

# **APPENDIX: SUMMARY NATIONAL INCOME AND PRODUCT ACCOUNTS**

(Updated: May 2019)

This appendix presents the definitions of the line items that make up the seven summary national income and product accounts (NIPAs). These accounts simplify both the transactors and transactions in the U.S. economy. The transactors are shown in three distinct groups, or sectors—persons, businesses, and government; a fourth sector for the rest of the world is added to cover transactions between U.S. residents and foreign residents. The seven summary accounts show the contribution of each sector to the output of the economy, their income and outlays, and their saving and investment.

The summary NIPAs, which are shown on the following two pages of this appendix, constitute a double-entry accounting system in which each of the entries in a summary account appears again in that account or in one of the other summary accounts. The numbers in parentheses indicate these “counter-entries.” In some cases, an entry may be equal to another entry in the summary accounts. For example, supplements to wages and salaries appears in account 1, line 5 and in account 3, line 14. In other cases, an entry may be equal to a combination of other entries (or parts of other entries). For example, for private enterprise interest payments (account 2, line 2), the counter-entry includes parts of private enterprise interest receipts (account 2, line 21, of personal interest income (account 3, line 20), of government interest receipts (account 4, line 20), and of interest payments to the rest of the world (account 5, line 13).

For a description of the accounting principles that underlie the summary NIPAs, see the section “Accounting Framework” in “Chapter 2: Fundamental Concepts.” For a more in-depth discussion, see U.S. Bureau of Economic Analysis, *An Introduction to National Economic Accounting*, Methodology Paper No. 1, September 2007.

## **Account 1. Domestic Income and Product Account**

This account shows the production of all sectors of the U.S. economy. The right (product) side of the account shows GDP as the sum of final expenditures by consumers, private business, government, and foreigners, and the left (income) side of the account shows GDP as the sum of the incomes earned and the costs incurred in generating that production.

### *Line 1–1: Compensation of employees, paid*

The total remuneration, both monetary and in kind, payable by employers to employees in return for their work during the period. It consists of wages and salaries and of supplements to wages and salaries (employer contributions for employee pension and insurance funds and employer contributions for government social insurance). In the NIPAs, compensation is presented on an accrual basis—that is, it reflects compensation liabilities incurred by the employer in a given period regardless of when the compensation is actually received by the employee.

### *Line 1–2: Wages and salaries*

The total remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; voluntary employee contributions to certain deferred compensation plans, such as 401(k) plans; employee gains from nonqualified stock options; receipts-in-kind; and miscellaneous compensation of employees, such as judicial fees to jurors and to witnesses.

### *Line 1–3: Domestic (3–12)*

Wages and salaries paid by domestic industries to U.S. residents.

### *Line 1–4: Rest of the world (5–15)*

Wages and salaries paid by domestic industries to foreign residents.

### *Line 1–5: Supplements to wages and salaries (3–14)*

Consists of employer contributions for employee pension and insurance funds and of employer contributions for government social insurance.

### *Line 1–6: Taxes on production and imports (4–15)*

Taxes payable on products when they are produced, delivered, sold, transferred, or otherwise disposed of by their producers (such as federal excise taxes, custom duties, and state and local sales taxes). Also includes other taxes on production, such as taxes on ownership of assets used in production (for example, local real estate taxes, motor vehicle licenses, severance taxes, and special assessments). Does not include personal and corporate income taxes and personal property taxes.

*Line 1–7: Less: Subsidies (4–8)*

Payments from government agencies to private business (for example, federal subsidies to farmers) and to government enterprises (for example, federal subsidies to state and local public housing authorities) to support their current operations. In contrast, payments associated with the acquisition or disposal of assets are classified as capital transfers.

*Line 1–8: Net operating surplus*

A profits-like measure of the surplus accruing from the processes of production before deduction any explicit or implicit interest charges, rent, or other property incomes payable on financial assets, land, or other natural resources required to carry out production. It is equal to gross operating surplus less consumption of fixed capital.

*Line 1–9: Private enterprises (2–19)*

Consists of private business, the activities of households and institutions that are included within the production boundary of the NIPAs (primarily the services of owner-occupied housing), and, for the purpose of estimating monetary and imputed interest payments and receipts, nonprofit institutions serving households.

*Line 1–10: Current surplus of government enterprises (4–28)*

Current operating revenue and subsidies received from other levels of government less current expenses, such as intermediate purchases and employee compensation. In this calculation, no deduction is made for net interest paid, because the interest payments of government enterprises are not separately identified from other government interest in the government receipts and expenditures account.

*Line 1–11: Consumption of fixed capital (6–14)*

The NIPA measure of economic depreciation—that is, the decline in the value of the stock of fixed assets due to physical deterioration, normal obsolescence, and accidental damage except that caused by a catastrophic event. For nonprofit institutions serving households and for general government, Consumption of fixed capital serves as a measure of the value of the capital services of the fixed assets owned and used by these entities.

*Line 1–12: **Gross domestic income***

The sum of incomes earned, and costs incurred in the production of gross domestic product (GDP). Gross domestic income (GDI) is equal to the sum of compensation of employees, taxes on production and imports less subsidies, net operating surplus, and consumption of fixed capital. In theory GDI should equal GDP, but in practice, they differ because their components are estimated using largely independent and less-than-perfect source data; this difference is termed the “statistical discrepancy.”

*Line 1–13: Statistical discrepancy (6–20)*

The difference between the NIPA measure of production that is derived as the sum of final expenditures (gross domestic product) and its counterpart measure that is derived as the sum of the costs incurred and the incomes earned in production (gross domestic income). The statistical discrepancy arises from the independent estimation of the two measures using different source data and methods. It is recorded in the NIPAs as an “income” component that reconciles the income side with the product side of the accounts.

*Line 1–14: **GROSS DOMESTIC PRODUCT***

BEA’s featured measure of U.S. production. Gross domestic product (GDP) is the market value of the final goods and services produced by labor and property in the United States. GDP is equal to the sum of personal consumption expenditures, gross private domestic investment, net exports of goods and services, and government consumption expenditures and gross investment. GDP is also equal to the sum of value added by industry across all industries.

*Line 1–15: Personal consumption expenditures (3–3)*

The primary measure of consumer spending in the U.S. economy. It is the NIPA final-demand component that measures the value of the goods and services purchased by, or on the behalf of, “persons” who reside in the United States.

*Line 1–16: Goods*

Consists primarily of tangible products that can be stored or inventoried. Also includes certain intangible assets (software, research and development, and entertainment, literary, and artistic originals), which are classified as intellectual property products.

*Line 1–17: Durable goods*

Consists primarily of tangible products that can be stored or inventoried and that can be used repeatedly or continuously over a prolonged period. Also includes certain intangible products, such as software.

*Line 1–18: Nondurable goods*

Tangible products that can be stored or inventoried and that are usable over a relatively short period.

*Line 1–19: Services*

Products, such as medical care and transportation, that cannot be stored and that generally are consumed at the place and time of their purchase.

*Line 1–20: Gross private domestic investment*

The private-investment component of final demand in the NIPAs. It comprises gross private fixed investment and change in private inventories.

*Line 1–21: Fixed investment (6–2)*

Component of gross private domestic investment that measures additions and replacements to the stock of private fixed assets without deducting depreciation. It consists of two components: nonresidential fixed investment and residential fixed investment.

*Line 1–22: Nonresidential*

Component of gross private fixed investment that measures investment by businesses and nonprofit institutions in nonresidential structures, equipment, and intellectual property products.

*Line 1–23: Structures*

Component of nonresidential fixed investment that measures new construction (including own-account investment), improvements to existing structures, expenditures on new nonresidential mobile structures, brokers' commissions on sale of structures, mineral exploration, and net purchases of used structures by private business and by nonprofit institutions from government agencies. Also includes equipment that is considered to be an integral part of a structure, such as plumbing, HVAC, and electrical systems.

*Line 1–24: Equipment*

Component of nonresidential fixed investment that consists of tangible products other than structures—such as new machinery, furniture, and vehicles—whether purchased or produced for own use. Also includes dealers' margins on sales of used equipment and net purchases of used equipment between sectors of the economy.

*Line 1–25: Intellectual property products*

Component of nonresidential fixed investment that consists of intangible products—whether purchased or produced for own use. In the NIPAs, these products consist of software, of research and development, and of entertainment, literary, and artistic originals.

*Line 1–26: Residential*

Component of gross private fixed investment that covers all private residential structures and residential equipment.

*Line 1–27: Change in private inventories (6–4)*

The component of gross private domestic investment that measures the change in the physical volume of inventories—additions less withdrawals—owned by private business, valued in average prices of the period. Inventories may be in the form of goods ready for sale (finished goods), of goods undergoing production (work in process), or of goods acquired for use in the production process (materials and supplies). Change in private inventories differs from the change in the book value of inventories reported by most businesses, which are valued using a variety of accounting methods and thus may include holding gains or losses resulting from price changes.

*Line 1–28: Net exports of goods and services*

The net foreign component of final demand in the NIPAs. It is calculated as exports of goods and services less imports of goods and services.

*Line 1–29: Exports (5–1)*

Goods and services that are sold, given away, or otherwise transferred by U.S. residents to foreign residents.

*Line 1–30: Imports (5–13)*

Goods and services that are sold, given away, or otherwise transferred by foreign residents to U.S. residents.

*Line 1–31: Government consumption expenditures and gross investment (4–1 plus 6–3)*

The government component of final demand in the NIPAs. It comprises two components: (1) government consumption expenditures, which consists of spending by general government to produce and provide services to the public; and (2) government gross investment, which consists of spending by both general government and government enterprises for fixed assets that benefit the public or that are used by government agencies in their production activities. It excludes government spending for social benefits, grants, and subsidies.

*Line 1–32: Federal*

*Line 1–33: National defense*

Activities covered by the national defense function of the federal budget—that is, Department of Defense military activities, defense-related atomic energy activities of the Department of Energy, and defense-related activities of other federal agencies.

*Line 1–34: Nondefense*

All activities of the federal budget that are not covered by the national defense function.

*Line 1–35: State and local*

*Line 1–36: **GROSS DOMESTIC PRODUCT***

For definition, see entry 1–14.

## Account 2. Private Enterprise Income Account

This account provides information on the sources and uses of the income of private businesses and other private enterprises.

*Line 2-1: Income payments on assets*

Payments by domestic private enterprises to the owners of assets for their use by others. It is the sum of interest and miscellaneous payments, dividend payments to the rest of the world, and reinvested earnings on foreign direct investment in the United States.

*Line 2-2: Interest and miscellaneous payments (2-21 and 3-20 and 4-22 and 5-17)*

Consists of monetary and imputed interest payments and of rents and royalty payments to government. Includes interest payments on mortgage and home improvement loans and on home equity loans because home ownership is treated as a business in the NIPAs.

*Line 2-3: Dividend payments to the rest of the world (5-18)*

Consists of dividend payments by U.S. corporations to foreign residents, plus earnings distributed by unincorporated U.S. affiliates to their foreign parents.

*Line 2-4: Reinvested earnings on foreign direct investment in the United States (5-19)*

Consists of payments to foreign residents of their share of the reinvested earnings of their incorporated and unincorporated U.S. affiliates. These earnings are treated as income payments on assets because the decision to retain earnings with a U.S. enterprise represents a deliberate investment decision on the part of the foreign investor.

*Line 2-5: Business current transfer payments (net)*

Consists of net payments by private business to persons, government, and the rest of the world for which no current services are performed.

*Line 2-6: To persons (net) (3-24)*

Includes donations by businesses to charitable organizations.

*Line 2-7: To government (net) (4-25)*

Includes Federal deposit insurance premiums and fines and regulatory inspection fees.

*Line 2-8: To the rest of the world (net) (5-23 less 5-11 less 2-14)*

Includes net insurance settlements paid to foreign policyholders.

*Line 2-9: Proprietors' income with IVA and CCAdj (3-17)*



The current-production income (including income in kind) of sole proprietorships and partnerships and of tax-exempt cooperatives. It excludes dividends and monetary interest received by nonfinancial proprietorships and partnerships (which is considered received by persons) and rental income of persons not primarily engaged in the real estate business.

*Line 2–10: Rental income of persons with CCA<sub>adj</sub> (3–18)*

The net income of persons (except those primarily engaged in the real estate business) from the rental of real property, the imputed net rental income of owner occupants of dwellings, and the royalties received by persons from patents, copyrights, and rights to natural resources.

*Line 2–11: Corporate profits with IVA and CCA<sub>adj</sub>*

The net income, before taxes, from current production of entities that are treated as corporations in the NIPAs. For corporate businesses, it is defined as gross output less the following expenses: intermediate inputs, compensation of employees, taxes on production and imports (less subsidies), consumption of fixed capital, net interest and miscellaneous payments, and business current transfer payments.

*Line 2–12: Taxes on corporate income*

Consists of taxes paid on corporate earnings to federal, state, and local governments and to foreign governments. These earnings include capital gains and other income excluded from profits before tax. The taxes are measured on an accrual basis, net of applicable tax credits.

*Line 2–13: To government (4–16)*

The sum of federal, state, and local government income taxes on all income subject to taxes, including capital gains and other income excluded from profits before tax.

*Line 2–14: To the rest of the world (5–23)*

Consists of nonresident taxes—that is, taxes paid by domestic corporations to foreign governments.

*Line 2–15: Profits after tax with IVA and CCA<sub>adj</sub>*

Corporate profits with IVA and CCA<sub>adj</sub> less taxes on corporate income.

*Line 2–16: Net dividends (3–21 plus 4–23)*

Payments in cash or other assets, excluding the corporation's own stock, that are made by corporations located in the United States and abroad to stockholders who are U.S. residents. The payments are measured net of

dividends received by U.S. corporations. Dividends paid to state and local governments are included.

*Line 2–17: Undistributed corporate profits with IVA and CCAdj (6–12)*

Corporate profits after tax with IVA and CCAdj less net dividends.

***Line 2–18: USES OF PRIVATE ENTERPRISE INCOME***

*Line 2–19: Net operating surplus, private enterprises (1–9)*

For definition, see entry 1–9.

*Line 2–20: Income receipts on assets*

Receipts by the owners of assets for the use of these assets by others.

*Line 2–21: Interest (2–2 and 3–4 and 4–7 and 5–5)*

Monetary and imputed interest received by domestic private enterprises.

*Line 2–22: Dividend receipts from the rest of the world (5–6)*

Receipts by U.S. residents of dividends from foreign corporations plus earnings distributed by unincorporated foreign affiliates to their U.S. parents.

*Line 2–23: Reinvested earnings on U.S. direct investment abroad (5–7)*

Receipts by U.S. residents of their share of the reinvested earnings of their incorporated and unincorporated foreign affiliates.

***Line 2–24: SOURCES OF PRIVATE ENTERPRISE INCOME***

### Account 3. Personal Income and Outlay Account

This account shows the sources and uses of income of individuals, enterprises that are owned by households, and nonprofit institutions that serve households.

*Line 3–1: Personal current taxes (4–14)*

Tax payments (net of refunds) by persons that are not chargeable to business expense and certain other payments that are made by persons to government agencies other than government enterprises. These taxes primarily consist of taxes on income, including realized capital gains, and on personal property. They do not include personal contributions for government social insurance.

*Line 3–2: Personal outlays*

The sum of personal consumption expenditures, personal interest payments, and personal current transfer payments to government and to the rest of the world.

*Line 3–3: Personal consumption expenditures (1–15)*

For definition, see entry 1–15.

*Line 3–4: Personal interest payments (2–21 and 3–20 and 4–22 and 5–17)*

Consists of all interest paid by individuals except mortgage interest, which is reflected in rental income of persons.

*Line 3–5: Personal current transfer payments*

The sum of payments by persons to government and to the rest of the world for which no current services are performed.

*Line 3–6: To government (4–26)*

Includes donations, fees, and fines paid to federal, state, and local governments.

*Line 3–7: To the rest of the world (net) (5–21 minus 5-9)*

Consists of personal remittances in cash and in kind to the rest of the world less such remittances from the rest of the world.

*Line 3–8: Personal saving (6–11)*

Personal income less personal outlays and personal current taxes.

*Line 3–9: PERSONAL TAXES, OUTLAYS, AND SAVING*

*Line 3–10: Compensation of employees, received*

The total remuneration in cash and in kind that accrues to employees in return for their contribution to production during an accounting period, regardless of when they are paid.

*Line 3–11: Wages and salaries*

The total remuneration of employees in cash (including sick or vacation pay, severance pay, and commissions, tips, and bonuses) and in kind (such as transit subsidies and meals).

*Line 3–12: Domestic (1–3)*

For definition, see entry 1–3.

*Line 3–13: Rest of the world (5–3)*

Wages and salaries that U.S. residents receive from the rest of the world.

*Line 3–14: Supplements to wages and salaries (1–5)*

Consists of employer payments that are made on behalf of employees but are not included in the regular wage payments provided directly to employees.

*Line 3–15: Employer contributions to employee pension and insurance funds*

Consist of employer payments (including payments in kind) to private pension and profit-sharing plans, government employee retirement plans, private group health and life insurance plans, privately administered workers' compensation plans, and supplemental unemployment benefit plans.

*Line 3–16: Employer contributions for government social insurance*

Consists of employer payments under the following federal government and state and local government programs: old-age, survivors, and disability insurance; hospital insurance; unemployment insurance; railroad retirement; pension benefit guaranty; veterans life insurance; publicly administered workers' compensation; military medical insurance; and temporary disability insurance.

*Line 3–17: Proprietors' income with IVA and CCA<sub>adj</sub> (2–9)*

For definition, see entry 2–9.

*Line 3–18: Rental income of persons with CCA<sub>adj</sub> (2–10)*

For definition, see entry 2–10.

*Line 3–19: Personal income receipts on assets*

The sum of personal interest income and personal dividend income.

*Line 3–20: Personal interest income (2–2 plus 3–4 plus 4–7 plus 5–5 less 2–21 less 4–22 less 5–17)*

The interest income (monetary and imputed) of persons—including individuals and nonprofit institutions serving households—from all sources.

*Line 3–21: Personal dividend income (2–16 less 4–23)*

Payments made by corporations in cash or other assets, excluding the corporation's own stock, to persons who are U.S. residents.

*Line 3–22: Personal current transfer receipts*

Payments by business and government to persons for which no current services are performed.

*Line 3–23: Government social benefits (4–4)*

Includes social security benefits, medical benefits, veterans' benefits, and unemployment insurance benefits.

*Line 3–24: From business (net) (2–6)*

For definition, see entry 2–6.

*Line 3–25: Less: Contributions for government social insurance, domestic (4–19)*

Includes employer contributions for government social insurance (see entry 3–16) and payments by employees, self-employed, and other individuals who participate in the following government programs: old-age, survivors, and disability insurance (social security); hospital insurance, supplementary medical insurance; unemployment insurance; railroad retirement; veterans life insurance, and temporary disability insurance.

**Line 3–26: PERSONAL INCOME**

The income that persons receive in return for their provision of labor, land, and capital used in current production, plus current transfer receipts less contributions for government social insurance (domestic). Personal income arising from current production consists of compensation of employees, proprietors' income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, and personal income receipts on assets.

## **Account 4. Government Receipts and Expenditures Account**

This account summarizes the combined transactions of federal, state, and local governments.

*Line 4-1: Consumption expenditures (1-31)*

For definition, see entry 1-31.

*Line 4-2: Current transfer payments*

The sum of government social benefits and other current transfer payments to the rest of the world.

*Line 4-3: Government social benefits*

The sum of government social benefits to persons and government social benefits payments to the rest of the world.

*Line 4-4: To persons (3-23)*

For definition, see entry 3-23.

*Line 4-5: To the rest of the world (5-22)*

Consists of U.S. government transfers, mainly social security benefits, to former residents of the United States.

*Line 4-6: Other current transfer payments to the rest of the world (net) (5-22)*

Consists of U.S. government military and nonmilitary grants in cash and nonmilitary grants-in-kind for foreign governments.

*Line 4-7: Interest payments (2-21 and 3-20 and 4-22 and 5-17)*

Interest paid by government to persons, to business, and to the rest of the world (that is, to foreign businesses, governments, and persons). Interest paid consists of monetary interest paid on public debt and other financial obligations.

*Line 4-8: Subsidies (1-7)*

For definition, see entry 1-7.

*Line 4-9: Net government saving (6-13)*

The sum of government current receipts (lines 14, 19, 20, 23, and 26 of account 4) less the sum of government current expenditures (lines 1, 2, 7, 8, less line 9 of account 4).

*Line 4-10: Federal*

*Line 4-11: State and local*

***Line 4-12: GOVERNMENT CURRENT EXPENDITURES AND NET SAVING***

*Line 4–13: Current tax receipts*

The sum of personal current taxes, taxes on production and imports, taxes on corporate income, and taxes from the rest of the world.

*Line 4–14: Personal current taxes (3–1)*

For definition, see entry 3–1.

*Line 4–15: Taxes on production and imports (1–6)*

For definition, see entry 1–6.

*Line 4–16: Taxes on corporate income (2–13)*

For definition, see entry 2–13.

*Line 4–17: Taxes from the rest of the world (5–10)*

Consists largely of income taxes received by the federal government from foreigners.

*Line 4–18: Contributions for government social insurance*

*Line 4–19: From persons (3–25)*

Consists of contributions from employees who are U.S. residents.

*Line 4–20: From the rest of the world (5–10)*

Consists of contributions from employees who are foreign residents.

*Line 4–21: Income receipts on assets*

The sum of interest and miscellaneous receipts and dividends.

*Line 4–22: Interest and miscellaneous receipts (2–2 and 3–4 and 4–7 and 5–5)*

Includes monetary and imputed interest received by government on loans and investments from persons, from business, and from the rest of the world; miscellaneous receipts include Federal Outer Continental Shelf royalties and state and local rents and royalties.

*Dividends (2–16 less 3–21)*

Net dividends paid by corporations less interest received by persons.

*Line 4–24: Current transfer receipts*

The sum of receipts from business (net), from persons, and from the rest of the world.

*Line 4–25: From business (net) (2–7)*

For definition, see entry 2–7.

*Line 4–26: From persons (3–6)*

For definition, see entry 3–6.

*Line 4–27: From the rest of the world (5-10)*

Receipts from the rest of the world, primarily of fines and penalties.

*Line 4–28: Current surplus of government enterprises (1–10)*

For definition, see entry 1–10.

*Line 4–29: **GOVERNMENT CURRENT RECEIPTS***



## Account 5. Foreign Transactions Current Account

This account presents information on exports and imports associated with foreign trade, income receipts and payments, and current taxes and other transfer payments. This account does not include transactions involving the acquisition or disposition of nonproduced nonfinancial assets nor capital transfers, which are shown in the foreign transactions capital account, nor does it include transactions in financial assets and liabilities.

*Line 5-1: Exports of goods and services (1-29)*

For definition, see entry 1-29.

*Line 5-2: Income receipts from the rest of the world*

The sum of wage and salary receipts and income receipts on assets.

*Line 5-3: Wage and salary receipts (3-13)*

For definition, see entry 3-13.

*Line 5-4: Income receipts on assets*

The sum of interest, dividends, and reinvested earnings on U.S. direct investment abroad.

*Line 5-5: Interest (2-21 and 3-20 and 4-22)*

For definitions, see entries 2-21, 3-20, and 4-22.

*Line 5-6: Dividends (2-22)*

For definition, see entry 2-22.

*Line 5-7: Reinvested earnings on U.S. direct investment abroad (2-23)*

For definition, see entry 2-23.

*Line 5-8: Current taxes, contributions for government social insurance, and transfer receipts from the rest of the world*

*Line 5-9: To persons (5-21 less 3-7)*

For definition, see entry 3-7.

*Line 5-10: To government (4-17 plus 4-20 plus 4-27)*

For definitions, see entries 4-17, 4-20, and 4-27.

*Line 5-11: To business (2-8)*

For definition, see entry 2-8.

***Line 5–12: CURRENT RECEIPTS FROM THE REST OF THE WORLD***

*Line 5–13: Imports of goods and services (1–30)*

For definition, see entry 1–30.

*Line 5–14: Income payments to the rest of the world*

The sum of wage and salary payments and income payments on assets.

*Line 5–15: Wage and salary payments (1–4)*

For definition, see entry 1–4.

*Line 5–16: Income payments on assets*

The sum of interest, dividends, and reinvested earnings on foreign direct investment in the United States.

*Line 5–17: Interest (2–2 and 3–4 and 4–7)*

For definitions, see entries 2–2, 3–4, and 4–7.

*Line 5–18: Dividends (2–3)*

For definition, see entry 2–3.

*Line 5–19: Reinvested earnings on foreign direct investment in the United States (2–4)*

For definition, see entry 2–4.

*Line 5–20: Current taxes and transfer payments to the rest of the world*

The sum of transfer payments from persons, from government, and from business.

*Line 5–21: From persons (3–7)*

For definition, see entry 3–7.

*Line 5–22: From government (4–5 plus 4–6)*

For definitions, see entries 4–5 and 4–6.

*Line 5–23: From business (2–8 and 2–14)*

For definitions, see entries 2–8 and 2–14.

*Line 5–24: Balance on current account, NIPAs (7–1)*

Net measure of transactions between the United States and the rest of the world in goods, services, income, and current transfers.

***Line 5–25: CURRENT PAYMENTS TO THE REST OF THE WORLD AND BALANCE ON CURRENT ACCOUNT***

## Account 6. Domestic Capital Account

This account shows the relationship between saving and investment for the U.S. economy.

*Line 6–1: Gross domestic investment*

Measures the total investment in the United States in fixed assets (that is, the structures, equipment, and intellectual property products that are used in production) and in inventories (change in private inventories).

*Line 6–2: Private fixed investment (1–21)*

For definition, see entry 1–21.

*Line 6–3: Government fixed investment (1–31)*

For definition, see entry 1–31.

*Line 6–4: Change in private inventories (1–27)*

For definition, see entry 1–27.

*Line 6–5: Capital account transactions (net) (7–2)*

The sum of transfer payments for catastrophic losses (net) and other capital account transactions.

*Line 6–6: Transfer payments for catastrophic losses (7–3)*

Consists of disaster-related insurance payouts (both primary and reinsurance) to the rest of the world less such payouts received from the rest of the world.

*Line 6–7: Other capital account transactions (7–4)*

Consists of all other capital transfers (mainly debt forgiveness and migrants' transfers) and transfers of nonproduced nonfinancial assets to (or from) the rest of the world.

*Line 6–8: Net lending or net borrowing (–), NIPAs (7–5)*

The balance on current account less capital accounts transactions (net). It may be viewed as an indirect measure of the net acquisition of foreign assets by U.S. residents less the net acquisition of U.S. assets by foreign residents.

*Line 6–9: **GROSS DOMESTIC INVESTMENT, CAPITAL ACCOUNT TRANSACTIONS (NET), AND NET LENDING, NIPAs***

*Line 6–10: Net saving*

The sum of personal saving, undistributed corporate profits with inventory valuation and capital consumption adjustments, and net government saving. It is a measure of the saving that is available for adding to the nation's net stock of fixed assets or for lending to the rest of the world.

*Line 6–11: Personal saving (3–8)*

For definition, see entry 3–8.

*Line 6–12: Undistributed corporate profits with IVA and CCA<sub>adj</sub> (2–17)*

For definition, see entry 2–17.

*Line 6–13: Net government saving (4–9)*

For definition, see entry 4–9.

*Line 6–14: Plus: Consumption of fixed capital (1–11)*

For definition, see entry 1–11.

*Line 6–15: Private*

Comprises all corporate and noncorporate private entities organized for profit, other entities that produce goods and services for sale at a price that is based on the costs of production, and certain other entities that are treated as businesses in the NIPAs.

*Line 6–16: Government*

The sum of consumption of fixed capital by general government and by government enterprises.

*Line 6–17: General government*

Comprises all federal government and state and local government agencies except government enterprises.

*Line 6–18: Government enterprises*

Government agencies that cover a substantial proportion of their operating costs by selling goods and services to the public and that maintain their own separate accounts. Examples are the U.S. Postal Service and public water and sewage agencies.

*Line 6–19: Equals: Gross saving*

Net saving plus consumption of fixed capital.

*Line 6–20: Statistical discrepancy (1–13)*

For definition, see entry 1–13.

*Line 6–22: GROSS SAVING AND STATISTICAL DISCREPANCY*

## Account 7. Foreign Transactions Capital Account

This account presents information on transactions with foreigners involving the acquisition or disposition of nonproduced nonfinancial assets and on capital transfers.

*Line 7-1: BALANCE ON CURRENT ACCOUNT, NIPAs (5-24)*

For definition, see entry 5-24.

*Line 7-2: Capital account transactions (net) (6-5)*

The sum of transfer payments for catastrophic losses (net) and other capital account transactions.

*Line 7-3: Transfer payments for catastrophic losses (net) (6-6)*

For definition, see entry 6-6.

*Line 7-4: Other capital account transactions (6-7)*

For definition, see entry 6-7.

*Line 7-5: Net lending or net borrowing (-), NIPAs (6-8)*

For definition, see entry 6-8.

*Line 7-6: CAPITAL ACCOUNT TRANSACTIONS (NET) AND NET LENDING, NIPAs*

CCAdj Capital consumption adjustment

IVA Inventory valuation adjustment

NIPAs National income and product accounts