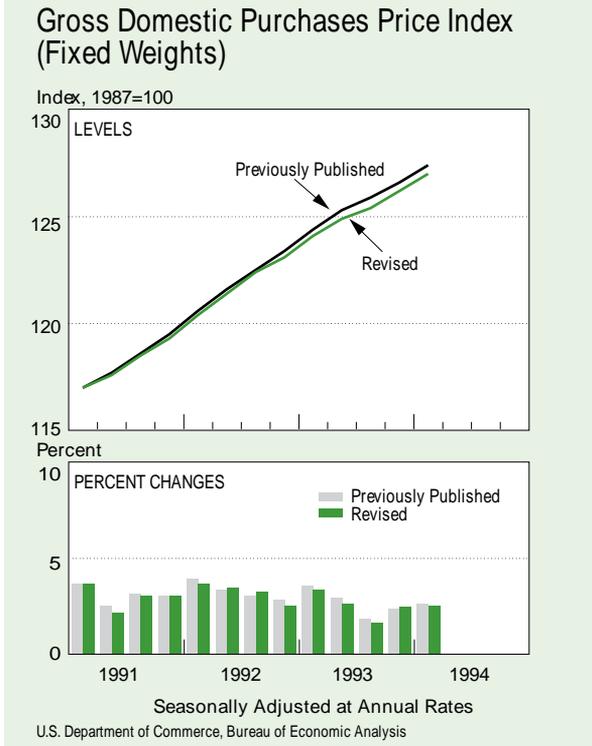


CHART 2



in the United States. The September SURVEY will contain tables 3.15–3.20 (selected government accounts) and tables 9.1–9.6 (seasonally unadjusted estimates), as well as summary NIPA tables for 1929–93; it will also present revised constant-dollar inventories, sales, and inventory-sales ratios for manufacturing and trade. The October SURVEY will present estimates of gross product originating by industry.

Impact of the Revisions

The revised estimates show that the U.S. economy grew at about the same rate as indicated by the previously published estimates. From the fourth quarter of 1990 to the first quarter of 1994, the growth rate (average annual rate of change) for real gross domestic product (GDP) was revised down 0.1 percentage point to 2.4 percent (table 1). The small downward revision was more than accounted for by downward revisions to personal consumption expenditures (PCE) for goods and to State and local government purchases. These downward revisions were largely offset by upward revisions to producers' durable equipment and to PCE for services.

In the revised estimates, real GDP decreased less for 1991 than previously estimated, increased less for 1992, and increased more for 1993. The decrease for 1991 was revised from -0.7 percent to -0.6 percent, the increase for 1992 was revised from 2.6 percent to 2.3 percent, and the increase for 1993 was revised from 3.0 percent to 3.1 percent. On a fourth-quarter-to-fourth-quarter basis, the 0.3-percent increase during 1991 was unrevised; the increase during 1992 was revised from 3.9 percent to 3.7 percent; and the 3.1-percent increase during 1993 was unrevised.

The revised estimates show slightly less inflation than previously indicated. From the fourth quarter of 1990 to the first quarter of 1994, the average annual rates of increase in the price indexes (fixed weights) for both GDP and gross domestic purchases were revised down: 0.2 percentage point to 3.1 percent for the GDP price index and 0.1 percentage point to 2.9 percent for the gross domestic purchases price index (table 2). Among major components, the largest downward revision was to the increase in PCE services, and the largest upward revision was to the increase in Federal nondefense purchases.

Table 1.—Revisions to Real GDP and Its Major Components Over the Period 1990:IV-1994:I

[Billions of 1987 dollars, seasonally adjusted annual rates]

| | 1990:IV | Previously published | | | Revised | | | Revision in change | |
|--|----------------|----------------------|-------------------------------|-----------------------|----------------|-------------------------------|-----------------------|--------------------|-------------|
| | | 1994:I | Change from 1990:IV to 1994:I | | 1994:I | Change from 1990:IV to 1994:I | | Dollar | Percent |
| | | | Dollar | Percent (annual rate) | | Dollar | Percent (annual rate) | | |
| Gross domestic product | 4,867.2 | 5,269.5 | 402.3 | 2.5 | 5,261.1 | 393.9 | 2.4 | -8.4 | -0.1 |
| Personal consumption expenditures | 3,265.9 | 3,551.9 | 285.9 | 2.6 | 3,546.3 | 280.4 | 2.6 | -5.5 | 0 |
| Durable goods | 433.2 | 523.4 | 90.2 | 6.0 | 521.7 | 88.5 | 5.9 | -1.7 | -1 |
| Nondurable goods | 1,057.5 | 1,111.8 | 54.4 | 1.6 | 1,098.3 | 40.8 | 1.2 | -13.5 | -4 |
| Services | 1,775.2 | 1,916.6 | 141.4 | 2.4 | 1,926.3 | 151.1 | 2.5 | 9.7 | .1 |
| Gross private domestic investment | 695.7 | 889.3 | 193.6 | 7.8 | 898.9 | 203.2 | 8.2 | 9.5 | .4 |
| Fixed investment | 716.6 | 868.7 | 152.2 | 6.1 | 873.4 | 156.9 | 6.3 | 4.7 | .2 |
| Nonresidential | 540.2 | 636.8 | 96.5 | 5.2 | 643.6 | 103.3 | 5.5 | 6.8 | .3 |
| Structures | 172.8 | 148.2 | -24.6 | -4.6 | 144.1 | -28.7 | -5.4 | -4.0 | -8 |
| Producers' durable equipment | 367.4 | 488.6 | 121.2 | 9.2 | 499.4 | 132.0 | 9.9 | 10.8 | .7 |
| Residential | 176.3 | 231.9 | 55.6 | 8.8 | 229.9 | 53.6 | 8.5 | -2.0 | -3 |
| Change in business inventories | -20.9 | 20.6 | 41.5 | ..... | 25.4 | 46.3 | ..... | 4.8 | ..... |
| Nonfarm | -18.7 | 22.2 | 40.9 | ..... | 22.1 | 40.9 | ..... | 0 | ..... |
| Farm | -2.1 | -1.6 | .5 | ..... | 3.3 | 5.4 | ..... | 4.9 | ..... |
| Net exports of goods and services | -36.8 | -105.0 | -68.2 | ..... | -104.0 | -67.2 | ..... | 1.0 | ..... |
| Exports | 520.4 | 615.6 | 95.2 | 5.3 | 619.6 | 99.2 | 5.5 | 4.0 | .2 |
| Merchandise | 374.6 | 460.4 | 85.8 | 6.5 | 464.4 | 89.8 | 6.8 | 4.0 | .3 |
| Services | 145.8 | 155.2 | 9.4 | 1.9 | 155.2 | 9.4 | 2.0 | 0 | .1 |
| Imports | 557.2 | 720.6 | 163.4 | 8.2 | 723.6 | 166.4 | 8.4 | 3.0 | .2 |
| Merchandise | 453.1 | 614.4 | 161.3 | 9.8 | 615.2 | 162.1 | 9.9 | 8 | .1 |
| Services | 104.1 | 106.2 | 2.1 | .6 | 108.5 | 4.4 | 1.3 | 2.2 | .7 |
| Government purchases | 942.4 | 933.3 | -9.0 | -3 | 919.9 | -22.4 | -7 | -13.4 | -4 |
| Federal | 386.5 | 344.3 | -42.3 | -3.5 | 341.7 | -44.9 | -3.7 | -2.6 | -2 |
| National defense | 285.7 | 227.5 | -58.2 | -6.8 | 228.5 | -57.2 | -6.6 | 1.0 | .2 |
| Nondefense | 100.8 | 116.7 | 15.9 | 4.6 | 113.2 | 12.3 | 3.6 | -3.6 | -1.0 |
| State and local | 555.8 | 589.0 | 33.2 | 1.8 | 578.3 | 22.5 | 1.2 | -10.8 | -6 |
| Addenda: | | | | | | | | | |
| Gross domestic purchases | 4,904.0 | 5,374.5 | 470.5 | 2.9 | 5,365.1 | 461.2 | 2.8 | -9.3 | -1 |
| Final sales of domestic product | 4,888.0 | 5,248.9 | 360.8 | 2.2 | 5,235.7 | 347.6 | 2.1 | -13.2 | -1 |
| Gross national product | 4,895.4 | 5,268.5 | 373.0 | 2.3 | 5,262.7 | 367.3 | 2.3 | -5.7 | 0 |

As in the previously published estimates, real GDP reaches a cyclical trough in the first quarter of 1991. The total decrease in real GDP from the second quarter of 1990, the preceding cyclical peak, is now 1.5 percent (not at an annual rate); in the previously published estimates, the decrease was 1.6 percent. From the first quarter of 1991 to the first quarter of 1994, the increase in real GDP is now 8.7 percent (2.8 percent at an average annual rate); in the previously published estimates, the increase was 8.9 percent (2.9 percent at an average annual rate). The preceding peak in real GDP (that is, the level of GDP in the second quarter of 1990) is still surpassed in the first quarter of 1992.

Summary of the Revisions

The incorporation of newly available source data and of changes in methodology leads to revisions to current-dollar estimates and to the prices and quantities used to prepare constant-dollar estimates. In turn, these revisions lead to revisions to constant-dollar estimates. This section describes the revisions to the annual current-dollar, price, and constant-dollar estimates and then briefly describes the revisions to the quarterly estimates.

Annual current-dollar estimates

Table 3 summarizes the current-dollar revisions to major NIPA components. It provides a guide to the revisions by identifying the subcomponent series for which revisions were \$2.0 billion or more and by listing the major source data that underlie the revised estimates. (For a list of the principal source data and estimating methods used in preparing the current-dollar estimates, see table 7.) It should be noted that newly available source data lead to a revision in the level of an estimate not only for the year into which they are directly incorporated, but usually in the levels for subsequent years as well.

GDP.—The level of current-dollar GDP was revised up \$1.9 billion, or less than 0.1 percent, for 1991; down \$18.3 billion, or 0.3 percent, for 1992; and down \$34.6 billion, or 0.5 percent, for 1993. These revisions were about average in comparison with previous annual NIPA revisions. Among the major components, the upward revision for 1991 was more than accounted for by the change in business inventories; personal consumption expenditures (PCE) for goods and for services and State and local government purchases were re-

Table 2.—Revisions to Fixed-Weighted Price Indexes Over the Period 1990:IV-1994:I

[Index numbers (1987=100), seasonally adjusted]

| | 1990:IV | Previously published | | Revised | | Revision in percent change, percentage point |
|---|--------------|----------------------|---|--------------|---|--|
| | | 1994:I | Percent change from 1990:IV to 1994:I (annual rate) | 1994:I | Percent change from 1990:IV to 1994:I (annual rate) | |
| Gross domestic product | 115.3 | 128.0 | 3.3 | 127.5 | 3.1 | -0.2 |
| Less: Exports of goods and services | 111.9 | 117.0 | 1.4 | 116.7 | 1.3 | -.1 |
| Plus: Imports of goods and services | 118.3 | 114.5 | -1.0 | 114.5 | -1.0 | 0 |
| Equals: Gross domestic purchases | 115.9 | 127.4 | 3.0 | 127.0 | 2.9 | -.1 |
| Personal consumption expenditures | 117.9 | 130.4 | 3.1 | 129.8 | 3.0 | -.1 |
| Durable goods | 106.9 | 115.4 | 2.4 | 115.5 | 2.4 | 0 |
| Nondurable goods | 119.7 | 125.2 | 1.4 | 125.4 | 1.4 | 0 |
| Services | 119.5 | 137.4 | 4.4 | 135.9 | 4.0 | -.4 |
| Gross private domestic investment ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Fixed investment | 110.0 | 116.6 | 1.8 | 116.2 | 1.7 | -.1 |
| Nonresidential | 109.4 | 114.6 | 1.4 | 114.4 | 1.4 | 0 |
| Structures | 113.3 | 120.2 | 1.8 | 119.7 | 1.7 | -.1 |
| Producers' durable equipment | 107.4 | 111.7 | 1.2 | 111.7 | 1.2 | 0 |
| Residential | 111.1 | 120.9 | 2.6 | 120.2 | 2.5 | -.1 |
| Change in business inventories ..... | ..... | ..... | ..... | ..... | ..... | ..... |
| Government purchases | 114.4 | 126.4 | 3.1 | 126.7 | 3.2 | .1 |
| Federal | 113.5 | 128.4 | 3.9 | 128.5 | 3.9 | 0 |
| National defense | 114.0 | 129.4 | 4.0 | 129.0 | 3.9 | -.1 |
| Nondefense | 112.0 | 125.3 | 3.5 | 127.2 | 4.0 | .5 |
| State and local | 115.1 | 124.8 | 2.5 | 125.3 | 2.6 | .1 |
| Addenda: | | | | | | |
| Final sales of domestic product | 115.4 | 128.1 | 3.3 | 127.7 | 3.2 | -.1 |
| Gross national product | 115.3 | 127.9 | 3.2 | 127.5 | 3.1 | -.1 |

Data Availability

The revised estimates, along with the estimates for 1990 and earlier years (back to 1929), are available on printouts and diskettes. For order information, write to the National Income and Wealth Division (BE-54), Bureau of Economic Analysis, Washington, DC 20230, or call (202) 606-9700. These estimates will also be placed on the U.S. Department of Commerce's Economic Bulletin Board; for information, call the Office of Business Analysis at (202) 482-1986.

vised down. The downward revisions for both 1992 and 1993 were mainly accounted for by PCE for goods, State and local government purchases, and nonresidential fixed investment; the change in business inventories also was revised down for 1992.

Personal consumption expenditures (PCE) for goods.—PCE goods was revised down for all 3 years: \$1.3 billion for 1991, \$10.0 billion for 1992, and \$10.7 billion for 1993. Downward revisions to "goods other than motor vehicles and parts" accounted for most of the revisions for 1991 and 1992 and more than accounted for the revision for 1993; these revisions resulted from the incorporation of revised Census Bureau retail sales

data. Within this category, the largest downward revisions were to food, furniture and household equipment, and "other durable goods." Gasoline and oil was revised up about \$2 billion for both 1992 and 1993; the revisions reflected newly available gasoline consumption data by type of vehicle from the Federal Highway Administration for 1992 and Energy Information Administration data on gasoline supplied to retailers for 1993.

Motor vehicles and parts was revised up \$5.7 billion for 1993, primarily reflecting revisions to purchases of new autos and to net purchases of used autos. The revision to new autos reflected the incorporation of new price and optional equipment data from trade sources; the revision to net purchases of used autos reflected the incorporation of new trade source data on the stock of autos held by consumers.

PCE for services.—PCE services was revised down \$2.6 billion for 1991, up \$7.1 billion for 1992, and down \$2.9 billion for 1993. Revisions to medical care services more than accounted for the downward revision for 1991; revisions to household operation services accounted for most of the upward revision for 1992; and revisions to "other

Text continues on page 16.

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Eugene P. Seskin coordinated the preparation of the article describing the revisions. Brooks B. Robinson, Claire G. Pitzer, and Teresa L. Weadock prepared the tables for the article.

Other staff who made significant contributions to the revision are listed below.

Personal consumption expenditures—Clinton P. McCully, M. Greg Key, Everette P. Johnson, Myung G. Han, Craig D. Yokum, Moses J. Branch.

Investment—Carol E. Moylan. *Structures*—Brooks B. Robinson, Thomas C. Morabito. *Producers' durable equipment*—Jeffrey W. Crawford. *Inventories*—David B. Wasshausen, Leonard J. Loebach.

Net exports—Christian Ehemann, Corinne E. Krincek, Phyllistine M. Barnes.

Federal Government receipts and expenditures—Pamela A. Kelly, Ann M. Groszkiewicz, Alex Nemirovsky, Joyce M. Northwood, Benyam Tsehaye, Michael W. Webb.

Federal Government purchases—Karl D. Galbraith, Peter G. Beall, Kurt S. Bersani, Laura M. Bilenki, James E. Boucher, Doris N.

Johnson, Raymen G. Labella, Matthew P. McNeil, Claire G. Pitzer, Andrew E. Vargo.

State and local government transactions—David F. Sullivan, Steven J. Andrews, Jennifer A. Medairy, Donald L. Peters.

Measures of price change—Mary W. Hook, Jennifer M. Wu.

Alternative quantity and price measures—Christian Ehemann, Sherman Hammack.

Income—Eugene P. Seskin, Leon W. Taub.

Personal income—Paul R. Lally. *Wages and salaries*—Paul R. Lally, Pauline M. Cypert, Toui C. Pomsouvan, Tracy D. Schlitzer.

Other labor income—Helen K. Rose. Other contributors to the personal income estimates include Thae S. Park and James E. Rankin.

Business income—Kenneth A. Petrick. *Corporate profits*—Kenneth A. Petrick, Craig A. Hargenrader, Kevin Molloy, Jerry L. Stone. *Nonfarm proprietors' income*—Willie J. Abney.

Farm output and income—George M. Smith, Clark D. Allen.

Interest income—Teresa L. Weadock.

Rental income of persons—George M. Smith, Denise A. McBride.

Consumption of fixed capital—Shelby W. Herman, Michael D. Glenn.

Computer services—Norman E. Bakka, Mary Carol Barron, Michael J. Boehm, Phyllistine M. Barnes.

NIPA Index—Eugene P. Seskin.

NIPA information—Virginia H. Mannerling.

Secretarial—Esther M. Carter, Katherine Dent, Mary B. Perkins, Lynda A. Swanson, Dorothy A. Wilson.

Table 3.—NIPA Revisions: Selected Component Detail and Major Source Data

| NIPA component | Billions of dollars | | | | Major source data incorporated |
|--|---------------------|--------------|--------------|--------------------|---|
| | Revision in level | | | Revised 1993 level | |
| | 1991 | 1992 | 1993 | | |
| Gross domestic product | 1.9 | -18.3 | -34.6 | 6,343.3 | |
| Personal consumption expenditures | -4.0 | -3.0 | -13.6 | 4,378.2 | |
| Goods | -1.3 | -10.0 | -10.7 | 1,877.2 | |
| Motor vehicles and parts | -5 | -2 | 5.7 | 228.0 | |
| <i>Of which:</i> | | | | | |
| New autos | .2 | .1 | 2.1 | 93.4 | Revised data on optional equipment percentages from trade source for 1992-93; new price data and new data on business share of foreign car purchases from trade sources for 1993. |
| Net purchases of used autos | -7 | -9 | 2.9 | 45.9 | Revised stock of autos held by consumers from trade sources for 1991-92; new stock data for 1993; Census Bureau annual retail trade survey sales and gross margin of used car dealers data for 1992; revised Census Bureau monthly retail sales data for 1993. |
| Goods other than motor vehicles and parts | -8 | -9.8 | -16.4 | 1,649.2 | Revised Census Bureau annual retail trade survey (ARTS) data for 1991; new ARTS data for 1992; revised Census Bureau monthly retail sales data for 1993. |
| <i>Of which:</i> | | | | | |
| Furniture and household equipment | -7 | -2.0 | -2.8 | 208.9 | |
| Other durable goods | 0 | -2.4 | -2.8 | 101.1 | |
| Food | .1 | -6.9 | -8.1 | 649.7 | |
| Gasoline and oil | 0 | 2.1 | 1.9 | 105.6 | Revised Federal Highway Administration (FHWA) gasoline consumption data by type of vehicle for 1991; new FHWA gasoline consumption data for 1992; Energy Information Administration gasoline supplied data for 1993. |
| Services | -2.6 | 7.1 | -2.9 | 2,501.0 | |
| Housing | .5 | 1.3 | 1.1 | 629.0 | |
| Household operation | .6 | 5.0 | 5.1 | 256.3 | |
| <i>Of which:</i> | | | | | |
| Telephone and telegraph | .7 | 5.6 | 7.4 | 68.2 | Census Bureau annual survey of communications services data on residential and nonresidential long-distance service revenue for 1991-92; trade source cellular telephone revenue data for 1993. |
| Transportation | -5 | 1.3 | .6 | 170.6 | |
| <i>Of which:</i> | | | | | |
| Insurance | 0 | 1.0 | -2.2 | 27.5 | Revised trade source data on premiums and benefits for 1992; new trade source data for 1993. |
| Medical care | -5.2 | -1 | -4 | 680.5 | |
| <i>Of which:</i> | | | | | |
| Physicians | -4 | 3.3 | .1 | 165.6 | Revised Census Bureau service annual survey (SAS) data for 1991-92; new SAS data for 1993. |
| Professional services other than physicians and dentists | .3 | 4.2 | 6.5 | 83.2 | Revised Census Bureau service annual survey (SAS) data for 1991-92; new SAS data for 1993. |
| Hospitals | -1 | -5 | -6 | 300.2 | |
| <i>Of which:</i> | | | | | |
| Nonprofit | -9 | -1.3 | -2.8 | 206.0 | Trade source expense data for FY 1992 for 1991-92; trade source community hospital expense data for 1993. |
| Government | 1.0 | 2.2 | 4.1 | 61.4 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93. |
| Health insurance | -4.9 | -6.1 | -4.4 | 46.2 | BLS consumer expenditures survey data on paid premiums, premiums data from trade sources, Health Care Financing Administration preliminary data on net cost of health insurance for 1991-92; BLS employment cost index survey data on health insurance premiums and BLS tabulations of wages and salaries of employees covered by State unemployment insurance for 1991-93. |
| Other services | 2.0 | -5 | -9.1 | 764.7 | |
| <i>Of which:</i> | | | | | |
| Personal business | 2.6 | -2.0 | -13.9 | 373.3 | |
| <i>Of which:</i> | | | | | |
| Services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans | -2 | -2.4 | -12.6 | 146.2 | IRS tabulations of corporate tax return data for 1991-92; Federal Deposit Insurance Corporation data, National Credit Union Administration data, Office of Thrift Supervision data, trade source data on investment companies for 1993. |
| Education and research | .4 | .7 | 3.6 | 105.5 | |
| <i>Of which:</i> | | | | | |
| Other than higher education, nursery, elementary, and secondary schools | 0 | -1 | 2.0 | 27.2 | Revised Census Bureau service annual survey (SAS) data for 1991-92; new SAS data for 1993; BLS tabulations of wages and salaries of employees covered by State unemployment insurance for 1993. |
| Religious and welfare activities | -1 | .7 | 2.0 | 123.0 | |
| <i>Of which:</i> | | | | | |
| Social welfare | -1 | 1.0 | 2.2 | 82.3 | BLS consumer expenditures survey data for day care for 1992; BLS tabulations of wages and salaries of employees covered by State unemployment insurance for 1993. |
| Net foreign travel | -4 | -1.1 | -1.7 | -27.8 | Revised BEA balance of payments accounts estimates for 1991-93; Department of Transportation international passenger fares data for 1993. |
| Foreign travel by U.S. residents | -3 | -8 | .7 | 40.8 | |
| Less: Expenditures in the United States by nonresidents | .1 | .4 | 2.3 | 68.5 | |

Table 3.—NIPA Revisions: Selected Component Detail and Major Source Data—Continued

| NIPA component | Billions of dollars | | | | Major source data incorporated |
|---|---------------------|-------------|-------------|--------------------|---|
| | Revision in level | | | Revised 1993 level | |
| | 1991 | 1992 | 1993 | | |
| Fixed investment | 1.1 | -3.9 | -9.4 | 866.7 | |
| Nonresidential structures | .3 | -1.5 | -5.3 | 173.4 | |
| <i>Of which:</i> | | | | | |
| Nonresidential buildings, excluding farm | 0 | 0 | -2.7 | 114.4 | |
| <i>Of which:</i> | | | | | |
| Industrial | 0 | 0 | -2.0 | 34.1 | Revised Census Bureau monthly value of new construction put in place for 1993. |
| Utilities | 0 | -1.1 | -2.1 | 34.4 | |
| <i>Of which:</i> | | | | | |
| Electric light and power | 0 | -1.2 | -2.4 | 14.1 | Energy Information Administration and Rural Electrification Administration data for 1992; trade source capital expenditures data for 1993. |
| Nonresidential producers' durable equipment | .8 | -2.6 | -2.3 | 442.7 | |
| <i>Of which:</i> | | | | | |
| Information processing and related equipment | .2 | -3.5 | -.4 | 151.5 | |
| <i>Of which:</i> | | | | | |
| Computers and peripheral equipment | 0 | -3.3 | -1.1 | 47.0 | New Census Bureau detailed industry shipments data for 1992; revised Census Bureau monthly industry shipments data for 1993. Revised tabulations of imports and exports for 1992. |
| Residential fixed investment | 0 | .2 | -1.8 | 250.6 | |
| Change in business inventories | 6.8 | -4.3 | -.2 | 15.4 | |
| Farm | -.6 | .7 | .8 | -4.7 | |
| Nonfarm | 7.4 | -5.0 | -1.0 | 20.1 | |
| Change in book value | 6.5 | -2.4 | -2.8 | 28.4 | |
| <i>Of which:</i> | | | | | |
| Manufacturing | 0 | -2.6 | -.6 | -2.5 | Census Bureau preliminary census of manufactures inventory book value data for 1992; revised Census Bureau monthly inventory data for 1993. |
| Retail trade | -1.2 | -2.8 | -3.8 | 13.8 | |
| Automotive | -.3 | 1.1 | -4.2 | 1.6 | Census Bureau annual retail trade survey inventory book value data for 1991-92; revised BEA estimates based on data from trade sources for 1993. |
| Retail trade other than automotive | -.9 | -3.9 | .4 | 12.2 | |
| Other than manufacturing and wholesale and retail trade | 7.4 | 1.6 | 1.0 | 9.5 | IRS tabulations of inventory book value from corporate tax returns for 1991-92; Census Bureau <i>Quarterly Financial Report</i> for mining for 1993. |
| Inventory valuation adjustment | .9 | -2.7 | 1.8 | -8.3 | |
| <i>Of which:</i> | | | | | |
| Manufacturing | 0 | -3.3 | -.4 | .6 | Revised information on accounting methods used for inventory reporting in the preliminary census of manufactures for 1992; revised data on cost of inventories, revised BEA unit labor cost indexes for 1992-93. |
| Retail trade | .7 | .1 | 2.0 | -3.4 | Revised information on accounting methods used for inventory reporting in the 1991 and 1992 annual trade surveys, revised data on cost of inventories for 1991-93. |
| Net exports of goods and services | -3 | -7 | -1.7 | -65.3 | Revised BEA balance of payments accounts estimates, revised territorial adjustment for 1991-93. |
| Exports | -.4 | -2.4 | -2.6 | 659.1 | |
| Merchandise | .7 | 1.0 | -.5 | 461.0 | |
| Services | -1.2 | -3.2 | -2.1 | 198.1 | |
| Imports | -.2 | -1.7 | -1.0 | 724.3 | |
| Merchandise | .7 | .1 | 0 | 592.1 | |
| Services | -.8 | -1.8 | -1.0 | 132.2 | |
| Government purchases | -1.9 | -6.5 | -9.7 | 1,148.4 | |
| Federal | -.1 | .2 | .2 | 443.6 | |
| National defense | .3 | .4 | -.7 | 302.7 | |
| <i>Of which:</i> | | | | | |
| Compensation of employees | .6 | .2 | -1.2 | 135.8 | |
| <i>Of which:</i> | | | | | |
| Military | 0 | -.5 | -2.7 | 88.3 | Revised FY 1993 Federal budget data for 1992-93; preliminary FY 1994 Federal budget data for 1993. |
| Nondefense | -.3 | -.2 | .8 | 140.9 | |
| <i>Of which:</i> | | | | | |
| Services | .3 | .9 | .2 | 114.8 | |
| Compensation of employees | -.6 | -.5 | -2.1 | 67.9 | New Office of Personnel Management civilian compensation data for 1993. |
| Services other than compensation of employees | .8 | 1.4 | 2.4 | 47.0 | Revised FY 1992 Federal budget data for 1991-92; revised FY 1993 Federal budget data for 1992-93; preliminary FY 1994 Federal budget data for 1993. |
| State and local | -1.8 | -6.7 | -9.9 | 704.7 | |
| Compensation of employees | 1.4 | 4.4 | 2.9 | 483.0 | Wages and salaries: Revised BLS tabulations of wages and salaries of employees covered by State unemployment insurance for 1991-92; new BLS tabulations for 1993. |
| Structures | -.2 | -5.3 | -6.6 | 99.6 | Supplements to wages and salaries: Revised Census Bureau <i>Government Finances</i> tabulations for FY 1991 for 1991-92 and new tabulations for FY 1993 for 1992-93; Social Security Administration data for 1991-93. |
| Other State and local purchases | -3.0 | -5.8 | -6.2 | 122.1 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93. |

Table 3.—NIPA Revisions: Selected Component Detail and Major Source Data—Continued

| NIPA component | Billions of dollars | | | | Major source data incorporated |
|--|---------------------|--------------|--------------|--------------------|---|
| | Revision in level | | | Revised 1993 level | |
| | 1991 | 1992 | 1993 | | |
| Gross domestic product | 1.9 | -18.3 | -34.6 | 6,343.3 | |
| Plus: Net receipts of factor income | 1.8 | -1.7 | 4.4 | 4.5 | Revised BEA balance of payments accounts estimates for 1991-93. |
| Receipts of factor income from the rest of the world | 9.6 | 4.3 | 4.9 | 136.6 | |
| Payments of factor income to the rest of the world | 7.8 | 6.0 | .5 | 132.1 | |
| Equals: Gross national product | 3.7 | -20.0 | -30.3 | 6,347.8 | |
| Less: Statistical discrepancy | -8.1 | -14.8 | -12.9 | 2.3 | |
| Equals: Gross national income | 11.8 | -5.2 | -17.4 | 6,345.5 | |
| Compensation of employees | 2.4 | 9.2 | 8.2 | 3,780.4 | |
| Wages and salaries | 1.1 | 1.7 | .3 | 3,100.8 | |
| Government | .1 | -2 | -5.9 | 583.8 | |
| Federal | 0 | -7 | -3.1 | 174.7 | Revised Postal Service data for 1992; new Postal Service data for 1993; revised Office of Personnel Management data for 1992-93; revised FY 1993 Federal budget data for 1992-93; preliminary FY 1994 Federal budget data for 1993. |
| State and local | .2 | .5 | -2.8 | 409.1 | Revised BLS tabulations of wage and salaries of employees covered by State unemployment insurance for 1991-92; new BLS tabulations for 1993. |
| Private | 1.0 | 1.9 | 6.2 | 2,517.0 | Revised BLS tabulations of wage and salaries of employees covered by State unemployment insurance for 1991-92; new BLS tabulations for 1993; revised USDA data for 1991-92; new USDA data for 1993. |
| Supplements to wages and salaries | 1.3 | 7.4 | 7.9 | 679.6 | |
| Employer contributions for social insurance | -8 | 1.4 | 3.3 | 324.3 | Revised BLS tabulations of employer contributions to the unemployment insurance trust fund for 1991-92 and new tabulations for 1993; revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93; Social Security Administration data for 1991-93; Treasury Department data for 1993. |
| Other labor income | 2.1 | 6.0 | 4.6 | 355.3 | |
| Of which: | | | | | |
| Pension and profit-sharing plans | .7 | 7.6 | ..... | 68.2 | IRS tabulations of corporate tax return data on employer contributions to pension and profit-sharing plans for 1991-92. |
| Workers' compensation | 0 | -3.4 | ..... | 40.1 | Trade source data on net premiums by insurance companies and on policyholder dividends for 1992. |
| Proprietors' income with IVA and CCAAdj | -2 | 4.4 | -1.6 | 441.6 | |
| Farm | -1 | .7 | -8.7 | 37.3 | |
| Of which: | | | | | |
| Proprietors' income with IVA | -1 | .7 | -8.6 | 44.5 | Revised USDA data for 1991-92; new USDA data for 1993; IRS tabulations of corporate tax return data for 1991-92. |
| Nonfarm | 0 | 3.8 | 7.0 | 404.3 | |
| Of which: | | | | | |
| Proprietors' income | .6 | 4.0 | 4.9 | 390.2 | New IRS tabulations of sole proprietorship and partnership tax return data for 1992. |
| Rental income of persons with CCAAdj | 2.3 | 3.4 | 11.5 | 24.1 | |
| Of which: | | | | | |
| Rental income of persons | 2.2 | 3.8 | 11.1 | 86.3 | New Census Bureau residential finance survey data on mortgage interest, real estate taxes, and ownership of tenant-occupied units for 1991; Housing and Urban Development survey of mortgage lending activity data for 1992-93; BLS consumer expenditures survey data on maintenance and repairs for 1993; trade source data on property insurance, Census Bureau quarterly summary of Federal, State, and local tax revenues for 1993; revised IRS tabulations of individual income tax data on royalty income for 1991; new IRS tabulations for 1992. |
| Corporate profits with IVA and CCAAdj | 20.8 | -2.1 | 19.2 | 485.8 | |
| Of which: | | | | | |
| Profits before tax | 2.9 | .5 | 13.0 | 462.4 | IRS tabulations of corporate tax return data for 1991-92; regulatory agency and public financial reports profits data for 1993. |
| Of which: | | | | | |
| Construction | -5 | -8 | -2.2 | 8.8 | |
| Manufacturing | -6 | -18.3 | -16.8 | 113.8 | |
| Electric, gas, and sanitary services | -5 | 4.4 | 5.3 | 31.0 | |
| Retail trade | -7 | 6.5 | 6.6 | 39.6 | |
| Finance, insurance, and real estate | 3.1 | 6.9 | 7.7 | 104.3 | |
| Financial | 3.6 | 3.8 | 4.7 | 103.7 | |
| Nonfinancial | -5 | 3.1 | 3.0 | .6 | |
| Services | .1 | 3.0 | 3.6 | 35.5 | |
| Rest of the world | 1.6 | -1.7 | 6.6 | 65.3 | Revised BEA balance of payments accounts estimates for 1991-93. |
| Receipts from rest of the world | 2.5 | .2 | 2.9 | 74.2 | |
| Less: Payments to rest of the world | .8 | 1.8 | -3.7 | 8.9 | |
| CCAAdj | 17.2 | -1.4 | 5.2 | 29.5 | Capital consumption allowances: IRS tabulations of corporate tax return data for 1991-92. Consumption of fixed capital: Revised BEA fixed investment and price estimates for 1991-93. |

Table 3.—NIPA Revisions: Selected Component Detail and Major Source Data—Continued

| NIPA component | Billions of dollars | | | | Major source data incorporated |
|---|---------------------|--------------|--------------|--------------------|---|
| | Revision in level | | | Revised 1993 level | |
| | 1991 | 1992 | 1993 | | |
| Net interest | -15.4 | -22.0 | -46.1 | 399.5 | |
| Net monetary interest | -11.2 | -10.0 | -16.2 | 42.2 | |
| Monetary interest paid | -20.1 | -74.6 | ..... | 1,475.2 | |
| Domestic business | -26.7 | -75.2 | ..... | 1,026.6 | IRS tabulations of corporate tax return data for 1991-92; IRS tabulations of sole proprietorship and partnership tax return data for 1992; Federal Reserve Board flow-of-funds accounts data, Federal Deposit Insurance Corporation data, Office of Thrift Supervision data, trade source data on investment companies, and Federal Reserve Board mortgage debt outstanding data, Housing and Urban Development survey of mortgage lending activity data for 1991-93. |
| <i>Of which:</i> | | | | | |
| Financial corporations | -15.8 | -33.9 | ..... | 358.0 | |
| Nonfinancial corporations | -10.3 | -32.0 | ..... | 298.6 | |
| Sole proprietorships and partnerships | -7 | -8.7 | ..... | 103.1 | |
| Persons | 0 | .3 | -5.8 | 108.2 | Federal Reserve Board consumer installment credit data for 1991-93. |
| Government | -5 | -3.8 | -6.9 | 279.3 | |
| Federal | -6 | -2.4 | -3.2 | 214.3 | Revised FY 1992 Federal budget data for 1991-92; revised FY 1993 Federal budget data for 1992-93; preliminary FY 1994 Federal budget data for 1993; revised BEA balance of payments accounts estimates for 1991-93. |
| State and local | 0 | -1.3 | -3.6 | 65.1 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93. |
| Rest of the world | 7.0 | 4.0 | 4.2 | 61.2 | Revised BEA balance of payments accounts estimates for 1991-93. |
| <i>Of which:</i> | | | | | |
| To business and persons | 7.0 | 3.9 | 4.5 | 57.4 | |
| Less: Monetary interest received | -20.1 | -74.6 | ..... | 1,475.2 | |
| Domestic business | -15.4 | -65.4 | ..... | 935.2 | IRS tabulations of corporate tax return data for 1991-92; IRS tabulations of sole proprietorship and partnership tax return data for 1992; Federal Reserve Board flow-of-funds accounts data, Federal Deposit Insurance Corporation data, Office of Thrift Supervision data for 1991-93. |
| <i>Of which:</i> | | | | | |
| Financial corporations | -11.3 | -54.9 | ..... | 761.5 | |
| Nonfinancial corporations | -4.0 | -9.8 | ..... | 161.4 | |
| Persons | -16.2 | -16.9 | -27.7 | 288.2 | |
| Government | 4.5 | 3.6 | -1.3 | 141.4 | |
| Federal | -8 | -2.2 | -6.1 | 29.6 | Revised FY 1992 Federal budget data for 1991-92; revised FY 1993 Federal budget data for 1992-93; preliminary FY 1994 Federal budget data for 1993; revised BEA balance of payments accounts estimates for 1991-93. |
| State and local | 5.2 | 5.7 | 4.7 | 111.8 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93. |
| Rest of the world | 6.9 | 4.2 | 4.2 | 110.4 | Revised BEA balance of payments accounts estimates for 1991-93. |
| <i>Of which:</i> | | | | | |
| From business | 7.1 | 4.8 | 4.5 | 68.9 | |
| Net imputed interest | -4.2 | -12.1 | -30.0 | 357.3 | |
| Interest paid (by domestic financial corporate business) | -4.1 | -13.8 | ..... | 418.5 | |
| Banks, credit agencies, and investment companies | -2 | -4.1 | ..... | 215.0 | IRS tabulations of corporate tax return data for 1991-92; Federal Deposit Insurance Corporation data, National Credit Union Administration data, Office of Thrift Supervision data, trade source data on investment companies for 1993. |
| Life insurance carriers and private noninsured pension plans | -3.9 | -9.8 | -17.0 | 203.6 | IRS tabulations of corporate tax return data, trade source data on life insurance carriers for 1991-92; Federal Reserve Board flow-of-funds accounts private noninsured pension plans data for 1991-93. |
| Less: Interest received | -4.1 | -13.8 | ..... | 418.5 | Federal Reserve Board flow-of-funds accounts assets data for 1991-93; Federal Deposit Insurance Corporation data for 1993. |
| <i>Of which:</i> | | | | | |
| Persons | -4.3 | -12.2 | -29.6 | 349.7 | |
| From banks, credit agencies, and investment companies | -2 | -2.4 | -12.6 | 146.2 | |
| From life insurance carriers and private noninsured pension plans | -3.9 | -9.8 | -17.0 | 203.6 | |
| Consumption of fixed capital | .4 | .6 | -2.2 | 669.1 | Revised BEA fixed investment and price estimates for 1991-93. |
| Capital consumption allowances | 17.2 | -1.5 | 5.1 | 635.1 | |
| <i>Of which:</i> | | | | | |
| Corporate | 17.2 | -1.3 | 4.2 | 437.4 | IRS tabulations of corporate tax return data for 1991-92; revised BEA fixed investment estimates for 1991-93. |
| Less: CCA _{adj} | 16.7 | -2.3 | 7.4 | -33.9 | |
| Corporate | 17.2 | -1.4 | 5.2 | 29.5 | |
| Noncorporate | -5 | -6 | 2.1 | -63.5 | |
| Nonfactor incomes | 1.5 | 1.3 | -6.4 | 545.0 | |
| Indirect business tax and nontax liability | 1.7 | 1.6 | -5.2 | 525.3 | |
| Federal | .8 | 0 | -2.7 | 84.6 | Treasury Department collections data for 1991-93. |
| State and local | .9 | 1.6 | -2.4 | 440.7 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93; revised Census Bureau quarterly tax revenue data for 1992 and new revenue data for 1993. |
| Business transfer payments | 0 | .5 | .8 | 28.7 | |
| Less: Subsidies less current surplus of government enterprises | .2 | .8 | 2.0 | 9.0 | Revised FY 1992 Federal budget data for 1991-92; revised FY 1993 Federal budget data for 1992-93; preliminary FY 1994 Federal budget data for 1993; revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93. |

Table 3.—NIPA Revisions: Selected Component Detail and Major Source Data—Continued

| NIPA component | Billions of dollars | | | | Major source data incorporated |
|---|---------------------|-------|-------|--------------------|--|
| | Revision in level | | | Revised 1993 level | |
| | 1991 | 1992 | 1993 | | |
| Addenda: | | | | | |
| National income | 9.9 | -7.1 | -8.9 | 5,131.4 | See entries under "gross national income." |
| Personal income | 9.4 | 9.4 | -13.2 | 5,375.1 | See entries under "gross national income" and additional sources below. |
| Wage and salary disbursements, other labor income, proprietors' income with IVA and CCAj, and rental income of persons with CCAj. | 5.3 | 15.5 | 14.8 | 3,901.8 | |
| Personal dividend income | 22.6 | 20.6 | 23.0 | 181.3 | IRS tabulations of corporate tax return data for 1991-92; regulatory agency and public financial reports dividends data for 1993. |
| Personal interest income | -20.5 | -29.1 | -57.3 | 637.9 | See entries under "net interest." |
| Net interest | -15.4 | -22.0 | -46.1 | 399.5 | See entries under "net interest." |
| Domestic business | -15.5 | -21.9 | -43.8 | 460.2 | |
| Rest of the world | .1 | -1 | -2.3 | -60.7 | |
| Net interest paid by government | -5.0 | -7.4 | -5.4 | 130.2 | See entries under "net interest." |
| Federal | .2 | -.3 | 2.8 | 183.6 | |
| State and local | -5.2 | -7.1 | -8.1 | -53.4 | |
| Interest paid by persons | 0 | .3 | -5.8 | 108.2 | Federal Reserve Board consumer installment credit data for 1991-93. |
| Transfer payments to persons | .2 | 1.8 | 3.3 | 915.4 | |
| Of which: | | | | | |
| From government | 0 | 1.1 | 2.4 | 892.6 | |
| Federal | 0 | .6 | 6.1 | 642.2 | Revised FY 1993 Federal budget data for 1992-93; new Treasury Department data for 1993. |
| Of which: | | | | | |
| Hospital and supplementary medical insurance | 0 | 0 | 6.0 | 146.5 | |
| State and local | 0 | .4 | -3.7 | 250.4 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93; Health Care Financing Administration tabulations of medicaid data for 1993; Department of Health and Human Services tabulations of aid to families with dependent children and other categorical assistance data for 1993. |
| Medical care | 0 | 0 | -4.5 | 133.2 | |
| Less: Personal contributions for social insurance | -1.6 | -6 | -3.0 | 261.3 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93; Social Security Administration data for 1991-93; Treasury Department data for 1993. |
| Federal | -.5 | .7 | -1.4 | 241.0 | |
| State and local | -1.2 | -1.3 | -1.6 | 20.3 | |
| Less: Personal tax and nontax payments | 3.3 | 3.8 | 4.8 | 686.4 | |
| Federal | .9 | -1.3 | -1.0 | 520.3 | Social Security Administration contributions data for 1992-93; Treasury Department personal income tax collections data for 1993. |
| State and local | 2.4 | 5.1 | 5.8 | 166.1 | Revised Census Bureau <i>Government Finances</i> tabulations for FY 1992 for 1991-92 and new tabulations for FY 1993 for 1992-93; revised Census Bureau quarterly tax revenue data for 1992 and new revenue data for 1993. |
| Equals: Disposable personal income | 6.1 | 5.6 | -18.0 | 4,688.7 | |
| Less: Personal outlays | -4.0 | -3.7 | -20.6 | 4,496.2 | |
| Personal consumption expenditures | -4.0 | -3.0 | -13.6 | 4,378.2 | See entries under "personal consumption expenditures." |
| Interest paid by persons | 0 | .3 | -5.8 | 108.2 | See entries under "personal interest income." |
| Personal transfer payments to rest of the world (net) | -.1 | -.9 | -1.1 | 9.9 | Revised BEA balance of payments accounts estimates for 1991-93. |
| Equals: Personal saving | 10.1 | 9.2 | 2.7 | 192.6 | |

BEA Bureau of Economic Analysis
 BLS Bureau of Labor Statistics
 CCAj Capital consumption adjustment
 FY Fiscal year

IRS Internal Revenue Service
 IVA Inventory valuation adjustment
 USDA U.S. Department of Agriculture
 n.e.c. Not elsewhere classified

Text continues from page 10.

services" more than accounted for the downward revision for 1993.

The downward revision to medical care services for 1991 was accounted for primarily by health insurance, which was also revised down for 1992 and 1993. The downward revisions to health insurance reflected revisions to premiums for medical and hospitalization insurance that were based on Bureau of Labor Statistics (BLS) and trade source data and revisions to benefits that were based on preliminary estimates provided by the Health Care Financing Administration (see the section "[Changes in methodology](#)"). Among other types of medical care services, physician services was revised up for 1992, and professional services other than physicians and dentists was revised up for 1992 and 1993, reflecting the incorporation of revised 1992 and new 1993 Census Bureau Service Annual Survey receipts data. Hospital services was revised little for all 3 years: Nonprofit hospitals—whose consumption expenditures are measured as their current operating expenses—was revised down, reflecting newly available trade source expense data, and government hospitals—whose consumption expenditures are measured as payments by persons—was revised up, reflecting newly available data from Census Bureau surveys of State and local government finances.

The upward revision to household operation services for 1992 was more than accounted for by telephone and telegraph, which was also revised up for 1993. The revisions reflected newly available Census Bureau data on residential and nonresidential long-distance service revenue and newly available trade source data on cellular telephone revenue.

The downward revision to "other services" for 1993 was mostly accounted for by "services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans," which was also revised down for 1992, reflecting the incorporation of newly available information from regular sources.²

Nonresidential structures.—Nonresidential structures was revised up \$0.3 billion for 1991, down

\$1.5 billion for 1992, and down \$5.3 billion for 1993. For 1993, revisions to industrial buildings and to utilities, mainly to electric light and power, accounted for most of the revision. The revision to industrial buildings reflected revised Census Bureau monthly data on the value of new construction put in place; the revision to electric light and power reflected newly available data from regular sources.

Nonresidential producers' durable equipment (PDE).—Nonresidential PDE was revised up \$0.8 billion for 1991, down \$2.6 billion for 1992, and down \$2.3 billion for 1993. For 1992, the downward revision primarily reflected the introduction of unpublished detailed industry shipments data from the 1992 Census of Manufactures. For 1993, the downward revision reflected newly available industry shipments data from the Census Bureau monthly survey of manufacturers and from the Census Bureau Current Industrial Report covering civilian aircraft. For all 3 years, the revisions also reflected a revised BEA adjustment, based on preliminary data from the 1992 Census of Manufactures, that is designed to eliminate a downward bias in the Census Bureau's monthly and annual surveys of manufacturers; the bias results primarily from an incomplete incorporation of new businesses into the surveys.

Residential fixed investment.—Residential fixed investment was unrevised for 1991, revised up \$0.2 billion for 1992, and revised down \$1.8 billion for 1993.

Change in business inventories (CBI).—The CBI was revised up \$6.8 billion for 1991, down \$4.3 billion for 1992, and down \$0.2 billion for 1993. The revisions for all 3 years were primarily accounted for by the nonfarm CBI, which was revised up \$7.4 billion for 1991, down \$5.0 billion for 1992, and down \$1.0 billion for 1993.

The upward revision to nonfarm CBI for 1991 was accounted for by the change in book value for industries other than manufacturing and wholesale and retail trade, reflecting the incorporation of newly available inventory data from Internal Revenue Service (IRS) tabulations of corporate tax returns for 1991.

The downward revision to nonfarm CBI for 1992 was more than accounted for by the change in book value for manufacturing and for retail trade and by the inventory valuation adjustment (IVA) for manufacturing. The revision to the change in book value for manufacturing reflected preliminary inventory data from the 1992 Cen-

2. This PCE category consists of imputed payments made by persons to depository institutions—that is, commercial banks, mutual savings banks, savings and loan associations, credit unions, and regulated investment companies—to purchase checking, bookkeeping, and investment services for which they do not pay an explicit service charge. For additional information, see U.S. Department of Commerce, Bureau of Economic Analysis, *Personal Consumption Expenditures*, Methodology Paper Series MP-6 (Washington, DC: U.S. Government Printing Office, 1990): 11–12.

sus of Manufactures; the revision to retail trade reflected new inventory data from the Census Bureau's 1992 Annual Retail Trade Survey. The revision to the IVA reflected the incorporation of data from regular sources.

For 1993, a downward revision to the change in book value for retail trade was partly offset by an upward revision to the IVA. The revision to the change in book value for retail trade was more than accounted for by a downward revision to inventories of retail automotive dealers, reflecting revised trade source data. The revision to the IVA reflected the incorporation of data from regular sources.

Net exports of goods and services.—Net exports of goods and services was revised down for all 3 years: \$0.3 billion for 1991, \$0.7 billion for 1992, and \$1.7 billion for 1993. Downward revisions to both exports and imports for all 3 years were primarily accounted for by revisions to services. For 1993, the revision to exports of services mainly resulted from the incorporation of the revised BEA balance of payments accounts (BPA's). The revision to imports of services mainly reflected revisions to the territorial adjustment, which were based on newly available data from Puerto Rico and the U.S. Virgin Islands. (For more information about the territorial adjustment and the revisions to the BPA's, see the section "[Changes in methodology.](#)")

Government purchases.—Government purchases was revised down for all 3 years: \$1.9 billion for 1991, \$6.5 billion for 1992, and \$9.7 billion for 1993. The revisions for all 3 years were primarily accounted for by State and local government purchases, reflecting newly available data from Census Bureau surveys of State and local government finances. For 1993, the revision also reflected revised Census Bureau monthly data on the value of new construction put in place and new BLS tabulations of wages and salaries of employees covered by State unemployment insurance.

Within State and local government purchases, for all 3 years, downward revisions to structures and to "other State and local purchases" more than offset upward revisions to compensation of employees. The revisions to compensation for 1991 and 1992 were mainly to supplements to wages and salaries, reflecting the incorporation of data from regular sources. For 1993, an upward revision to supplements more than offset a downward revision to wages and salaries.

Within Federal Government purchases, an upward revision to nondefense purchases of services other than compensation, which reflected primarily the incorporation of revised Federal budget data for fiscal year 1993 and new data for fiscal year 1994, largely offset downward revisions to both national defense and nondefense compensation of employees, reflecting the incorporation of data from other regular sources.

Net receipts of factor income.—Net receipts of factor income from the rest of the world, which is excluded from GDP but included in gross national product, was revised up \$1.8 billion for 1991, down \$1.7 billion for 1992, and up \$4.4 billion for 1993. Both receipts and payments of factor income were revised up for all 3 years; the revisions primarily reflected the annual BPA revision. (For more information about revisions to the BPA's, see the section "[Changes in methodology.](#)")

Gross national product (GNP).—The level of GNP was revised up \$3.7 billion, or 0.1 percent, for 1991; down \$20.0 billion, or 0.3 percent, for 1992; and down \$30.3 billion, or 0.5 percent, for 1993. The revisions to GNP for all 3 years were roughly the same as those to GDP, reflecting small revisions to net receipts of factor income.

Gross national income (GNI) and the statistical discrepancy.—GNI measures the costs incurred and the profits earned in the production of GNP; GNP measures final expenditures—the sum of consumer spending, investment, net exports, and government purchases—plus net receipts of factor income from the rest of the world. In concept, GNP is equal to GNI. In practice, they differ because they are estimated using less than perfectly consistent source data. The difference between GNP and GNI is the statistical discrepancy.

The level of GNI was revised up \$11.8 billion, or 0.2 percent, for 1991; down \$5.2 billion, or 0.1 percent, for 1992; and down \$17.4 billion, or 0.3 percent, for 1993. For 1991, the revision to GNI was larger than that to GNP, and the statistical discrepancy was reduced from \$9.6 billion to \$1.5 billion. For 1992 and 1993, the revisions to GNI were smaller than those to GNP, and the statistical discrepancy was reduced from \$23.6 billion to \$8.8 billion for 1992 and from \$15.2 billion to \$2.3 billion for 1993. As a percentage of GNP, the revised statistical discrepancy is less than 0.1 percent for 1991 and 1993, and it is 0.1 percent for 1992.

Within GNI, net interest was revised down considerably for all 3 years, and corporate profits with IVA and capital consumption adjustment (CCAdj) was revised up considerably for 1991 and 1993. Smaller upward revisions were to the following components: Compensation of employees for 1992 and 1993, rental income of persons with CCAdj for 1993, and nonfarm proprietors' income with IVA and CCAdj for 1993. Farm proprietors' income with IVA was revised down for 1993.

Compensation of employees.—Compensation of employees was revised up for all 3 years: \$2.4 billion for 1991, \$9.2 billion for 1992, and \$8.2 billion for 1993. For 1991 and 1992, the revisions were primarily accounted for by upward revisions to other labor income that mainly reflected revised 1991 and new 1992 employer contributions for pension and profit-sharing plans from newly available IRS tabulations of corporate tax return data. For 1993, upward revisions to other labor income and to employer contributions for social insurance accounted for almost all of the revision. These revisions reflected the incorporation of data from regular sources.

For all 3 years, there were small upward revisions to wages and salaries. For 1993, downward revisions to Federal Government wages and salaries reflected newly available data from the Office of Personnel Management for civilian employees and new Federal budget data on military employees. Downward revisions to State and local government wages and salaries for 1993 primarily reflected the incorporation of newly available BLS tabulations of wage and salary data of employees covered by State unemployment insurance. Wages and salaries of private employees was revised up for 1993, also reflecting the incorporation of the newly available BLS tabulations.

In the previously published estimates for 1992 and 1993, the wage and salary component of national income, which is recorded on an accrual basis, had been adjusted to account for estimated bonus payments of approximately \$20 billion earned in 1992 that normally would have been paid in early 1993 but instead were paid in late 1992. These adjustments were necessary because the BLS source data for the wage and salary estimates are recorded on a disbursements basis. (The wage and salary component of personal income is also recorded on a disbursements basis, so no adjustments to personal income were necessary.) The newly available BLS wage and salary data for the first quarter of 1993 were consistent with the previous adjustments. In addition,

although the new BLS data showed that large bonus payments were made in some industries in the fourth quarter of 1993, the payments appeared to follow the normal seasonal pattern. Consequently, the previous adjustments for the timing of bonus payments between 1992 and 1993 were not revised, and no adjustments were made between 1993 and 1994.

Proprietors' income with IVA and CCAdj.—Proprietors' income with IVA and CCAdj was revised down \$0.2 billion for 1991, up \$4.4 billion for 1992, and down \$1.6 billion for 1993. For 1992, the revision was mostly accounted for by the nonfarm component of proprietors' income; for 1993, a downward revision to the farm component more than offset an upward revision to the nonfarm component. The revisions to nonfarm proprietors' income reflected newly available IRS tabulations of sole proprietorship and partnership tax return data for 1992, and the revision to farm proprietors' income reflected new estimates from the U.S. Department of Agriculture for 1993.

Rental income of persons with CCAdj.—Rental income of persons with CCAdj was revised up for all 3 years: \$2.3 billion for 1991, \$3.4 billion for 1992, and \$11.5 billion for 1993. Rental income of persons (without CCAdj) accounted for the revisions; several categories of expenses were revised down, reflecting the incorporation of data from regular sources.

Corporate profits with IVA and CCAdj.—Corporate profits with IVA and CCAdj was revised up \$20.8 billion for 1991, down \$2.1 billion for 1992, and up \$19.2 billion for 1993. The CCAdj accounted for most of the revisions for 1991 and 1992 and about one-fourth of the revision for 1993 (see [the discussion of consumption of fixed capital](#)). The remainder of the upward revision for 1993 was primarily accounted for by corporate profits before tax, which also was revised up for 1991 and 1992. For 1991, domestic profits of financial corporations more than accounted for the revision. For 1992, upward revisions to profits of nonmanufacturing industries offset a large downward revision to profits of manufacturing industries. For 1993, upward revisions to rest-of-the-world profits and to profits of nonmanufacturing industries more than offset a large downward revision to profits of manufacturing industries. The revisions to rest-of-the-world profits reflected both an upward revision to receipts from U.S. investment abroad and a downward revision to

payments on foreign investment in the United States. Revisions to domestic profits primarily reflected the incorporation of revised IRS tabulations of corporate tax return data for 1991 and newly available tabulations for 1992, as well as data from regular sources for 1993. Revisions to rest-of-the-world profits reflected the incorporation of the annual BPA revision.

Net interest.—Net interest was revised down for all 3 years: \$15.4 billion for 1991, \$22.0 billion for 1992, and \$46.1 billion for 1993. Both net monetary interest and net imputed interest were revised down for all 3 years. For 1991, the revision to net interest was primarily accounted for by monetary interest; for 1992, the revision was accounted for by both monetary and imputed interest; and for 1993, the revision was accounted for by imputed interest.

For 1991, monetary interest paid by and received by domestic business were both revised down, reflecting revised IRS tabulations of corporate tax return data. Rest-of-the-world monetary interest paid and received were revised up by similar amounts, reflecting revisions to the BPA's. The revision to net imputed interest for 1991 was primarily due to interest paid by private noninsured pension plans, reflecting revised assets data from the Federal Reserve Board flow-of-funds accounts.

For 1992, monetary interest paid by and received by domestic business were both revised down, reflecting new IRS tabulations of tax return data for corporations and for nonfarm sole proprietorships and partnerships. The revision to net imputed interest was due to interest paid by private noninsured pension plans, reflecting the revised flow-of-funds data, and by interest paid by investment companies, reflecting the tabulations of corporate tax return data.

For 1993, the revisions both to net monetary and to net imputed interest reflected the revised 1992 levels and newly available regular source data, mainly reports from financial regulatory agencies. (For 1993, revisions cannot be attributed to the same level of components as for 1991 and 1992, because separate estimates are not prepared for the latest year until the subsequent annual revision.)

Consumption of fixed capital.—Consumption of fixed capital—that is, the charge for the using of fixed capital owned by private businesses based on uniform service lives, straight-line depreciation, and replacement cost and special adjustments for accidental damage—was revised

up \$0.4 billion for 1991, up \$0.6 billion for 1992, and down \$2.2 billion for 1993. The revisions reflected revised BEA estimates of fixed investment and prices.

Capital consumption allowances—that is, tax-return-based depreciation for corporations and nonfarm proprietorships, historical-cost depreciation using consistent service lives for farm proprietorships and rental income of persons, and accidental damage—was revised up \$17.2 billion for 1991, down \$1.5 billion for 1992, and up \$5.1 billion for 1993. The revisions for 1991 and 1992 reflected revised IRS tabulations of corporate tax return data for 1991 and new tabulations for 1992. The upward revision for 1993 reflected revised BEA projections, which are based on attributing the amounts of fixed investment to the various tax return depreciation patterns and service lives.

The CCAdj, which is derived as the difference between capital consumption allowances and the consumption of fixed capital, was revised up \$16.7 billion for 1991, down \$2.3 billion for 1992, and up \$7.4 billion for 1993.

Nonfactor incomes.—Nonfactor incomes—indirect business tax and nontax liability, business transfer payments, and subsidies less current surplus of government enterprises—was revised up \$1.5 billion for 1991, up \$1.3 billion for 1992, and down \$6.4 billion for 1993. The downward revision for 1993 was primarily accounted for by indirect business taxes, reflecting newly available data for Federal excise taxes and Federal indirect business nontaxes from the U.S. Treasury Department and newly available data for property taxes from Census Bureau quarterly surveys of State and local tax revenues. The revision to subsidies less current surplus of government enterprises for 1993 was primarily accounted for by the Federal Government component, reflecting revised budget detail for fiscal year 1993 and preliminary detail for fiscal year 1994.

National income.—National income was revised up \$9.9 billion for 1991, down \$7.1 billion for 1992, and down \$8.9 billion for 1993. These revisions reflected the previously described revisions to compensation of employees, proprietors' income, rental income of persons, corporate profits, and net interest.

Personal income and its disposition.—Personal income was revised up \$9.4 billion for 1991, up \$9.4 billion for 1992, and down \$13.2 billion for 1993. These revisions partly reflected

the previously described revisions to the components of national income that are included in personal income—wages and salaries, other labor income, proprietors' income, and rental income of persons. They also reflect revisions to personal dividend income, personal interest income, transfer payments to persons, and personal contributions for social insurance, all of which are components of personal income but not of national income.

Personal dividend income was revised up for all 3 years: \$22.6 billion for 1991, \$20.6 billion for 1992, and \$23.0 billion for 1993; these revisions reflected the incorporation of revised IRS tabulations of corporate tax return data for 1991 and newly available tabulations for 1992, as well as the incorporation of data from publicly available corporate financial statements for 1993.

Personal interest income was revised down for all 3 years: \$20.5 billion for 1991, \$29.1 billion for 1992, and \$57.3 billion for 1993; these revisions reflected the previously described revisions to net interest. For each year, the revision to personal interest income was somewhat larger than the corresponding revision to net interest because of downward revisions to net interest paid by government; for 1993, a downward revision to interest paid by persons also contributed to this difference. The revisions to government interest were primarily accounted for by State and local government interest paid and received, reflecting newly available data from Census Bureau surveys of State and local government finances. The revision to interest paid by persons reflected revised data from the Federal Reserve Board on consumer installment credit.

Transfer payments to persons was revised up for all 3 years: \$0.2 billion for 1991, \$1.8 billion for 1992, and \$3.3 billion for 1993. An upward revision for 1993 to Federal Government transfer payments, reflecting newly available data on Federal hospital and supplementary medical insurance, more than offset a downward revision to State and local government transfer payments, reflecting newly available data from the Health Care Financing Administration on payments for medicaid.

Personal contributions for social insurance—which is subtracted in calculating personal income—was revised down for all 3 years: \$1.6 billion for 1991, \$0.6 billion for 1992, and \$3.0 billion for 1993. For 1993, the revision was accounted for by contributions both to Federal and to State and local social insurance funds, re-

fecting the incorporation of data from regular sources.

Personal tax and nontax payments was revised up for all 3 years: \$3.3 billion for 1991, \$3.8 billion for 1992, and \$4.8 billion for 1993. State and local government nontax receipts accounted for most of the revisions, reflecting newly available data on payments by nonprofit health care providers to State medicaid trust funds. (In the NIPA's, nonprofit institutions that primarily serve individuals are classified in the household sector.)

Reflecting the revisions to personal income and to personal tax and nontax payments, disposable personal income (DPI) was revised up \$6.1 billion for 1991, up \$5.6 billion for 1992, and down \$18.0 billion for 1993.

Personal outlays—PCE, interest paid by persons, and personal transfer payments to rest of the world (net)—was revised down for all 3 years: \$4.0 billion for 1991, \$3.7 billion for 1992, and \$20.6 billion for 1993. The revisions for all 3 years were largely accounted for by PCE; for 1993, interest paid by persons also contributed to the downward revision.

Personal saving—the difference between DPI and personal outlays—was revised up for all 3 years: \$10.1 billion for 1991, \$9.2 billion for 1992, and \$2.7 billion for 1993. The personal saving rate (personal saving as a percentage of DPI) was also revised up for all 3 years: From 4.8 percent to 5.0 percent for 1991, from 5.3 percent to 5.5 percent for 1992, and from 4.0 percent to 4.1 percent for 1993.

Gross saving and investment.—Gross saving was revised up for all 3 years: \$17.7 billion for 1991, \$5.1 billion for 1992, and \$7.3 billion for 1993. For 1991, the upward revision was accounted for by an upward revision to gross private saving and a downward revision to the government deficit. Within gross private saving, the revision was more than accounted for by the upward revision to personal saving. Undistributed corporate profits with IVA and with CCAdj was revised down, reflecting two largely offsetting revisions: A large downward revision to undistributed profits (profits after tax, less dividends paid) and a large upward revision to the corporate CCAdj. The downward revision to undistributed profits was more than accounted for by an upward revision of \$22.6 billion to dividends paid; however, the revision to dividend income, a component of personal income, caused a corresponding upward revision to personal saving. The effects of the revision to dividends—reducing undistributed corporate profits and increasing personal

saving—are offsetting in gross private saving, so the upward revision to gross private saving for 1991 was more than accounted for by the upward revision to the corporate *CCAdj*. For 1992 and 1993, the upward revisions to gross saving were more than accounted for by downward revisions to the government deficit.

The government deficit (*NIPA* basis) was revised down for all 3 years: \$10.3 billion for 1991, \$11.3 billion for 1992, and \$9.6 billion for 1993. Upward revisions to the State and local government surplus—\$9.7 billion for 1991, \$17.7 billion for 1992, and \$24.5 billion for 1993—mainly account for the revisions. These revisions primarily reflect lower expenditures for all 3 years, mainly lower purchases and higher interest receipts. (Net interest paid—interest paid less interest received—is recorded as an expenditure in the *NIPA* government sector accounts.) State and local government receipts were revised up for all 3 years, and expenditures were revised down for all 3 years. The Federal Government deficit was revised down \$0.5 billion for 1991, up \$6.4 billion for 1992, and up \$15.0 billion for 1993. The upward revision for 1992 primarily reflected a downward revision to receipts, mainly to corporate profits tax accruals. The upward revision for 1993 primarily reflected revisions to expenditures—mainly an upward revision to transfer payments to persons and a downward revision to interest received.

Gross investment—which is measured as the sum of gross private domestic investment and net foreign investment—was revised up \$9.6 billion for 1991, down \$9.7 billion for 1992, and down \$5.6 billion for 1993. The revisions for all 3 years were primarily accounted for by the revisions to gross private domestic investment. Net foreign investment was revised up for 1991, down for 1992, and up for 1993.

Annual price estimates

Revisions to fixed-weighted price indexes result from the incorporation of newly available source data and of methodological changes. Source data that affect these indexes consist not only of the price indexes that are used for deflation, but also of the implicit prices derived from current-dollar estimates and the quantity data that are used for preparing constant-dollar estimates by quantity extrapolation or direct valuation (see the section “[Updated summary methodologies](#)”).

Newly available price index information includes revised price indexes for computers and peripheral equipment, for foreign travel, for mul-

tifamily residential structures, and for defense goods and services. Newly available current-dollar estimates affected the price estimates for several types of *PCE* services—“services furnished without payment by financial intermediaries except life insurance carriers and private non-insured pension plans,” automobile insurance, health insurance, and brokerage charges—for petroleum and natural gas exploration (nonresidential structures), and for Federal Government and State and local government compensation of employees. In addition, there was a correction to the implicit price for imports of insurance services for 1992 in connection with the treatment of losses incurred from Hurricane Andrew.

The level of the fixed-weighted price index for gross domestic purchases was revised down for all 3 years: 0.1 index point to 118.1 for 1991, 0.2 index point to 121.8 for 1992, and 0.4 index point to 125.2 for 1993. Reflecting these revisions in level, the annual percent increase in the index was revised down 0.1 percentage point for all 3 years—to 3.8 percent for 1991, 3.2 percent for 1992, and 2.8 percent for 1993. (Revisions to price changes for *GDP* were the same as those for gross domestic purchases.) Revisions to the price changes for components of *GDP* were generally small. The largest revisions were to *PCE* services, which was revised down 0.3 percentage point for all 3 years; to residential fixed investment, down 0.5 percentage point for 1993; and to Federal nondefense purchases, up 1.3 percentage points for 1993. The revisions to *PCE* services were primarily accounted for by revisions to the following implicit prices: Health insurance for 1991; imputed financial service charges, brokerage charges, and household insurance for 1992; and imputed financial service charges and auto insurance for 1993. The revision to residential fixed investment for 1993 was primarily accounted for by the incorporation of a newly available price index for multifamily structures. The revision to nondefense purchases for 1993 was primarily accounted for by revisions to the implicit price for compensation of employees.

Annual constant-dollar estimates

In general, revisions to real *GDP* reflect four factors: (1) Revisions to current-dollar components of *GDP* whose constant-dollar estimates are prepared by deflation, (2) revisions to the prices used in deflation, (3) revisions to the quantities used to estimate components of real *GDP* by extrapolation or direct valuation, and (4) revisions caused by shifts in the composition of current-dollar *GDP*.

The following tabulation provides information on the effects of these factors on the revisions to the level of and percent change in real GDP, which are shown in the last line. Revisions to current-dollar GDP are shown in the first line; revisions to the GDP price index (fixed weights) are shown in the second line; and "other" revisions, a residual, are shown in the third line.

For those GDP components whose constant-dollar estimates are prepared by extrapolation or direct valuation, the current- and constant-dollar estimates are based on independent source data; consequently, the corresponding revisions are unrelated.³ In most cases, the revisions to the current-dollar estimates are larger than the revisions to the constant-dollar estimates. As previously noted, the second line, "price revisions," will include revisions to "implicit" prices, which are derived as the ratio of the current-dollar to the constant-dollar estimates for these components. Thus, if there are no constant-dollar revisions to these components, any current-dollar revisions to these components would be offset by revisions to their "implicit" prices.

| | Percent revision in level of GDP | | | Revision in annual percent change in GDP | | |
|---|----------------------------------|------|------|--|------|------|
| | 1991 | 1992 | 1993 | 1991 | 1992 | 1993 |
| Current-dollar revisions | 0 | -0.3 | -0.5 | 0 | -0.3 | -0.2 |
| Less: Price revisions | -.1 | -.2 | -.3 | -.1 | -.1 | -.1 |
| Plus: Other revisions | 0 | 0 | .2 | 0 | -.1 | .2 |
| Equals: Constant-dollar revisions | .1 | -.1 | 0 | .1 | -.3 | .1 |

The level of real GDP was revised up 0.1 percentage point for 1991, down 0.1 percentage point for 1992, and was unrevised for 1993. Reflecting these revisions in level, the annual percent change in real GDP was also revised up 0.1 percentage point to -0.6 percent for 1991, down 0.3 percentage point to 2.3 percent for 1992, and up 0.1 percentage point to 3.1 percent for 1993 (table 4). For 1991, downward revisions to prices fully accounted for the upward revision to the level of constant-dollar GDP. For 1992, the downward current-dollar revision was partly offset by downward price revisions. For 1993, the downward current-dollar revision was offset by the price and "other" revisions.

Among the components of real GDP, the CBI component of gross private domestic investment more than accounted for the upward revision to the change in real GDP for 1991 (table 4). For 1992, the downward revision to the increase in real GDP reflected smaller increases in PCE

goods and in State and local government purchases, as well as a smaller swing in the CBI; there was a larger increase in PCE services. For 1993, the upward revision to the increase in real GDP was mainly attributable to a larger increase in producers' durable equipment (PDE).

Revisions to components of real GDP.—The annual percent change in real PCE was unrevised at -0.4 percent for 1991, was revised up 0.2 percentage point to 2.8 percent for 1992, and was unrevised at 3.3 percent for 1993. The upward revision for 1992 was more than accounted for by PCE services. Within services, the revisions were mainly accounted for by "other household operation" (mainly telephone and telegraph) and medical care (physicians and other medical professional services).

The change in nonresidential fixed investment was revised up 0.2 percentage point to -5.7 percent for 1991, down 0.9 percentage point to 2.0 percent for 1992, and up 0.7 percentage point to 12.5 percent for 1993. For 1992, both structures and PDE were revised down. For 1993, the upward revision to PDE more than offset a downward revision to structures. Within structures, utilities accounted for most of the downward revision for 1992; utilities and nonresidential buildings accounted for most of the downward revision for 1993. Within PDE, computers and peripheral equipment accounted for most of the downward revision for 1992 and for most of the upward revision for 1993.

The change in residential investment was unrevised at -12.9 percent for 1991, was revised down 0.1 percentage point to 16.2 percent for 1992, and was revised down 0.5 percentage point to 8.2 percent for 1993. Revisions to single-family structures mainly accounted for the downward revision for 1993.

The change in inventory investment (in constant dollars) was revised up \$7.3 billion for 1991, down \$11.3 billion for 1992, and up \$5.0 billion for 1993. The revisions for all 3 years were mainly accounted for by nonfarm inventories.

The change in exports of goods and services was revised little for 1991, up 0.3 percentage point to 6.7 percent for 1992, and up 0.6 percentage point to 4.1 percent for 1993. The upward revisions for 1992 and 1993 were mainly accounted for by computers and peripheral equipment. The change in imports of goods and services was unrevised for 1991 and 1992 and was revised up 0.4 percentage point to 10.7 percent for 1993. The upward revision for 1993 was mainly accounted for by computers and peripheral equipment.

3. For a detailed listing of these components, see table 8.

Table 4.—Revisions to Percent Change in GDP, Real GDP, and Price Indexes (Fixed Weights)

[Percent change from preceding year]

| | 1990 | 1991 | | | 1992 | | | 1993 | | |
|---|------------|----------------------|------------|-----------|----------------------|------------|-------------|----------------------|------------|-------------|
| | | Previously published | Revised | Revision | Previously published | Revised | Revision | Previously published | Revised | Revision |
| Current dollars | | | | | | | | | | |
| Gross domestic product | 5.6 | 3.2 | 3.2 | 0 | 5.5 | 5.2 | -0.3 | 5.6 | 5.4 | -0.2 |
| Personal consumption expenditures | 6.8 | 3.9 | 3.8 | -1 | 6.0 | 6.0 | 0 | 6.1 | 5.8 | -3 |
| Durable goods | 1.9 | -2.2 | -2.5 | -3 | 8.6 | 7.9 | -7 | 8.2 | 9.2 | 1.0 |
| Nondurable goods | 6.9 | 2.3 | 2.3 | 0 | 3.4 | 3.0 | -4 | 3.8 | 3.4 | -4 |
| Services | 7.8 | 6.1 | 6.0 | -1 | 6.9 | 7.3 | 4 | 6.9 | 6.5 | -4 |
| Gross private domestic fixed investment | 4 | -7.0 | -6.9 | .1 | 5.8 | 5.2 | -6 | 11.0 | 10.4 | -6 |
| Nonresidential | 3.3 | -5.2 | -5.1 | .1 | 1.7 | .8 | -9 | 10.3 | 9.7 | -6 |
| Structures | 4.3 | -9.4 | -9.3 | .1 | -5.5 | -6.5 | -1.0 | 3.5 | 1.3 | -2.2 |
| Producers' durable equipment | 2.7 | -3.1 | -2.9 | .2 | 5.3 | 4.3 | -1.0 | 13.3 | 13.4 | .1 |
| Residential | -6.8 | -11.9 | -11.9 | 0 | 17.9 | 18.0 | .1 | 12.9 | 12.0 | -9 |
| Change in business inventories | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | |
| Exports | 9.7 | 8.0 | 7.9 | -1 | 6.5 | 6.2 | -3 | 3.3 | 3.3 | 0 |
| Imports | 6.9 | -1.2 | -1.2 | 0 | 7.9 | 7.7 | -2 | 8.2 | 8.4 | .2 |
| Government purchases | 7.4 | 5.0 | 4.8 | -2 | 3.0 | 2.5 | -5 | 2.3 | 2.1 | -2 |
| Federal | 6.2 | 4.5 | 4.5 | 0 | .7 | .7 | 0 | -1.2 | -1.2 | 0 |
| National defense | 4.7 | 2.7 | 2.8 | .1 | -2.7 | -2.7 | 0 | -3.3 | -3.7 | -4 |
| Nondefense | 10.6 | 9.7 | 9.4 | -3 | 9.4 | 9.5 | .1 | 3.8 | 4.5 | .7 |
| State and local | 8.2 | 5.2 | 4.9 | -3 | 4.5 | 3.8 | -7 | 4.6 | 4.2 | -4 |
| Constant (1987) dollars | | | | | | | | | | |
| Gross domestic product | 1.2 | -7 | -6 | .1 | 2.6 | 2.3 | -3 | 3.0 | 3.1 | .1 |
| Personal consumption expenditures | 1.5 | -4 | -4 | 0 | 2.6 | 2.8 | -2 | 3.3 | 3.3 | 0 |
| Durable goods | .5 | -3.7 | -4.0 | -3 | 7.0 | 6.4 | -6 | 7.3 | 8.2 | .9 |
| Nondurable goods | .9 | -1.2 | -1.2 | 0 | 1.4 | 1.0 | -4 | 2.4 | 2.0 | -4 |
| Services | 2.2 | .8 | 1.0 | .2 | 2.2 | 3.0 | .8 | 2.9 | 2.8 | -1 |
| Gross private domestic fixed investment | -1.7 | -7.7 | -7.6 | .1 | 6.2 | 5.5 | -7 | 11.0 | 11.3 | .3 |
| Nonresidential | 1.2 | -5.9 | -5.7 | .2 | 2.9 | 2.0 | -9 | 11.8 | 12.5 | .7 |
| Structures | 1.1 | -10.8 | -10.5 | .3 | -6.0 | -6.7 | -7 | .6 | -1.4 | -2.0 |
| Producers' durable equipment | 1.2 | -3.5 | -3.3 | .2 | 6.9 | 6.0 | -9 | 16.3 | 18.0 | 1.7 |
| Residential | -9.2 | -12.9 | -12.9 | 0 | 16.3 | 16.2 | -1 | 8.7 | 8.2 | -5 |
| Change in business inventories | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | |
| Exports | 8.2 | 6.4 | 6.3 | -1 | 6.4 | 6.7 | .3 | 3.5 | 4.1 | .6 |
| Imports | 3.6 | -5 | -4 | .1 | 8.7 | 8.8 | .1 | 10.3 | 10.7 | .4 |
| Government purchases | 3.1 | 1.5 | 1.2 | -3 | -1 | -8 | -7 | -7 | -8 | -1 |
| Federal | 2.1 | .6 | .7 | .1 | -3.5 | -3.4 | .1 | -4.9 | -4.5 | .4 |
| National defense | .8 | -8 | -8 | 0 | -7.1 | -7.1 | 0 | -7.2 | -6.8 | .4 |
| Nondefense | 5.9 | 4.9 | 4.9 | 0 | 6.2 | 6.6 | .4 | .6 | .7 | .1 |
| State and local | 3.8 | 2.0 | 1.6 | -4 | 2.2 | 1.1 | -1.1 | 2.1 | 1.7 | -4 |
| Price indexes (fixed weights) | | | | | | | | | | |
| Gross domestic product | 4.6 | 4.1 | 4.0 | -1 | 3.3 | 3.2 | -1 | 3.1 | 3.0 | -1 |
| Personal consumption expenditures | 5.3 | 4.5 | 4.4 | -1 | 3.7 | 3.5 | -2 | 3.0 | 2.8 | -2 |
| Durable goods | 1.7 | 2.6 | 2.6 | 0 | 2.2 | 2.3 | .1 | 2.0 | 2.1 | .1 |
| Nondurable goods | 6.2 | 3.7 | 3.7 | 0 | 2.1 | 2.1 | 0 | 1.6 | 1.6 | 0 |
| Services | 5.6 | 5.5 | 5.2 | -3 | 5.0 | 4.7 | -3 | 4.0 | 3.7 | -3 |
| Gross private domestic fixed investment | 2.6 | 1.5 | 1.5 | 0 | 1.1 | 1.1 | 0 | 2.4 | 2.1 | -3 |
| Nonresidential | 2.6 | 1.7 | 1.7 | 0 | 1.1 | .9 | -2 | 1.7 | 1.6 | -1 |
| Structures | 3.1 | 1.4 | 1.3 | -1 | .6 | .3 | -3 | 2.8 | 2.8 | 0 |
| Producers' durable equipment | 2.3 | 1.9 | 2.0 | .1 | 1.3 | 1.3 | 0 | 1.1 | .9 | -2 |
| Residential | 2.7 | 1.1 | 1.1 | 0 | 1.3 | 1.5 | .2 | 3.8 | 3.3 | -5 |
| Change in business inventories | | | | | | | | | | |
| Net exports of goods and services | | | | | | | | | | |
| Exports | 1.7 | 2.2 | 2.3 | .1 | 1.2 | 1.2 | 0 | 1.5 | 1.2 | -3 |
| Imports | 3.5 | 1.3 | 1.3 | 0 | 1.2 | 1.5 | .3 | -1 | -2 | -1 |
| Government purchases | 4.3 | 3.6 | 3.7 | .1 | 3.4 | 3.5 | .1 | 3.1 | 3.1 | 0 |
| Federal | 4.5 | 4.2 | 4.2 | 0 | 4.5 | 4.3 | -2 | 3.6 | 3.7 | -1 |
| National defense | 4.7 | 3.9 | 3.9 | 0 | 4.9 | 4.7 | -2 | 4.0 | 3.7 | -3 |
| Nondefense | 3.8 | 5.2 | 5.2 | 0 | 3.1 | 2.8 | -3 | 2.4 | 3.7 | 1.3 |
| State and local | 4.2 | 3.2 | 3.4 | .2 | 2.5 | 2.8 | .3 | 2.6 | 2.5 | -1 |
| Addendum: | | | | | | | | | | |
| Gross domestic purchases | 4.7 | 3.9 | 3.8 | -1 | 3.3 | 3.2 | -1 | 2.9 | 2.8 | -1 |

The change in government purchases was revised down for all 3 years: 0.3 percentage point to 1.2 percent for 1991, 0.7 percentage point to -0.8 percent for 1992, and 0.1 percentage point to -0.8 percent for 1993. The revisions for all 3 years largely reflected downward revisions to State and local government purchases of structures and of "goods and services other than compensation of employees." For 1993, an upward revision to national defense purchases, mainly aircraft, partly offset the downward revision to State and local government purchases.

Quarterly estimates

Quarterly estimates are affected by annual NIPA revisions in three major ways: (1) Adjustments to reflect revisions to the annual estimates, (2) incorporation of new and revised source data (including the updating of seasonal factors that are used to indicate quarterly patterns), and (3) changes in the methodology used to prepare the quarterly estimates.

In general, the quarter-to-quarter patterns of changes in BEA's measures of real output and prices are not markedly different on the revised basis (table 5). For real GDP, the revisions to the 13 quarterly percent changes (at annual rates) averaged 0.4 percentage point (without regard to sign). There were downward revisions to the change for seven quarters, upward revisions for five quarters, and no revision for one quarter. The two largest revisions in change were 0.7 percentage point—upward to 2.2 percent for the second quarter of 1992 and downward to 6.3 per-

cent for the fourth quarter of 1993. The change in business inventories accounted for most of the upward revision for the second quarter of 1992; all major GDP categories except exports and Federal Government purchases contributed to the downward revision for the fourth quarter of 1993.

For gross domestic purchases prices, the revisions to the 13 quarterly percent changes (at annual rates) averaged 0.2 percentage point (without regard to sign). There were downward revisions to the change for eight quarters, upward revisions for three quarters, and no revisions for two quarters. The largest revision was a downward revision of 0.4 percentage point for the second quarter of 1991; the sources of this revision were widespread.

Methodology

The revised NIPA estimates incorporate several changes in methodology—either in the source data or in the methods used to prepare the estimates. This section of the article describes these changes and updates previously published tables showing methodologies for current- and constant-dollar GDP.

Changes in methodology

Net exports of goods and services and net receipts of factor income from the rest of the world.—The major source of the NIPA estimates of foreign transactions is the U.S. balance of payments accounts (BPA's), which are also prepared by BEA. The latest annual BPA revision was presented in

Table 5.—GDP, Real GDP, the GDP Price Index (Fixed Weights), and the Gross Domestic Purchases Price Index (Fixed Weights): Revisions to Percent Change From Preceding Quarter

[Percent change at annual rates; based on seasonally adjusted annual rates]

| | GDP | | | Real GDP | | | GDP price index (fixed weights) | | | Gross domestic purchases price index (fixed weights) | | |
|---------------|----------------------|---------|----------|----------------------|---------|----------|---------------------------------|---------|----------|--|---------|----------|
| | Previously published | Revised | Revision | Previously published | Revised | Revision | Previously published | Revised | Revision | Previously published | Revised | Revision |
| 1990:IV | 1.0 | ..... | ..... | -3.2 | ..... | ..... | 3.8 | ..... | ..... | 5.7 | ..... | ..... |
| 1991:I | 2.4 | 2.8 | .4 | -2.4 | -2.1 | .3 | 5.1 | 5.1 | 0 | 3.6 | 3.6 | 0 |
| II | 4.8 | 5.0 | .2 | 1.5 | 2.2 | .7 | 3.4 | 3.1 | -3 | 2.5 | 2.1 | -4 |
| III | 4.3 | 3.8 | -.5 | 1.4 | 1.0 | -.4 | 3.4 | 3.3 | -1 | 3.1 | 3.0 | -.1 |
| IV | 3.2 | 2.6 | -.6 | .6 | .1 | -.5 | 2.7 | 2.7 | 0 | 3.0 | 3.0 | 0 |
| 1992:I | 7.4 | 7.1 | -.3 | 3.5 | 3.1 | -.4 | 4.2 | 3.9 | -3 | 3.9 | 3.6 | -.3 |
| II | 5.7 | 5.2 | -.5 | 2.8 | 2.4 | -.4 | 3.4 | 3.3 | -1 | 3.3 | 3.4 | .1 |
| III | 4.6 | 4.9 | .3 | 3.4 | 3.5 | .1 | 2.5 | 2.7 | .2 | 3.0 | 3.2 | .2 |
| IV | 9.2 | 8.6 | -.6 | 5.7 | 5.7 | 0 | 3.1 | 2.8 | -3 | 2.8 | 2.5 | -.3 |
| 1993:I | 4.4 | 4.4 | 0 | .8 | 1.2 | .4 | 4.3 | 4.2 | -1 | 3.5 | 3.3 | -.2 |
| II | 4.3 | 4.2 | -.1 | 1.9 | 2.4 | .5 | 2.8 | 2.4 | -4 | 2.9 | 2.6 | -.3 |
| III | 4.4 | 3.8 | -.6 | 2.9 | 2.7 | -.2 | 2.1 | 2.0 | -1 | 1.8 | 1.6 | -.2 |
| IV | 8.4 | 7.7 | -.7 | 7.0 | 6.3 | -.7 | 2.3 | 2.4 | .1 | 2.3 | 2.4 | .1 |
| 1994:I | 6.1 | 6.1 | 0 | 3.4 | 3.3 | -.1 | 3.2 | 3.1 | -1 | 2.6 | 2.5 | -.1 |

the June 1994 SURVEY.⁴ Although the BPA's provide the basis for the foreign transactions entries in the NIPA's, annual NIPA revisions incorporate both the revisions to the BPA's and revisions to the items that adjust for the differences between the two sets of accounts. (These differences are identified in NIPA table 4.5.) In this year's annual BPA revision, newly available data from regular sources were incorporated, and several improvements in estimating methodologies were introduced. In addition, the end-use commodity classification system used to present merchandise exports and imports data in the BPA's and the NIPA's was revised; these changes affected the definition of categories, but not total merchandise exports or imports. In addition to the BPA revisions, the methodology used to prepare the quarterly estimates of the territorial adjustment, one of the NIPA adjustment items, has been changed.⁵

The only change in methodology from the BPA revision that affected NIPA net exports of goods and services was the introduction of improved estimates of expenditures in the United States by foreign embassies and consular offices. This

change was introduced beginning with 1993 and added \$0.6 billion to exports of services.

The change in methodology for the territorial adjustment, which affected only the quarterly merchandise trade estimates, was the use of Census Bureau tabulations of Customs Service documents of U.S. merchandise exports to, and imports from, Puerto Rico and the U.S. Virgin Islands to interpolate and extrapolate the annual estimates. Previously, the quarterly estimates had been based on judgmental trends. There was no change in methodology for the annual estimates or for the annual or quarterly territorial adjustments to exports and imports of services or of factor incomes.

Receipts of factor income, mainly interest, and GNP were affected by several changes in BPA methodology; the net effects of these changes were upward revisions to receipts of factor income for all 3 years: \$7.3 billion for 1991, \$3.9 billion for 1992, and \$1.8 billion for 1993. Payments of factor income, mainly interest, and GNP were affected by changes in the methodology for estimating dividend payments, bank income payments on own account, bank income payments on custody liabilities, private nonbank income payments, and U.S. government income payments. The net effects of these changes were upward revisions to payments of factor income for all 3 years: \$8.0 billion for 1991, \$5.1 billion for 1992, and \$3.8 billion for 1993.

Table 6.—Discontinuities in NIPA Foreign Transactions: 1990–91

[Billions of dollars]

| | 1990 | | | 1991 | Change, 1990 to 1991 | |
|---|--------------|----------------------------|--------------|--------------|----------------------|--------------|
| | Published | Discontinuity ¹ | Adjusted | | Published | Adjusted |
| Net exports of goods and services | -71.4 | -0.5 | -71.9 | -19.9 | 51.5 | 52.0 |
| Exports | 557.1 | -1.1 | 556.0 | 601.1 | 44.0 | 45.1 |
| Merchandise | 398.7 | 0 | 398.7 | 427.1 | 28.4 | 28.4 |
| Services | 158.4 | -1.1 | 157.3 | 173.9 | 15.5 | 16.6 |
| Imports | 628.5 | -6 | 627.9 | 620.9 | -7.6 | -7.0 |
| Merchandise | 509.0 | 0 | 509.0 | 501.4 | -7.6 | -7.6 |
| Services | 119.5 | -6 | 118.9 | 119.6 | .1 | .7 |
| Net receipts of factor income | 21.7 | .4 | 22.1 | 16.0 | -5.7 | -6.1 |
| Receipts | 168.6 | 9.0 | 177.6 | 155.7 | -12.9 | -21.9 |
| Corporate profits | 71.4 | -3 | 71.1 | 66.1 | -5.3 | -5.1 |
| Interest | 96.3 | 9.3 | 105.6 | 88.6 | -7.7 | -7.0 |
| Compensation of employees | .9 | 0 | .9 | 1.0 | .1 | .1 |
| Payments | 146.9 | 8.6 | 155.5 | 139.7 | -7.2 | -15.8 |
| Corporate profits | 3.4 | .7 | 4.1 | -2.5 | -5.9 | -6.6 |
| Interest | 142.3 | 7.9 | 150.3 | 141.0 | -1.4 | -9.3 |
| Compensation of employees | 1.1 | 0 | 1.1 | 1.2 | .1 | .1 |
| Transfer payments to rest of the world (net) | 28.8 | -2 | 28.6 | -12.0 | -40.8 | -40.6 |
| Addenda: | | | | | | |
| Personal consumption expenditures ² | 3,761.2 | 0 | 3,761.2 | 3,902.4 | 141.2 | 141.2 |
| GDP | 5,546.1 | -5 | 5,545.1 | 5,724.8 | 178.7 | 179.7 |
| GNP | 5,567.8 | -1 | 5,567.2 | 5,740.8 | 173.0 | 173.6 |

1. Equals the revisions to the U.S. balance of payments accounts that have not been carried back in the NIPAs at this time.

2. BPA estimates of certain categories of exports and imports—for example, travel and passenger fares—also affect personal consumption expenditures (PCE) because the BPA estimates are used to adjust the source data in estimating PCE. In the adjustments, expenditures by U.S. resi-

dents traveling abroad are added to PCE, and expenditures by foreign residents traveling in the United States are subtracted from PCE. In this year's annual BPA revision, there were no revisions to the categories used for these adjustments for 1990; therefore, there was no discontinuity affecting PCE.

Because this annual NIPA revision covered only 3 years, the BPA revisions were brought into the NIPA's at their best level—as usual—beginning with the estimates for 1991; the estimates for earlier years were not revised. As a result, there are discontinuities in the NIPA estimates from 1990 to 1991, as quantified in table 6. For net exports of goods and services and for GDP, the discontinuities are small; the change from 1990 to 1991 is overstated by \$0.5 billion. For net receipts of factor income, the discontinuities are also small; the change from 1990 to 1991 is understated by \$0.4 billion. However, the discontinuities in receipts and in payments of factor income, mainly interest, are more substantial. The 1990–91 change in the revised NIPA receipts of factor income is understated by \$9.0 billion, and the change in NIPA payments of factor income is understated by \$8.6 billion. For GNP—which includes net exports of goods, services, and factor incomes—the change from 1990 to 1991 is overstated by \$0.1 billion. (Revisions to the NIPA's for years prior to 1991 will be incorporated in the next comprehensive NIPA revision.)

Nonresidential producers' durable equipment (PDE).—As described in table 7, the methodology for estimating nonresidential PDE, except autos, is based largely on Census Bureau surveys of manufacturers' shipments. For the 1992 estimates of these categories of PDE, shipments were revised based on unpublished detailed industry shipments data from the 1992 Census of Manufactures. Product shipments data for 1992, like those incorporated into the 1991 estimates in last year's annual revision, were not available for this year's annual revision. Product shipments data are used when they are available because they provide the basis for more accurate estimates. They are more detailed than industry shipments data and thus are more likely to provide separate data for parts, which are not included in PDE, and for products sold primarily to persons or governments, whose purchases also are not included in PDE.

Health insurance.—The revised 1991 and 1992 estimates of the health insurance components of other labor income (employer contributions for group health insurance) and of PCE (premiums less benefits for medical and hospitalization insurance) are based primarily on source data that would normally have been used only for the 1993 estimates. This temporary change in methodology was introduced because the regular source data—mostly information from the

Health Care Financing Administration (HCFA)—were not available for this year's annual revision. For other labor income and PCE, employer contributions for group health insurance for 1991–93 were estimated using BLS data on the changes in employer costs per hour for employee medical insurance. For PCE, insurance premiums paid by employees and other persons for 1991 and 1992 were estimated using BLS data from the Consumer Expenditures Survey; benefits paid were estimated using preliminary HCFA estimates of the ratio of benefits to premiums. For 1993, judgmental trends were used for all estimates except for the estimates of employer contributions.

Updated summary methodologies

Table 7 identifies the principal source data and estimating methods used to prepare the current-dollar estimates of the product- and income-side components of GDP, and table 8 identifies the principal source data and estimating methods used to prepare the constant-dollar estimates of the product-side components. These tables have been updated to reflect the methodological changes introduced in this annual NIPA revision.

Current-dollar estimates of GDP.—The components in table 7 are as shown in the national income and product account (see table A, account 1), starting on the product side and proceeding to the income side. The subcomponents in table 7, with their 1993 dollar values, are grouped according to the methodology used to prepare them.

The column in table 7 for annual estimates covers the several annual estimates in the estimating cycle; the major differences in methodology as the estimates move through the three annual revisions to a benchmark revision are few enough to condense into the table. For example, for most goods in PCE (the first item on the product side), the table indicates one methodology for benchmark years and another for all other years.

The column for the quarterly estimates is a condensation in two respects. First, it refers to the advance estimate for the current quarter—that is, the estimate prepared in the first month following the end of the quarter. That one estimate, rather than all three of the current quarterly estimates, is described because more attention focuses on the “first look” at the quarter. Second, even for the advance estimate, the column does not detail how many months of source data are available nor whether the data are subject to revision by the source agency.

Table 7 lists source data representing a variety of different economic measures—wages and salaries, premiums, expenses, interest rates, mortgage debt, tax collections, unit sales, housing stock, employment, and average price, to name a few. For most components, the source data are “value data”; that is, they embody both the quantity and price dimensions that are required for current-dollar estimates. In these cases, the methodology indicated in **table 7** is the adjustment of the value data to derive estimates consistent with NIPA definitions and coverage.

When value data are not used in preparing an estimate, the table indicates the combination of data with separate quantity and price dimensions that is used to derive the required value estimate (as well as any major adjustments needed to derive estimates consistent with NIPA definitions and coverage). On the product side, a “physical quantity times price” method is used for several components. For example, the estimate for new autos is prepared as unit sales times average list price. An “employment times earnings times hours” method and variations of a “stock of assets/liabilities times an interest rate” method also are used for several components.

Some of the source data shown in **table 7** for the annual estimates are used to interpolate and extrapolate the levels established by source data that are viewed as final, and all of the source data shown for the advance quarterly estimates are used to extrapolate the level of the preceding quarter. In addition to using indicator series, as is the case when specific source data are listed in the table, extrapolation and interpolation may be based on trends, as is the case when “judgmental trend” is listed in the table.⁶

6. Extrapolation is a method of extending estimates from one period forward (or backward) in time to other periods. In simple terms, extrapolation

Constant-dollar estimates of GDP.—**Table 8** shows which of three methods is used to prepare constant-dollar estimates and indicates the source data with which it is implemented.⁷ The method used for most of GDP is deflation. In deflation, constant-dollar estimates are obtained by dividing the most detailed current-dollar components by appropriate price indexes, with the base period—at present, the year 1987—equal to 100.

The other two methods, quantity extrapolation and direct base-year valuation, are similar to each other in that they both use quantity data. For quantity extrapolation, constant-dollar estimates are obtained by extrapolating the base-year current-dollar estimates in both directions from the base period (1987) by the quantity indicators. For direct base-year valuation, constant-dollar estimates are obtained by multiplying base-year prices by actual quantity data for each period.

The subcomponents in **table 8** are the same as those shown in **table 7**, except where more detail is needed to highlight differences in methodology for constant-dollar estimates. For **table 8**, the distinction between annual and quarterly methodology is far less important than it is for the current-dollar methodology, and major differences between the annual and quarterly source data are noted within the individual entries.

Tables 7 and 8 and appendix A follow. 

applies a percent change—either the percent change in the indicator series or the percent change in the trend—to the level of the preceding (following) period. Interpolation is a method of filling in estimates between two periods. Interpolation applies a more complex mathematical formula—there are several in use—to preserve the pattern of the indicator series consistent with the level of the source data viewed as final.

7. With few exceptions, BEA does not prepare constant-dollar estimates of income measures because, unlike product measures, price indexes cannot be associated with them. Three exceptions are disposable personal income and, as presented in the “Business Cycle Indicators” section of the SURVEY, personal income and corporate profits. In these cases, the estimates are adjusted for price change by reference to the prices of the goods and services on which the income is spent. BEA derives constant-dollar net national product and national income by preparing constant-dollar estimates of consumption of fixed capital and of the nonfactor incomes and then subtracting these estimates from constant-dollar GNP.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|---|--|--|---|
| Product side (GDP of \$6,343.3 billion in 1993) | | | |
| Personal consumption expenditures (\$4,378.2) | Durable and nondurable goods: (\$1,877.2) ¹ | | |
| | Most goods (goods except subcomponents listed separately) (\$1,562.0) | Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau merchandise trade. Other years—Retail-control method, using retail trade sales from Census Bureau annual survey or, for most recent year, monthly survey of retail trade. | Same as annual for most recent year. |
| | New autos (\$93.4) | Physical quantity purchased times average retail price: Unit sales, information with which to allocate sales among consumers and other purchasers, and average list prices, all from trade sources. | Same as annual. |
| | Net purchases of used autos (\$45.9) | Benchmark years—For net transactions, change in the consumer stock of autos from trade sources. For dealers' margin, retail sales from Census Bureau quinquennial census and margin rate from Census Bureau annual survey of retail trade. Other years except most recent—For net transactions, same as benchmark. For dealers' margin, franchised dealers' unit sales times sales price, both from trade sources, times margin rate for independent dealers from Census Bureau annual survey; independent dealers' margin from Census Bureau annual survey. Most recent year—For net transactions, same as benchmark. For dealers' margin, for franchised dealers, unit sales and sales price from trade sources; for independent dealers, sales from Census Bureau monthly survey of retail trade. | For net transactions, residual based on net sales by other sectors. For dealers' margin, unit sales of franchised dealers from trade source and sales price from Bureau of Labor Statistics consumer price index for used cars. |
| | New trucks (\$52.3) | Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau merchandise trade. Other years except most recent—Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey and including an adjustment for exports and imports from Census Bureau merchandise trade. Most recent year—Physical quantity purchased times average retail price: Unit sales and information with which to allocate sales among consumers and other purchasers from trade sources and average price based on Bureau of Labor Statistics consumer price index for new trucks. | Same as annual for most recent year. |
| | Gasoline and oil ² (\$105.6) | Benchmark years—Physical quantity purchased times average retail price: Gallons consumed from the Dept. of Transportation, information with which to allocate that total among consumers and other purchasers from Federal agencies and trade sources, and average retail price from Census Bureau quinquennial census. Years except most recent—Same as benchmark years, except average retail price from the Energy Information Admin. Most recent year—Physical quantity purchased times average retail price: Gallons consumed and average price both from the Energy Information Admin. | Same as annual for most recent year. |

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|--|--|--|--|
| Product side (GDP of \$6,343.3 billion in 1993)—Continued | | | |
| Personal consumption expenditures—Continued | Durable and nondurable goods—Continued | | |
| | Food furnished to employees (including military) (\$12.0) | Benchmark years—For commercial employees, number of employees of appropriate industries from Bureau of Labor Statistics tabulations times BEA estimate of per capita expenditures for food; for military personnel, outlays from the <i>Budget of the United States</i> prepared by the Office of Management and Budget. Years other than benchmark years—Same as benchmark years, except per capita expenditures for food based on Bureau of Labor Statistics consumer price index for food. | For commercial employees, same as annual for years other than benchmark years; for military personnel, judgmental trend. |
| | Expenditures abroad by U.S. residents (\$3.2) less personal remittances in kind to nonresidents (\$0.8) | Estimated as part of the balance of payments; see the entry for service exports and imports, net, under net exports of goods and services. | Judgmental trend. |
| | Services: (\$2,501.0) | | |
| | Nonfarm dwellings—space rent for owner-occupied and rent for tenant-occupied (\$598.5) | Benchmark years—Based on data on housing stock and average annual rent from Census Bureau decennial census of housing and survey of residential finance. Other years—Based on data on housing stock and average annual rent from the Census Bureau biennial housing survey or on the number of households from Census Bureau monthly current population survey and Bureau of Labor Statistics consumer price indexes for rent. | Same as annual: For housing stock, judgmental trend; for average rent, Bureau of Labor Statistics consumer price indexes for rent. |
| Rental value of farm dwellings (\$5.6) | Benchmark years—Based on data on housing stock and average annual rent from Census Bureau quinquennial census and decennial census of housing and survey of residential finance. Other years—Based on data on net value of farm housing stock from BEA capital stock series. | Judgmental trend. | |
| Motor vehicle and other repair, other purchased intercity transportation, legal and funeral services, barbershops and beauty parlors, nursing homes, laundries, employment agency fees, accounting and tax return preparation services, recreation (except video cassette rentals, cable TV, casino gambling, parimutuel net receipts, and lotteries), hotels and motels, and other education and research (\$407.6) | Benchmark years—Receipts and expenses from Census Bureau quinquennial census adjusted for receipts from business and governments. Other years—Receipts, for spectator sports from trade sources, for legitimate theaters and other education and research from tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics, for others in this group from Census Bureau service annual survey. | For nursing homes, other education and research, employment agency fees, and clubs and fraternal organizations, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours; for legitimate theaters and motion pictures, receipts from trade sources; for radio and TV repair, number of TV's based on stock and sales from trade source times Bureau of Labor Statistics consumer price index for appliance and furniture repair; for others in this group, judgmental trend. | |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|--|--|--|---|
| Product side (GDP of \$6,343.3 billion in 1993)—Continued | | | |
| Personal consumption expenditures—Continued | Services—Continued | | |
| | Physicians, dentists, and other professional medical services (\$287.4) | Benchmark years—For nonprofit professional services, expenses; for others in this group, receipts, adjusted for government purchases, from Census Bureau quinquennial census. Other years—Receipts and revenues, adjusted for government purchases, from Census Bureau service annual survey. | For physicians and dentists, judgmental trend; for other professional medical services, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours. |
| | Private nursery, elementary, and secondary schools, day care, welfare activities, and trade unions and professional associations (\$121.9) | Benchmark years—For religious-affiliated schools, enrollment from the Dept. of Education times BEA estimate of average expenditures per pupil; for nursery schools and day care, expenditures from Bureau of Labor Statistics consumer expenditure survey; for others in this group, receipts and expenses from Census Bureau quinquennial census. Other years except most recent—For nursery schools and day care, same as benchmark years; for others in this group, annual tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics. Most recent year—For nursery schools and day care, judgmental trend; for others in this group, tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics. | For political organizations and foundations, judgmental trend; for others in this group, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours. |
| | Financial services furnished without payment by banks, credit agencies, and investment companies ³ (\$146.2) | See entry for net interest: Imputed—banks, credit agencies, and investment companies. | Judgmental trend. |
| | Brokerage charges and investment counseling, bank service charges, intercity transportation except other, and private higher education (\$126.4) | Years except most recent—For private higher education, expenses, and for others in this group, receipts, all from annual reports of government administrative agencies. Most recent year—For brokerage and bank service charges and intercity transportation, receipts from reports of government administrative agencies; for private higher education, enrollment from the Dept. of Education times price index for higher education from trade source. | For stock brokerage charges, stock exchange transactions from trade sources; for income from sale of investment company securities, sales of open-end investment company shares from trade source; for other brokerage charges and investment counseling and for bank service charges, judgmental trend; for intercity transportation, receipts from trade sources; for private higher education, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours. |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|---------------------------------|------------------------------------|--|--|
|---------------------------------|------------------------------------|--|--|

Product side (GDP of \$6,343.3 billion in 1993)—Continued

| | | | |
|--|---|---|--|
| Personal consumption expenditures—Continued | Services—Continued | | |
| | Domestic services (\$11.5) | Benchmark years—For cleaning services, receipts from Census Bureau quinquennial census; for other domestic services, number of workers times weekly hours times earnings from the Bureau of Labor Statistics. Other years—Number of workers times weekly hours times earnings from the Bureau of Labor Statistics. | Judgmental trend. |
| | Public higher education and hospitals, water and other sanitary services, and lotteries (\$130.8) | Years except most recent—For lotteries, net receipts from Census Bureau quinquennial census and annual surveys of State and local governments, adjusted to a calendar year basis from a fiscal year basis; for others in this group, receipts from the same sources. Most recent year—Judgmental trend. | Same as annual for most recent year. |
| | Insurance, private hospitals, religious activities, cable TV, utilities, and local transport (\$629.8) | Years except most recent—For life insurance, expenses from trade sources; for insurance other than life insurance, premiums and benefits from trade sources; for private hospitals, receipts and expenses from Census Bureau quinquennial census (benchmark year), expenses from trade sources (other years); for religious activities, expenses based on contributions and membership from trade sources; for cable TV and utilities, receipts from government agencies and trade sources; for local transport, receipts from trade source. Most recent year—For life insurance, tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for insurance other than life insurance, judgmental trend; for religious activities, expenses based on population from the Census Bureau and per capita disposable personal income from BEA; for local transport, passenger trips from trade source times Bureau of Labor Statistics consumer price index for intracity mass transit; for others in this group, same as other years. | For life insurance, hospitals, and religious activities, wages and salaries derived from Bureau of Labor Statistics monthly employment times earnings times hours; for electricity and gas, projected quantities based on degree day data from the National Oceanic and Atmospheric Admin. times price based on Bureau of Labor Statistics consumer price indexes for utilities; for others in this group, judgmental trend. |
| | Foreign travel by U.S. residents (\$40.8) less expenditures in the United States by nonresidents (\$68.5) | Estimated as part of the balance of payments; see the entry for service exports and imports, net, under net exports of goods and services. | Same as annual. |
| | Other services: Video cassette rentals, casino gambling, and parimutuel net receipts; other housing except hotels and motels; bridge, etc., tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; and money orders and classified advertising (\$63.1) | Various source data. | For casino gambling, receipts from State agency; for others in this group, judgmental trend. |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|--|--|--|--|
| Product side (GDP of \$6,343.3 billion in 1993)—Continued | | | |
| Fixed Investment (\$866.7) | Nonresidential structures: (\$173.4) ⁴ | | |
| | Utilities: Telecommunications (\$9.4) | Value put in place from Census Bureau monthly construction survey. | Same as annual. |
| | Utilities: Other (\$25.0) | Expenditures from Federal regulatory agencies and trade sources. | Judgmental trend. |
| | Mining exploration, shafts, and wells (\$12.2) | Benchmark years—Expenditures from Census Bureau quinquennial census. Other years—For petroleum and natural gas, physical quantity times average price: Footage drilled and cost per foot from trade sources; for other mining, expenditures from Census Bureau plant and equipment survey. | Same as annual for years other than benchmark years. |
| | Other nonfarm buildings and structures (\$124.6) | Benchmark years—Contract construction receipts for new construction and architectural and engineering fees from Census Bureau quinquennial censuses, and BEA estimates of force-account construction from a variety of sources. Other years—Value put in place from Census Bureau monthly construction survey. | Same as annual for years other than benchmark years. |
| | Farm buildings (\$3.1) | Expenditures for new construction from Dept. of Agriculture surveys. | Judgmental trend of value put in place from the Census Bureau. |
| | Nonresidential producers' durable equipment: (\$442.7) | | |
| | Equipment except autos (\$403.9) | Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau merchandise trade. Other years—Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey or, for most recent year (except aircraft and trucks), monthly survey of manufactures and including an adjustment for exports and imports from Census Bureau merchandise trade. For aircraft, manufacturers' shipments from Census Bureau current industrial report. For trucks, domestic and North American imports, physical quantity purchased times average retail price: Unit sales and information with which to allocate sales among business and other purchasers from trade sources and average price based on Bureau of Labor Statistics producer price indexes; imports other than North American, from Census Bureau merchandise trade; truck trailers, shipments from Census Bureau current industrial report. | For trucks, see entry for personal consumption expenditures; for others in this group, same as annual for years other than benchmark years but with less detail. |
| | New and used autos (\$38.8) | For new autos, see entry for personal consumption expenditures; for used autos, change in business stock of autos at least 1 year old from trade source. | For new autos, same as annual; for used autos, judgmental trend. |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|--|---|--|--|
| Product side (GDP of \$6,343.3 billion in 1993)—Continued | | | |
| Fixed investment— Continued | Residential investment: (\$250.6) ⁵ | | |
| | Permanent-site new single-family housing units (\$133.3) | Value put in place based on phased housing starts and average construction cost from Census Bureau monthly construction surveys. | Same as annual. |
| | Permanent-site new multifamily housing units (\$10.8) | Value put in place from Census Bureau monthly construction survey. | Same as annual. |
| | Mobile homes (\$7.4) | Benchmark years—See entry for equipment except autos under nonresidential producers' durable equipment. Other years—Physical quantity shipped times price: Shipments from trade sources and average retail price from Census Bureau monthly survey. | Same as annual for years other than benchmark years. |
| | Improvements (\$66.4) | Expenditures by owner-occupants from Bureau of Labor Statistics quarterly consumer expenditure survey and by landlords from Census Bureau quarterly survey of landlords. | Judgmental trend. |
| | Brokers' commissions (\$26.9) | Physical quantity times price times average commission rate: Number of single-family houses sold, mean sales price, and commission rates from Census Bureau monthly construction survey and trade sources. | Same as annual. |
| | Producers' durable equipment (\$7.7) | See entry for most goods for personal consumption expenditures. | Same as annual. |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|--|--|--|--|
| Product side (GDP of \$6,343.3 billion in 1993)—Continued | | | |
| Change in business inventories (\$15.4) | Manufacturing and trade (\$14.7) | Benchmark years—Inventories from Census Bureau quinquennial censuses revalued (in effect, by the calculation of the IVA ⁶) to current replacement cost, using information on the proportions of inventories reported with different accounting methods, the commodity composition of goods held in inventory, and the turnover period, all from Census Bureau quinquennial censuses and surveys, combined with cost of goods held in inventory, largely Bureau of Labor Statistics producer price indexes. Other years—For petroleum bulk stations, physical quantities times price: Monthly quantities and prices from the Energy Information Admin.; for retail auto dealers for the most recent year, quantities times average prices from trade sources; for all other except nonmerchant wholesale trade, inventories from Census Bureau annual surveys or, for the most recent year, monthly surveys, revalued as described above; for nonmerchant wholesale trade, judgmental trend. | Same as annual for most recent year. |
| | Other nonfarm industries (\$5.4) | Inventories revalued to current replacement cost (except when noted as physical quantity times price) as described for manufacturing and trade: For years except most recent, Internal Revenue Service tabulations of business tax returns; for the most recent year, Census Bureau quarterly survey of corporations for mining, monthly quantities from the Energy Information Admin. combined with Bureau of Labor Statistics producer price indexes for electric utilities, and judgmental trend for all others. | For electric utilities, same as annual for the most recent year; for all others, judgmental trend. |
| | Farm (-\$4.7) | Physical quantities times current prices from Dept. of Agriculture surveys. | Judgmental projection by BEA and the Dept. of Agriculture. |
| Net exports of goods and services (-\$65.3) | Merchandise exports and imports, net (-\$131.1) | Estimated as part of the balance of payments: Import and export documents compiled monthly by the Census Bureau with adjustments by BEA for coverage and valuation to put the data on a balance-of-payments basis. Adjusted for NIPA coverage of U.S. territories and Puerto Rico with data from the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and the Census Bureau, and coverage of gold with data from the Bureau of Mines and the Bureau of the Mint. | For territorial adjustment, judgmental trend; for all others, same as annual. |
| | Service exports and imports, net (\$65.9) | Estimated as part of the balance of payments: For government transactions, reports by Federal agencies on their purchases and sales abroad; for most others in this group (including travel, passenger fares, other transportation, and royalties and license fees), BEA quarterly or annual surveys (supplemented with data from other sources). Adjusted for NIPA coverage of U.S. territories and Puerto Rico, see entry above, and to include financial services furnished without payment, see entry for net interest: Imputed—banks, credit agencies, and investment companies. | For territorial adjustment, judgmental trend; for all others, same as annual. |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|--|--|---|--|
| Product side (GDP of \$6,343.3 billion in 1993)—Continued | | | |
| Government purchases (\$1,148.4) | Federal national defense (\$302.7) | Within a control total established by the fiscal year analysis: For compensation, military wages from the <i>Budget of the United States</i> prepared by the Office of Management and Budget, civilian wages and benefits from the Office of Personnel Management, and employer contributions for social insurance mainly from outlays from <i>Monthly Treasury Statement</i> ; for purchases by type, one of three methods, based mainly on data from Dept. of Defense reports: (1) Physical quantity delivered times price paid; (2) by category, the ratio of funds for purchases not estimated by method (1) to total funds times disbursements; and (3) mainly disbursements. | For components of compensation, employment from the Dept. of Defense, outlays from <i>Monthly Treasury Statement</i> , and judgmental trend; for other, same methods as annual, with partial data for (1) and outlays from <i>Monthly Treasury Statement</i> and judgmental trend for (2) and (3). |
| | Federal nondefense (\$140.9) | Within a control total established by the fiscal year analysis: For net purchases of agricultural commodities by the Commodity Credit Corporation, book values of acquisitions and physical quantities of dispositions from agency reports times average market prices from the Dept. of Agriculture; for financial services furnished without payment, see entry for net interest: Imputed—banks, credit agencies, and investment companies; for compensation, civilian wages and benefits from the Office of Personnel Management and employer contributions for social insurance mainly from outlays from <i>Monthly Treasury Statement</i> ; for construction, value put in place from Census Bureau monthly construction survey; for all other, outlays from <i>Monthly Treasury Statement</i> . | For components of compensation, outlays from <i>Monthly Treasury Statement</i> and judgmental trend; for other, same as annual. |
| | State and local compensation (\$483.0) | For wages and salaries, mainly tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for employer contributions for social insurance, tabulations from the Social Security Admin. and other agencies administering social insurance programs, and Census Bureau surveys of State and local government retirement funds; for other labor income, trade sources, Health Care Financing Admin., and Census Bureau surveys of State and local governments. | For wages and salaries, employment from Bureau of Labor Statistics monthly employment times earnings from judgmental trend; for other compensation, judgmental trend. |
| | State and local structures (\$99.6) | Benchmark years—See entry for other nonfarm buildings and structures for fixed investment, nonresidential structures. Other years except most recent—Expenditures data from Census Bureau quinquennial censuses and annual surveys of these governments. Most recent year—Value of construction put in place from Census Bureau monthly construction survey. | Same as annual for most recent year. |
| | State and local brokerage charges and financial services furnished without payment (\$9.1) | See entries for personal consumption expenditures for services. | See entries for personal consumption expenditures for services. |
| | State and local other than compensation, structures, and brokerage charges and financial services furnished without payment (\$113.1) | Years except most recent—Total expenditures from Census Bureau quinquennial censuses and annual surveys of these governments, selectively replaced with source data that are more appropriate for the NIPA's and adjusted as follows: For coverage; for netting and grossing differences; and to a calendar year basis from a fiscal year basis and for other timing differences; to exclude interest, subsidies, net expenditures of government enterprises, and transfer payments; and to exclude compensation and structures. Most recent year—Judgmental trend. | Same as annual for most recent year. |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|---|---|--|---|
| Income side (Gross national income of \$6,345.5 billion in 1993) | | | |
| Compensation of employees ⁷ (\$3,780.4) | Wages and salaries: Private industries (\$2,517.0) | For most, annual tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics; for remainder, wages from a variety of sources (such as the Dept. of Agriculture for farms and the Railroad Retirement Board for railroad transportation) and indirect estimation for only a few cases (such as a percentage of revenues for tips not reported as wages). | For most, wages and salaries derived, by industry, from Bureau of Labor Statistics monthly employment times earnings times hours; for others, judgmental trend. |
| | Wages and salaries: Federal government (\$174.7) | For civilians, wages from the Office of Personnel Management; for military personnel, wages from the <i>Budget of the United States</i> prepared by the Office of Management and Budget. | For civilians, judgmental trend; for military personnel, employment from the Dept. of Defense and judgmental trend. |
| | Wages and salaries: State and local governments (\$409.1) | Mainly tabulations of wages and salaries of employees covered by State unemployment insurance from the Bureau of Labor Statistics. | Employment from Bureau of Labor Statistics monthly survey times earnings from judgmental trend. |
| | Employer contributions for social insurance (\$324.3) | Tabulations from the Social Security Admin. and other agencies administering social insurance programs, and Census Bureau surveys of State and local government retirement funds. | For Federal programs, BEA-derived wages and salaries of employees covered by the programs; for State and local government programs, judgmental trend. |
| | Other labor income (\$355.3) | Years except most recent—For private pension and profit-sharing plans, employer contributions from Internal Revenue Service tabulations of business tax returns; for group health and life insurance, mainly total premiums paid from trade sources and the Health Care Financing Admin. and data on employer share from trade source; for workers' compensation, contributions from trade sources. Most recent year—For group health insurance, total premiums paid from the Health Care Financing Admin.; for others in the category, judgmental trend. | Judgmental trend. |
| Proprietors' income with IVA and CCAAdj (\$441.6) | Farm income with IVA (\$44.5) | Based on Dept. of Agriculture data on net income, obtained by deriving gross income (cash receipts from marketing, inventory change, government payments, other cash income, and nonmoney income) and subtracting production expenses; adjusted to exclude corporate income from Internal Revenue Service tabulations of business tax returns and adjusted to a NIPA basis. | Dept. of Agriculture projection adjusted for consistency with NIPA's. |
| | Farm CCAAdj (-\$7.2) | The CCAAdj is described under the entry for consumption of fixed capital. | |
| | Nonfarm income (\$390.2) | Years except most recent—Income from Internal Revenue Service tabulations of business tax returns, adjusted for understatement of income on tax returns and for several conceptual differences. Most recent year—For construction, trade, and services, indicators of activity (such as value of housing put in place); for most others, judgmental trends. | Same as annual for most recent year. |
| | Nonfarm IVA (-\$0.8) | The IVA is described under the entry for corporate profits with IVA and CCAAdj. | |
| Nonfarm CCAAdj (\$14.9) | The CCAAdj is described under the entry for consumption of fixed capital. | | |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|---|--|---|---|
| Income side (Gross national income of \$6,345.5 billion in 1993)—Continued | | | |
| Rental income of persons with CCAj (\$24.1) | Owner-occupied nonfarm housing (\$22.2) | Derived as space rent—see the entry for nonfarm housing for personal consumption expenditures—less related expenses, including maintenance and repair from Bureau of Labor Statistics quarterly consumer expenditure survey, mortgage interest from Census Bureau decennial survey of residential finance and mortgage debt from the Federal Reserve Board times a BEA interest rate, and property taxes from Census Bureau quarterly surveys of State and local tax collections. | For owner-occupied space rent, same as annual; for depreciation, interest, and taxes, based on NIPA estimates of those components; for other expenses, based on judgmental trend. |
| | Tenant-occupied nonfarm housing (\$37.8) | Same as described under owner-occupied housing and adjusted to cover only rental income accruing to persons not primarily engaged in the real estate business. | Same as annual. |
| | Farms owned by nonoperator landlords (\$4.2) | Prepared in conjunction with farm proprietors' income; see that entry. | Judgmental trend. |
| | Nonfarm nonresidential properties (\$14.3) | Years through 1983—Rents paid and received by business and government, adjusted for expenses associated with property (mainly depreciation, taxes, interest, and repairs), from Internal Revenue Service tabulations of business tax returns, Census Bureau surveys, and the <i>Budget of the United States</i> prepared by the Office of Management and Budget. Other years—Judgmental trend. | Judgmental trend. |
| | Royalties (\$7.9) | Years except most recent—Internal Revenue Service tabulations of royalties reported on individual tax returns. Most recent year—Oil production and prices from the Dept. of Energy. | Same as annual for most recent year. |
| | CCAj (-\$62.2) | The CCAj is described under the entry for consumption of fixed capital. | |
| Corporate profits with IVA and CCAj (\$485.8) | Domestic profits before tax (\$397.2) | Years except most recent—Receipts less deductions from Internal Revenue Service tabulations of business tax returns, adjusted for understatement of income on tax returns and several conceptual differences. Most recent year—For about 70 industries, profits from Census Bureau quarterly survey of corporate profits, regulatory agency reports, and compilations of publicly available corporate financial statements. | For some industries in transportation and some in finance, etc., judgmental trend; for others in this group, same as annual for most recent year. (Released at time of preliminary estimate of GDP for the first, second, and third quarters and of final estimate for the fourth quarter.) |
| | Rest-of-the-world profits before tax (\$65.2) | Estimated as part of the balance of payments: For direct investment income, BEA surveys; for portfolio income, BEA and Treasury Dept. surveys and BEA study of pension funds and mutual funds. Adjusted for NIPA coverage of U.S. territories and Puerto Rico—see entry for merchandise exports and imports, net, under net exports of goods and services. | Same as annual. (Released on same schedule as domestic profits before tax.) ⁸ |
| | IVA ⁶ (-\$6.2) | For corporations and for nonfarm sole proprietorships and partnerships, the difference between the NIPA change in business inventories (that is, physical volume of inventories valued in prices of the current period), as described in the entry for change in business inventories, and the change in inventories reported by businesses for tax purposes, from Internal Revenue Service tabulations of business tax returns. | Same as annual. |
| | CCAj (\$29.5) | The CCAj is described under the entry for consumption of fixed capital. | |

See footnotes at end of table.

Table 7.—Principal Source Data and Estimating Methods Used in Preparing Current-Dollar Estimates of GDP—Continued

| Component (billions of dollars) | Subcomponent (billions of dollars) | Annual estimates: Source data and methods used to determine level for benchmark and other final years or, for other years, used to prepare an extrapolator or interpolator | Advance quarterly estimates: Source data and methods used to prepare an extrapolator |
|---|---|---|--|
| Income side (Gross national income of \$6,345.5 billion in 1993)—Continued | | | |
| Net interest (\$399.5) | Domestic monetary, net (\$91.4) | <p>Years except most recent—For farm interest paid and received, Dept. of Agriculture surveys; for residential mortgage interest, Census Bureau decennial survey of residential finance and mortgage debt from the Federal Reserve Board times a BEA interest rate; for all other interest paid and received by business, Internal Revenue Service tabulations of business tax returns, adjusted for misreporting on tax returns and several conceptual differences.</p> <p>Most recent year—For farm and mortgage interest, same as other years; for all other interest, interest receipts and payments from regulatory agencies (such as the Federal Deposit Insurance Corporation), from trade sources, or obtained by applying an interest rate to a stock of assets/liabilities from Federal Reserve Board flow-of-funds accounts.</p> | Derived by combining estimates of (1) interest received by persons, (2) government interest paid and received, and (3) interest paid by persons. For (1), judgmental trend; for (2), <i>Monthly Treasury Statement</i> for Federal and judgmental trend for State and local; for (3), consumer debt from the Federal Reserve Board times BEA estimates of interest rates. (Released on same schedule as domestic profits before tax.) ⁸ |
| | Rest-of-the-world monetary, net (-\$49.3) | Estimated as part of the balance of payments: For direct investment income, BEA surveys; for portfolio income, BEA and Treasury Dept. surveys and BEA study of pension funds and mutual funds. Adjusted for NIPA coverage of U.S. territories and Puerto Rico—see entry for merchandise exports and imports, net, under net exports of goods and services. | Same as annual. (Released on same schedule as domestic profits before tax.) ⁸ |
| | Imputed—banks, credit agencies, and investment companies (\$153.8) | Property income earned on investment of deposits and monetary interest paid (and for mutual depositories, profits from Internal Revenue Service tabulations of business tax returns when available) from annual reports of regulatory agencies and the Federal Reserve Board. The counterentry, financial services furnished without payment, is allocated to persons, government, and rest of the world on the basis of deposit liabilities from the same sources. | Judgmental trend. (Released on same schedule as domestic profits before tax.) |
| | Imputed—life insurance carriers and private noninsured pension plans (\$203.6) | Property income earned (and for life insurance carriers, profits) from Internal Revenue Service tabulations of business tax returns, trade sources, and the Federal Reserve Board. | Judgmental trend. (Released on same schedule as domestic profits before tax.) |
| Business transfer payments (\$28.7) | | Payments to persons: For charitable contributions, for years except the most recent, Internal Revenue Service tabulations of business tax returns or, for most recent year, judgmental trend; for other components (such as liability payments for personal injury), for years except the most recent, information from government agency reports and trade sources or, for most recent year, judgmental trend. Payments to nonresidents: Estimated as part of the balance of payments. | Judgmental trend. |
| Indirect business tax and nontax liability (\$525.3) | Federal government (\$84.6) | For excise taxes, collections from the Bureau of Alcohol, Tobacco, and Firearms and the Internal Revenue Service; for customs duties, receipts from <i>Monthly Treasury Statement</i> ; and for nontaxes (such as fines), receipts from the <i>Budget of the United States</i> prepared by the Office of Management and Budget. | For customs duties, the <i>Monthly Treasury Statement</i> ; for most excise taxes, indicators of activity (such as gasoline production for gasoline tax); for others in this group, judgmental trend. |
| | State and local governments (\$440.7) | Receipts from Census Bureau quinquennial censuses and annual and quarterly surveys. | Judgmental trend. |

Table 8.—Methodology Used in Preparing Constant-Dollar Estimates of GDP

| Component | Subcomponent | Deflation, using price based on— | | Using quantity for— | | |
|--|--|--|---|---------------------|---|--|
| | | Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI) | Other | Extrapolation | Direct valuation | |
| Personal consumption expenditures | Durable and nondurable goods: | | | | | |
| | Most goods (goods except subcomponents listed separately). | Except as noted, CPI; military clothing, PPI. | Computers, BEA price index and PPI. | | | |
| | New autos | CPI | | | Used autos, in two parts: (1) Margin, unit sales from trade sources with dealer margins from Census Bureau and trade sources; (2) change in stock, based on unit sales and BEA constant-dollar value, with depreciated original value in base-year dollars. | |
| | Net purchases of used autos. | ..... | ..... | ..... |  |  |
| | New trucks | CPI | | | | |
| | Gasoline and oil | CPI | | | | |
| | Food furnished to employees (including military). | CPI | | | | |
| | Expenditures abroad by U.S. residents less personal remittances in kind to nonresidents. | | Foreign consumer price indexes (exchange-rate adjusted). | | | |
| | Services: | | | | | |
| | Nonfarm dwellings—space rent for owner-occupied and rent for tenant-occupied. | CPI | | | | |
| Rental value of farm dwellings. | ..... | ..... | BEA net stock of farm dwellings based on Dept. of Agriculture data. | | | |

See footnotes at end of table.

Table 8.—Methodology Used in Preparing Constant-Dollar Estimates of GDP—Continued

| Component | Subcomponent | Deflation, using price based on— | | Using quantity for— | |
|--|---|--|--|---|------------------|
| | | Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI) | Other | Extrapolation | Direct valuation |
| Personal consumption expenditures—Continued | Services—Continued | | | | |
| | Motor vehicle and other repair, other purchased intercity transportation, legal and funeral services, barbershops and beauty parlors, nursing homes, laundries, employment agency fees, accounting and tax return preparation services, recreation (except video cassette rentals, cable TV, casino gambling, parimutuel net receipts, and lotteries), hotels and motels, and other education and research. | Except as noted, CPI. | Nursing homes, composite index of input prices from the Health Care Financing Admin.; clubs and fraternal organizations, and other education and research, BEA composite index of input prices. | | |
| | Physicians, dentists, and other professional medical services. | CPI | | | |
| | Private nursery, elementary, and secondary schools, day care, welfare activities, and trade unions and professional associations. | ..... | BEA composite indexes of input prices. | | |
| | Public education and hospitals, water and other sanitary services, and lotteries. | CPI | | | |
| | Financial services furnished without payment by banks, credit agencies, and investment companies ¹. | ..... | ..... | Paid employee hours of relevant financial institutions. | |
| | Brokerage charges and investment counseling, bank service charges, intercity transportation except other, and private higher education. | Except as noted, CPI. | Airline transportation, BEA index based on revenue per passenger mile from the Dept. of Transportation and trade source, and CPI component; private higher education, BEA composite index of input prices. | Stock brokerage charges, BEA orders derived from volume data from the Securities and Exchange Commission and trade sources. | |
| Domestic services | CPI | | | | |

See footnotes at end of table.

Table 8.—Methodology Used in Preparing Constant-Dollar Estimates of GDP—Continued

| Component | Subcomponent | Deflation, using price based on— | | Using quantity for— | |
|--|---|--|---|---|------------------|
| | | Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI) | Other | Extrapolation | Direct valuation |
| Personal consumption expenditures— Continued | Services—Continued | | | | |
| | Insurance, private hospitals, religious activities, cable TV, utilities, and local transport. | Except as noted, CPI. | Life insurance and religious activities, BEA composite index of input prices; nonprofit hospitals, composite index of input prices from the Health Care Financing Admin. | Auto insurance, deflated premiums; health insurance, deflated benefits. | |
| | Foreign travel by U.S. residents less expenditures in the United States by nonresidents. | Expenditures in the United States, CPI. | Foreign travel, BEA composite index of foreign consumer price indexes (exchange-rate adjusted). | | |
| | Other services: Video cassette rentals, casino gambling, and parimutuel net receipts; other housing except hotels and motels; bridge, etc., tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; and money orders and classified advertising. | Except as noted, CPI. | ..... | Parimutuel net receipts, deflated winnings. | |
| Fixed investment | Nonresidential structures: | | | | |
| | Utilities | Gas and petroleum pipelines, PPI. | Telecommunications, cost index from trade source; railroads, BEA price index; other, cost indexes from government agencies and trade sources. | | |
| | Mining exploration, shafts, and wells. | Casing, PPI | Exploration, cost index from trade source; mines, implicit price deflator for nonfarm nonresidential buildings. | Drilling, footage by geographic area from trade source. | |
| | Other nonfarm buildings and structures. | ..... | Buildings, BEA index based on cost index from trade source and Census Bureau price deflator for single-family houses under construction; structures, cost indexes from government agencies. | | |
| | Farm buildings ..... | ..... | Implicit price deflator for nonfarm nonresidential buildings. | | |

Table 8.—Methodology Used in Preparing Constant-Dollar Estimates of GDP—Continued

| Component | Subcomponent | Deflation, using price based on— | | Using quantity for— | |
|---------------------------------------|---|--|---|---|---|
| | | Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI) | Other | Extrapolation | Direct valuation |
| Fixed investment— Continued | Nonresidential producers' durable equipment: | | | | |
| | Equipment except autos and telegraph installation. | Domestic components, except as noted, PPI; imported transportation equipment, PPI. | Imported components except computers and transportation equipment, Bureau of Labor Statistics import price indexes; domestic and imported computers, BEA price index and PPI. | | |
| | New and used autos | New autos, CPI .. | ..... | ..... | Used autos, in two parts: (1) Margin, unit sales from trade sources with dealer margins from Census Bureau and trade sources; (2) change in stock, based on unit sales and BEA constant-dollar value, with depreciated original value in base-year dollars. |
| | Telephone and telegraph installation. | ..... | Cost index from trade source. | | |
| | Residential investment: | | | | |
| | Permanent-site new single-family housing units. | ..... | Census Bureau price deflator for new one-family houses under construction. | | |
| | Permanent-site new multifamily housing units. | ..... | BEA price index. | | |
| | Mobile homes | PPI | | | |
| | Improvements | Major replacements, CPI. | Additions and alterations, BEA index based on Census Bureau price deflator for new one-family houses under construction and CPI component. | | |
| | Brokers' commissions ..... | ..... | ..... | Numbers of new and used houses sold from Census Bureau and trade sources. | |
| | Producers' durable equipment. | CPI | | | |

See footnotes at end of table.

Table 8.—Methodology Used in Preparing Constant-Dollar Estimates of GDP—Continued

| Component | Subcomponent | Deflation, using price based on— | | Using quantity for— | |
|--|---|---|---|---|--|
| | | Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI) | Other | Extrapolation | Direct valuation |
| Change in business inventories | Nonfarm: Purchased goods, all industries. | Except as noted, PPI. | Crude petroleum, index from the Energy Information Admin.; computers, BEA price index; and imported goods purchased by trade industries, Bureau of Labor Statistics import price indexes. | ..... | Petroleum bulk terminals, quantities and prices of stocks from the Energy Information Admin. |
| | Nonfarm: Work-in-process and finished goods, manufacturing. | Except as noted, PPI; some overhead cost items, CPI. | BEA indexes of unit labor cost. | | |
| | Farm ..... | ..... | ..... | ..... | Crops and livestock by type, quantities and prices from the Dept. of Agriculture. |
| Net exports of goods and services² | Merchandise exports and imports, net ² . | Transportation equipment, PPI. | Bureau of Labor Statistics export and import price indexes; for petroleum imports, unit-value index based on Census Bureau values and quantities; computers, BEA price index and PPI; and gold price from trade source. | | |
| | Service exports and imports, net ² . | Travel receipts, medical receipts, and students' expenditures, CPI; freight and port expenditures, PPI. | Military transfers and direct defense expenditures abroad, selected deflators for national defense purchases (see below); passenger fares, Bureau of Labor Statistics export and import price indexes; travel payments and U.S. Government payments for miscellaneous services, BEA composite index of foreign consumer price indexes (exchange-rate adjusted); royalties and fees, and other private services, implicit price deflator for final sales to domestic purchasers. | Exports of financial services furnished without payment, ¹ paid employee hours of relevant financial institutions. | |

See footnotes at end of table.

Table 8.—Methodology Used in Preparing Constant-Dollar Estimates of GDP—Continued

| Component | Subcomponent | Deflation, using price based on— | | Using quantity for— | |
|-----------------------------|--|---|---|--|--|
| | | Components of the Consumer Price Index (CPI) or the Producer Price Index (PPI) | Other | Extrapolation | Direct valuation |
| Government purchases | Federal national defense | Selected goods, PPI; utilities and communications, CPI and PPI. | Some goods, some services, and most military structures, BEA indexes based on Dept. of Defense prices paid; some services, BLS earnings index; computers, BEA price index and PPI; nonmilitary structures, cost indexes from trade sources and government agencies. | Military compensation, full-time equivalent employment by rank and length of service; civilian compensation, full-time equivalent employment by grade adjusted for change from base year in hours worked. | Many goods, some services, and a few military structures, quantities and prices from Dept. of Defense reports; electricity and natural gas quantities from the Dept. of Energy |
| | Federal nondefense | Most goods, PPI; rent, utilities, and communications, CPI. | Structures, cost indexes from trade sources and government agencies; computers, BEA price index and PPI; most services, BLS earnings indexes. | Compensation, full-time equivalent employment by grade adjusted for change from base year in hours worked; financial services furnished without payment ¹ , paid employee hours of relevant financial institutions. | Net purchases of agricultural commodities by the Commodity Credit Corporation, quantities by crop from agency reports with Dept. of Agriculture prices; selected petroleum transactions, quantities and prices from the Dept. of Energy. |
| | State and local compensation. | ..... | ..... | For employees in education, full-time equivalent employment by education and experience times change from base year in hours worked; for other employees, full-time equivalent employment times change from base year in hours worked. | |
| | State and local structures ... | ..... | Cost indexes from trade sources and government agencies. | | |
| | State and local brokerage charges and financial services furnished without payment. | ..... | See entries for personal consumption expenditures for services. | | |
| | State and local other than compensation, structures, and brokerage charges and financial services furnished without payment. | Services except as noted and goods used in maintenance and repair, CPI; goods except as noted and electricity, PPI. | Transportation, books, and postal services, BEA indexes based on Dept. of Defense prices paid; computers, BEA price index and PPI. | | |

1. Also referred to as "services furnished without payment by financial intermediaries except life insurance carriers and private noninsured pension plans."
 2. Constant-dollar estimates of merchandise exports and imports and of service exports and imports are prepared separately. Constant-dollar receipts and payments of factor income from the rest of the world, the difference between

GDP and GNP, are prepared using the following methods: Except as noted, deflation by implicit price index for final sales to domestic purchasers; imputed interest paid to nonresidents, extrapolation by paid employee hours of relevant institutions.

APPENDIX A.—Revisions to the National Income and Product Accounts

[Billions of dollars]

| | 1991 | | 1992 | | 1993 | |
|--|----------------|------------|----------------|--------------|----------------|--------------|
| | Revised | Revision | Revised | Revision | Revised | Revision |
| Account 1.—National Income and Product Account | | | | | | |
| Compensation of employees | 3,404.8 | 2.4 | 3,591.2 | 9.2 | 3,780.4 | 8.2 |
| Wages and salaries | 2,816.0 | 1.1 | 2,954.8 | 1.7 | 3,100.8 | .3 |
| Disbursements | 2,816.1 | 1.1 | 2,974.8 | 1.7 | 3,080.8 | .3 |
| Wage accruals less disbursements | -1 | 0 | -20.0 | 0 | 20.0 | 0 |
| Supplements to wages and salaries | 588.8 | 1.3 | 636.4 | 7.4 | 679.6 | 7.9 |
| Employer contributions for social insurance | 289.8 | -8 | 307.7 | 1.4 | 324.3 | 3.3 |
| Other labor income | 299.0 | 2.1 | 328.7 | 6.0 | 355.3 | 4.6 |
| Proprietors' income with inventory valuation and capital consumption adjustments | 376.2 | -2 | 418.7 | 4.4 | 441.6 | -1.6 |
| Rental income of persons with capital consumption adjustment | -10.5 | 2.3 | -5.5 | 3.4 | 24.1 | 11.5 |
| Corporate profits with inventory valuation and capital consumption adjustments | 390.3 | 20.8 | 405.1 | -2.1 | 485.8 | 19.2 |
| Profits before tax | 365.2 | 2.9 | 395.9 | .5 | 462.4 | 13.0 |
| Profits tax liability | 131.1 | 1.3 | 139.7 | -6.6 | 173.2 | -8 |
| Profits after tax with inventory valuation and capital consumption adjustments | 259.2 | 19.5 | 265.4 | 4.5 | 312.5 | 19.9 |
| Dividends | 160.0 | 22.6 | 171.1 | 20.6 | 191.7 | 22.7 |
| Undistributed profits with inventory valuation and capital consumption adjustments | 99.2 | -3.1 | 94.3 | -16.1 | 120.9 | -2.7 |
| Inventory valuation adjustment | 5.8 | .9 | -6.4 | -1.1 | -6.2 | .9 |
| Capital consumption adjustment | 19.4 | 17.2 | 15.7 | -1.4 | 29.5 | 5.2 |
| Net interest | 447.4 | -15.4 | 420.0 | -22.0 | 399.5 | -46.1 |
| National income | 4,608.2 | 9.9 | 4,829.5 | -7.1 | 5,131.4 | -8.9 |
| Business transfer payments | 26.3 | 0 | 28.1 | .5 | 28.7 | .8 |
| To persons | 20.8 | .1 | 22.3 | .7 | 22.8 | .9 |
| To rest of the world | 5.4 | -2 | 5.8 | -2 | 5.9 | -1 |
| Indirect business tax and nontax liability | 478.3 | 1.7 | 504.4 | 1.6 | 525.3 | -5.2 |
| Less: Subsidies less current surplus of government enterprises | -1 | .2 | 3.5 | .8 | 9.0 | 2.0 |
| Consumption of fixed capital | 626.5 | .4 | 658.5 | .6 | 669.1 | -2.2 |
| Gross national income | 5,739.3 | 11.8 | 6,017.0 | -5.2 | 6,345.5 | -17.4 |
| Statistical discrepancy | 1.5 | -8.1 | 8.8 | -14.8 | 2.3 | -12.9 |
| Gross national product | 5,740.8 | 3.7 | 6,025.8 | -20.0 | 6,347.8 | -30.3 |
| Less: Receipts of factor income from the rest of the world | 155.7 | 9.6 | 133.5 | 4.3 | 136.6 | 4.9 |
| Plus: Payments of factor income to the rest of the world | 139.7 | 7.8 | 127.9 | 6.0 | 132.1 | .5 |
| GROSS DOMESTIC PRODUCT | 5,724.8 | 1.9 | 6,020.2 | -18.3 | 6,343.3 | -34.6 |
| Personal consumption expenditures | 3,902.4 | -4.0 | 4,136.9 | -3.0 | 4,378.2 | -13.6 |
| Durable goods | 456.6 | -1.2 | 492.7 | -4.6 | 538.0 | .1 |
| Nondurable goods | 1,257.8 | -1 | 1,295.5 | -5.4 | 1,339.2 | -10.8 |
| Services | 2,188.1 | -2.6 | 2,348.7 | 7.1 | 2,501.0 | -2.9 |
| Gross private domestic investment | 744.8 | 7.9 | 788.3 | -8.2 | 882.0 | -9.7 |
| Fixed investment | 746.6 | 1.1 | 785.2 | -3.9 | 866.7 | -9.4 |
| Nonresidential | 557.0 | 1.1 | 561.4 | -4.1 | 616.1 | -7.6 |
| Structures | 182.9 | .3 | 171.1 | -1.5 | 173.4 | -5.3 |
| Producers' durable equipment | 374.1 | .8 | 390.3 | -2.6 | 442.7 | -2.3 |
| Residential | 189.6 | 0 | 223.8 | .2 | 250.6 | -1.8 |
| Change in business inventories | -1.8 | 6.8 | 3.0 | -4.3 | 15.4 | -2 |
| Net exports of goods and services | -19.9 | -3 | -30.3 | -7 | -65.3 | -1.7 |
| Exports | 601.1 | -4 | 638.1 | -2.4 | 659.1 | -2.6 |
| Imports | 620.9 | -2 | 668.4 | -1.7 | 724.3 | -1.0 |
| Government purchases | 1,097.4 | -1.9 | 1,125.3 | -6.5 | 1,148.4 | -9.7 |
| Federal | 445.8 | -1 | 449.0 | .2 | 443.6 | .2 |
| National defense | 322.8 | .3 | 314.2 | .4 | 302.7 | -7 |
| Nondefense | 123.1 | -3 | 134.8 | -2 | 140.9 | .8 |
| State and local | 651.6 | -1.8 | 676.3 | -6.7 | 704.7 | -9.9 |
| GROSS DOMESTIC PRODUCT | 5,724.8 | 1.9 | 6,020.2 | -18.3 | 6,343.3 | -34.6 |

APPENDIX A.—Revisions to the National Income and Product Accounts—Continued

[Billions of dollars]

| | 1991 | | 1992 | | 1993 | |
|--|----------------|------------|----------------|------------|----------------|--------------|
| | Revised | Revision | Revised | Revision | Revised | Revision |
| Account 2.—Personal Income and Outlay Account | | | | | | |
| Personal tax and nontax payments | 623.7 | 3.3 | 648.6 | 3.8 | 686.4 | 4.8 |
| Personal outlays | 4,025.0 | -4.0 | 4,257.8 | -3.7 | 4,496.2 | -20.6 |
| Personal consumption expenditures | 3,902.4 | -4.0 | 4,136.9 | -3.0 | 4,378.2 | -13.6 |
| Interest paid by persons | 112.2 | 0 | 111.4 | .3 | 108.2 | -5.8 |
| Personal transfer payments to rest of the world (net) | 10.4 | -1 | 9.5 | -9 | 9.9 | -1.1 |
| Personal saving | 211.6 | 10.1 | 247.9 | 9.2 | 192.6 | 2.7 |
| PERSONAL TAXES, OUTLAYS, AND SAVING | 4,860.3 | 9.4 | 5,154.3 | 9.4 | 5,375.1 | -13.2 |
| Wage and salary disbursements | 2,816.1 | 1.1 | 2,974.8 | 1.7 | 3,080.8 | .3 |
| Other labor income | 299.0 | 2.1 | 328.7 | 6.0 | 355.3 | 4.6 |
| Proprietors' income with inventory valuation and capital consumption adjustments | 376.2 | -2 | 418.7 | 4.4 | 441.6 | -1.6 |
| Rental income of persons with capi- tal consumption adjustment | -10.5 | 2.3 | -5.5 | 3.4 | 24.1 | 11.5 |
| Personal dividend income | 150.5 | 22.6 | 161.0 | 20.6 | 181.3 | 23.0 |
| Dividends | 160.0 | 22.6 | 171.1 | 20.6 | 191.7 | 22.7 |
| Less: Dividends received by government | 9.5 | 0 | 10.1 | -1 | 10.4 | -3 |
| Personal interest income | 695.1 | -20.5 | 665.2 | -29.1 | 637.9 | -57.3 |
| Net interest | 447.4 | -15.4 | 420.0 | -22.0 | 399.5 | -46.1 |
| Interest paid by government | 283.9 | -5 | 282.3 | -3.8 | 279.3 | -6.9 |
| Less: Interest received by government | 148.3 | 4.4 | 148.6 | 3.7 | 149.1 | -1.5 |
| Interest paid by persons | 112.2 | 0 | 111.4 | .3 | 108.2 | -5.8 |
| Transfer payments to persons | 770.1 | .2 | 860.2 | 1.8 | 915.4 | 3.3 |
| From business | 20.8 | .1 | 22.3 | .7 | 22.8 | .9 |
| From government | 749.2 | 0 | 837.9 | 1.1 | 892.6 | 2.4 |
| Less: Personal contributions for social insurance | 236.2 | -1.6 | 248.7 | -6 | 261.3 | -3.0 |
| PERSONAL INCOME | 4,860.3 | 9.4 | 5,154.3 | 9.4 | 5,375.1 | -13.2 |
| Account 3.—Government Receipts and Expenditures Account | | | | | | |
| Purchases | 1,097.4 | -1.9 | 1,125.3 | -6.5 | 1,148.4 | -9.7 |
| Transfer payments | 721.4 | .1 | 854.4 | 1.3 | 908.4 | 2.4 |
| To persons | 749.2 | 0 | 837.9 | 1.1 | 892.6 | 2.4 |
| To rest of the world (net) | -27.8 | .1 | 16.5 | .2 | 15.7 | -1 |
| Net interest paid | 135.5 | -5.0 | 133.7 | -7.4 | 130.2 | -5.4 |
| Less: Dividends received by govern- ment | 9.5 | 0 | 10.1 | -1 | 10.4 | -3 |
| Subsidies less current surplus of government enterprises | -1 | .2 | 3.5 | .8 | 9.0 | 2.0 |
| Less: Wage accruals less disburse- ments | -1 | 0 | 0 | 0 | 0 | 0 |
| Surplus or deficit (-), national income and product accounts | -185.9 | 10.3 | -257.8 | 11.3 | -215.0 | 9.6 |
| Federal | -202.9 | .5 | -282.7 | -6.4 | -241.4 | -15.0 |
| State and local | 17.0 | 9.7 | 24.8 | 17.6 | 26.3 | 24.5 |
| GOVERNMENT EXPENDITURES AND SURPLUS | 1,759.0 | 3.8 | 1,849.1 | -3 | 1,970.6 | -8 |
| Personal tax and nontax payments | 623.7 | 3.3 | 648.6 | 3.8 | 686.4 | 4.8 |
| Corporate profits tax liability | 131.1 | 1.3 | 139.7 | -6.6 | 173.2 | -8 |
| Indirect business tax and nontax | 478.3 | 1.7 | 504.4 | 1.6 | 525.3 | -5.2 |
| Contributions for social insurance | 525.9 | -2.5 | 556.4 | .8 | 585.6 | .3 |
| Employer | 289.8 | -8 | 307.7 | 1.4 | 324.3 | 3.3 |
| Personal | 236.2 | -1.6 | 248.7 | -6 | 261.3 | -3.0 |
| GOVERNMENT RECEIPTS | 1,759.0 | 3.8 | 1,849.1 | -3 | 1,970.6 | -8 |

APPENDIX A. Revisions to the National Income and Product Accounts—Continued

[Billions of dollars]

| | 1991 | | 1992 | | 1993 | |
|--|--------------|------------|--------------|-------------|--------------|-------------|
| | Revised | Revision | Revised | Revision | Revised | Revision |
| Account 4.—Foreign Transactions Account | | | | | | |
| Exports of goods and services | 601.1 | −.4 | 638.1 | −2.4 | 659.1 | −2.6 |
| Receipts of factor income | 155.7 | 9.6 | 133.5 | 4.3 | 136.6 | 4.9 |
| Capital grants received by the United States (net) | 0 | 0 | 0 | 0 | 0 | 0 |
| RECEIPTS FROM THE REST OF THE WORLD | 756.8 | 9.2 | 771.6 | 1.9 | 795.6 | 2.2 |
| Imports of goods and services | 620.9 | −.2 | 668.4 | −1.7 | 724.3 | −1.0 |
| Payments of factor income | 139.7 | 7.8 | 127.9 | 6.0 | 132.1 | .5 |
| Transfer payments to rest of the world (net) | −12.0 | −.1 | 31.8 | −.9 | 31.5 | −1.3 |
| From persons (net) | 10.4 | −.1 | 9.5 | −.9 | 9.9 | −1.1 |
| From government (net) | −27.8 | .1 | 16.5 | .2 | 15.7 | −.1 |
| From business | 5.4 | −.2 | 5.8 | −.2 | 5.9 | −.1 |
| Net foreign investment | 8.1 | 1.7 | −56.6 | −1.5 | −92.3 | 3.9 |
| PAYMENTS TO THE REST OF THE WORLD | 756.8 | 9.2 | 771.6 | 1.9 | 795.6 | 2.2 |
| Account 5.—Gross Saving and Investment Account | | | | | | |
| Gross private domestic investment | 744.8 | 7.9 | 788.3 | −8.2 | 882.0 | −9.7 |
| Net foreign investment | 8.1 | 1.7 | −56.6 | −1.5 | −92.3 | 3.9 |
| GROSS INVESTMENT | 752.9 | 9.6 | 731.7 | −9.7 | 789.8 | −5.6 |
| Personal saving | 211.6 | 10.1 | 247.9 | 9.2 | 192.6 | 2.7 |
| Wage accruals less disbursements | 0 | 0 | −20.0 | 0 | 20.0 | 0 |
| Undistributed corporate profits with inventory valuation and capital consumption adjustments | 99.2 | −3.1 | 94.3 | −16.1 | 120.9 | −2.7 |
| Consumption of fixed capital | 626.5 | .4 | 658.5 | .6 | 669.1 | −2.2 |
| Government surplus or deficit (−) national income and product account | −185.9 | 10.3 | −257.8 | 11.3 | −215.0 | 9.6 |
| Capital grants received by the United States (net) | 0 | 0 | 0 | 0 | 0 | 0 |
| Statistical discrepancy | 1.5 | −8.1 | 8.8 | −14.8 | 2.3 | −12.9 |
| GROSS SAVING AND STATISTICAL DISCREPANCY | 752.9 | 9.6 | 731.7 | −9.7 | 789.8 | −5.6 |