

Annual Revision of the National Income and Product Accounts

Annual Estimates for 2005–2007

Quarterly Estimates for 2005:I–2008:I

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REVISED estimates of the national income and product accounts (NIPAs) for 2005–2007 and for the first quarter of 2008 have been released.¹ As is usual in annual NIPA revisions, the Bureau of Economic Analysis (BEA) incorporated newly available source data that are more complete, more detailed, and more reliable than previously incorporated data (see pages 12 and 19).

The estimates also reflect methodological improvements, including new methods used to value sales and inventory change of new autos, incorporation of new price indexes for deflating airline services and manufacturing structures, use of scanner data to estimate the composition of goods purchased at grocery stores, and a new procedure to estimate quarterly depreciation at a more detailed level (see page 18).

This annual revision has not changed the general picture of the economy for the past several years. The revised estimates of the growth in real gross domestic product (GDP) show a slightly slower rate of increase than the previously published estimates. By historical standards, the revisions to year-to-year growth rates of real GDP are small. In the annual NIPA revisions since 1982, the revisions (without regard to sign) to the annual estimates have averaged 0.3 percentage point. The revised estimates of prices are little changed from previously published estimates.

GDP growth highlights

- From 2004 to 2007, real GDP grew at an average annual rate of 2.6 percent, 0.1 percentage point less than in the previously published estimates.² From the fourth quarter of 2004 to the first quarter of 2008, real GDP grew at an average annual rate of 2.4 percent, 0.1 percentage point less than in the previously published estimates (table 1).

1. Information about the NIPA methodologies is available at <www.bea.gov> by clicking on “Methodology Papers.”

2. The annual revisions to real GDP reflect revised current-dollar estimates, revised prices used for deflation, and revised quantities used to estimate components of real GDP by extrapolation or direct valuation. For estimates prepared by extrapolation or direct valuation, the current-dollar and chained-dollar estimates are based on independent source data; consequently, the corresponding revisions are unrelated. For a list of these components, see table 2 in “Updated Summary NIPA Methodologies,” SURVEY OF CURRENT BUSINESS 87 (November 2007): 21–25.

- From the fourth quarter of 2004 to the first quarter of 2008, the revised estimates of residential fixed investment, state and local government spending, and personal consumption expenditures (PCE) for services were weaker than previously published estimates; nonresidential structures, exports of goods and services, PCE for durable goods, equipment and software, and private inventory investment were stronger; and federal government spending and PCE for nondurable goods were little revised.³ Imports of goods and services (subtracted in the calculation of GDP) were little revised.
- For 2005, 2006, and 2007, the percent change in real GDP from the preceding year was revised down: from 3.1 percent to 2.9 percent for 2005, from 2.9

3. In this article, “government spending” is shorthand for “government consumption expenditures and gross investment,” and “inventory investment” is shorthand for “change in private inventories.”

Table 1. Real GDP and Its Major Components
Change From 2004:IV to 2008:I
[Percent change at annual rates]

	Previously published	Revised	Revision in change (percentage points)
Gross domestic product	2.5	2.4	-0.1
Personal consumption expenditures	2.8	2.5	-0.3
Durable goods	3.2	3.4	0.2
Nondurable goods	2.6	2.6	0.0
Services	2.7	2.4	-0.3
Gross private domestic investment	-1.2	-1.3	-0.1
Fixed investment	0.1	-0.1	-0.2
Nonresidential	5.4	5.7	0.3
Structures	8.2	8.7	0.5
Equipment and software	4.1	4.2	0.1
Residential	-10.3	-11.6	-1.3
Change in private inventories			
Net exports of goods and services			
Exports	8.0	8.4	0.4
Goods	8.6	8.5	-0.1
Services	6.6	8.1	1.5
Imports	2.9	2.9	0.0
Goods	2.9	2.8	-0.1
Services	3.3	3.4	0.1
Government consumption expenditures and gross investment	1.9	1.7	-0.2
Federal	2.4	2.4	0.0
National defense	3.0	2.9	-0.1
Nondefense	1.2	1.3	0.1
State and local	1.7	1.3	-0.4
Addenda:			
Final sales of domestic product	2.7	2.6	-0.1
Gross domestic purchases	2.0	1.8	-0.2
Gross national product	2.6	2.5	-0.1
Gross domestic income	2.2	2.2	0.0

percent to 2.8 percent for 2006, and from 2.2 percent to 2.0 percent for 2007 (chart 1 and pages 8 and 9).

- From fourth quarter to fourth quarter, the percent change in real GDP was revised down for all 3 years: from 2.9 percent to 2.7 percent for 2005, from 2.6 percent to 2.4 percent for 2006, and from 2.5 percent to 2.3 percent for 2007.
- The relatively small revisions to the annual estimates of real GDP growth reflect partly offsetting revisions to the quarters within a year. For example, for 2007, the annual rate of growth of real GDP for the second quarter was revised up 1.0 percentage point, from 3.8 percent to 4.8 percent, while the growth rate for the fourth quarter was revised down 0.8 percentage point, from a small increase (0.6 percent) to a small decrease (0.2 percent) (see page 10).

Price highlights

- The percent change from the preceding year in the price index for gross domestic purchases was unrevised at 3.7 percent for 2005, was revised up 0.1 percentage point to 3.4 percent for 2006, and was revised up 0.1 percentage point to 2.8 percent for 2007 (chart 1 and table 6 on page 11).
- From the fourth quarter of 2004 to the first quarter of 2008, the average annual rate of increase in the price index for gross domestic purchases was revised up 0.1 percentage point to 3.3 percent, and

the average annual rate of increase in the GDP price index was unrevised at 2.9 percent. The average annual rates of increase in the price indexes for PCE and for the “core” PCE price index (which excludes food and energy) were also unrevised at 2.9 percent and 2.2 percent, respectively (table 2).

Income highlights

- From 2004–2007, real disposable personal income grew at an average annual rate of 2.6 percent, the same as in the previously published estimates.
- For 2005–2007, national income was revised up for all 3 years: \$86.4 billion, or 0.8 percent, for 2005; \$140.1 billion, or 1.2 percent, for 2006; and \$42.9 billion, or 0.4 percent, for 2007 (see table 8 on page 17).
- For 2005–2007, corporate profits was revised up for all 3 years: \$75.1 billion, or 5.5 percent, for 2005; \$114.8 billion, or 7.4 percent, for 2006; and \$47.2 billion, or 3.0 percent, for 2007 (table 8).

This article discusses the impact of the revisions on key NIPA measures, summarizes the revisions to the major aggregates, lists the major source data incorporated, and describes the changes in methodology. Appendix A presents the revised annual estimates and the revisions for the seven summary accounts of the NIPAs in current dollars (see page 21). In addition, tables presenting revised monthly, quarterly, and annual NIPA estimates and the “advance” estimates for the second quarter of 2008 are available on page 24.

Chart 1. Revisions to Annual Percent Changes in Real GDP and Gross Domestic Purchases Price Index

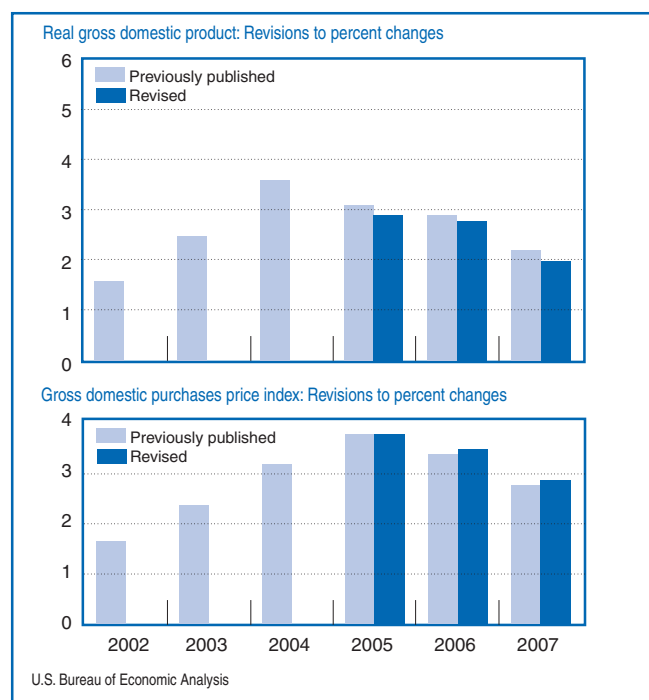


Table 2. Chain-Type Price Index: Change From 2004:IV to 2008:I

[Percent change at annual rates]

	Previously published	Revised	Revision in change (percentage points)
Gross domestic product (GDP)	2.9	2.9	0.0
Less: Exports of goods and services	4.1	4.2	0.1
Plus: Imports of goods and services	5.7	5.9	0.2
Equals: Gross domestic purchases	3.2	3.3	0.1
Personal consumption expenditures (PCE)	2.9	2.9	0.0
Durable goods.....	-1.3	-1.3	0.0
Nondurable goods.....	3.7	3.8	0.1
Services.....	3.3	3.4	0.1
Gross private domestic investment	2.2	2.6	0.4
Fixed investment.....	2.2	2.7	0.5
Nonresidential.....	2.0	2.2	0.2
Structures.....	7.2	7.8	0.6
Equipment and software.....	0.1	0.1	0.0
Residential.....	2.6	3.4	0.8
Change in private inventories.....	.....	.....	.....
Government consumption expenditures and gross investment	5.1	5.0	-0.1
Federal.....	4.0	4.1	0.1
National defense.....	4.1	4.4	0.3
Nondefense.....	3.6	3.6	0.0
State and local.....	5.8	5.6	-0.2
Addenda:			
GDP excluding food and energy.....	2.7	2.8	0.1
Gross domestic purchases excluding food and energy	2.7	2.7	0.0
PCE excluding food and energy.....	2.2	2.2	0.0
Market-based PCE.....	2.8	2.8	0.0
Market-based PCE excluding food and energy.....	1.9	1.9	0.0
Final sales of domestic product.....	2.9	2.9	0.0
Gross national product.....	2.9	2.9	0.0

Annual Real GDP

Table 4. Revisions to Percent Change in Real GDP

	2004	2005		
		Previously published	Revised	Revision
Gross domestic product	3.6	3.1	2.9	-0.2
Personal consumption expenditures	3.6	3.2	3.0	-0.2
Durable goods.....	6.3	4.9	4.6	-0.3
Nondurable goods.....	3.5	3.6	3.4	-0.2
Services.....	3.2	2.7	2.6	-0.1
Gross private domestic investment	9.7	5.6	5.8	0.2
Fixed investment.....	7.3	6.9	6.8	-0.1
Nonresidential.....	5.8	7.1	7.2	0.1
Structures.....	1.3	0.5	1.3	0.8
Equipment and software.....	7.4	9.6	9.3	-0.3
Residential.....	10.0	6.6	6.3	-0.3
Change in private inventories.....				
Net exports of goods and services				
Exports.....	9.7	6.9	7.0	0.1
Goods.....	9.0	7.5	7.7	0.2
Services.....	11.5	5.4	5.6	0.2
Imports.....	11.3	5.9	5.9	0.0
Goods.....	11.3	6.6	6.8	0.2
Services.....	11.5	2.3	1.4	-0.9
Government consumption expenditures and gross investment	1.4	0.7	0.4	-0.3
Federal.....	4.2	1.5	1.2	-0.3
National defense.....	5.8	1.5	1.5	0.0
Nondefense.....	1.1	1.3	0.6	-0.7
State and local.....	-0.2	0.3	-0.1	-0.4
	2005	2006		
		Previously published	Revised	Revision
Gross domestic product	2.9	2.9	2.8	-0.1
Personal consumption expenditures	3.0	3.1	3.0	-0.1
Durable goods.....	4.6	3.8	4.5	0.7
Nondurable goods.....	3.4	3.6	3.7	0.1
Services.....	2.6	2.7	2.5	-0.2
Gross private domestic investment	5.8	2.7	2.1	-0.6
Fixed investment.....	6.8	2.4	1.9	-0.5
Nonresidential.....	7.2	6.6	7.5	0.9
Structures.....	1.3	8.4	8.2	-0.2
Equipment and software.....	9.3	5.9	7.2	1.3
Residential.....	6.3	-4.6	-7.1	-2.5
Change in private inventories.....				
Net exports of goods and services				
Exports.....	7.0	8.4	9.1	0.7
Goods.....	7.7	9.9	9.9	0.0
Services.....	5.6	4.8	7.2	2.4
Imports.....	5.9	5.9	6.0	0.1
Goods.....	6.8	6.0	6.0	0.0
Services.....	1.4	5.2	6.0	0.8
Government consumption expenditures and gross investment	0.4	1.8	1.7	-0.1
Federal.....	1.2	2.2	2.3	0.1
National defense.....	1.5	1.9	1.6	-0.3
Nondefense.....	0.6	2.8	3.6	0.8
State and local.....	-0.1	1.6	1.3	-0.3
	2006	2007		
		Previously published	Revised	Revision
Gross domestic product	2.8	2.2	2.0	-0.2
Personal consumption expenditures	3.0	2.9	2.8	-0.1
Durable goods.....	4.5	4.7	4.8	0.1
Nondurable goods.....	3.7	2.4	2.5	0.1
Services.....	2.5	2.8	2.6	-0.2
Gross private domestic investment	2.1	-4.9	-5.4	-0.5
Fixed investment.....	1.9	-2.9	-3.1	-0.2
Nonresidential.....	7.5	4.7	4.9	0.2
Structures.....	8.2	12.9	12.7	-0.2
Equipment and software.....	7.2	1.3	1.7	0.4
Residential.....	-7.1	-17.0	-17.9	-0.9
Change in private inventories.....				
Net exports of goods and services				
Exports.....	9.1	8.1	8.4	0.3
Goods.....	9.9	7.9	7.5	-0.4
Services.....	7.2	8.5	10.5	2.0
Imports.....	6.0	1.9	2.2	0.3
Goods.....	6.0	1.6	1.7	0.1
Services.....	6.0	3.5	4.4	0.9
Government consumption expenditures and gross investment	1.7	2.0	2.1	0.1
Federal.....	2.3	1.7	1.6	-0.1
National defense.....	1.6	2.8	2.5	-0.3
Nondefense.....	3.6	-0.4	-0.2	0.2
State and local.....	1.3	2.2	2.3	0.1

For 2005, PCE for services accounted for most of the downward revision to PCE; "other" services was revised down.

The upward revision to nonresidential structures (mainly mining, exploration, shafts, and wells) was partly offset by a downward revision to equipment and software (mainly computers and peripheral equipment).

Single-family structures more than accounted for the revision to residential investment.

Nonfarm inventories accounted for the upward revision to private inventory investment (see page 8).

The revision to state and local government spending primarily reflected a downward revision to consumption expenditures.

For 2006, PCE for services more than accounted for the downward revision to PCE; the largest contributors were "other" services and medical care services.

The revision to nonresidential fixed investment was more than accounted for by an upward revision to equipment and software (mainly information processing equipment).

The revision to residential investment primarily reflected downward revisions to "other" structures and to single-family structures.

Exports of services was revised up.

The revision to state and local government spending reflected a downward revision to gross investment.

For 2007, PCE for services more than accounted for the downward revision to PCE; the largest contributor was housing services.

The upward revision to equipment and software (mainly software) was offset slightly by a downward revision to nonresidential structures (mainly mining, exploration, shafts, and wells).

Nonfarm inventories accounted for the downward revision to private inventory investment (see page 8).

An upward revision to exports of services was partly offset by a downward revision to exports of goods.

Imports of goods and services were revised up.

Quarterly Estimates

**Table 5. GDP, Real GDP, the GDP Price Index, and the Gross Domestic Purchases Price Index
Revisions to Percent Change From the Preceding Quarter**

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

	GDP			Real GDP			GDP price index			Gross domestic purchases price index		
	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
2004: IV	5.9			2.5			3.2			3.6		
2005: I.....	7.1	7.1	0.0	3.1	3.0	-0.1	3.9	4.0	0.1	3.6	3.7	0.1
II.....	5.5	4.8	-0.7	2.8	2.6	-0.2	2.6	2.1	-0.5	3.5	3.1	-0.4
III.....	8.1	8.1	0.0	4.5	3.8	-0.7	3.5	4.1	0.6	4.6	5.2	0.6
IV.....	4.8	5.1	0.3	1.2	1.3	0.1	3.5	3.7	0.2	3.7	3.9	0.2
2006: I.....	8.4	8.6	0.2	4.8	4.8	0.0	3.4	3.5	0.1	2.7	2.9	0.2
II.....	6.0	5.5	-0.5	2.4	2.7	0.3	3.5	2.7	-0.8	4.2	3.6	-0.6
III.....	3.4	3.6	0.2	1.1	0.8	-0.3	2.4	2.8	0.4	2.5	2.9	0.4
IV.....	3.8	3.7	-0.1	2.1	1.5	-0.6	1.7	2.2	0.5	0.1	0.6	0.5
2007: I.....	4.9	4.3	-0.6	0.6	0.1	-0.5	4.2	4.1	-0.1	3.8	3.6	-0.2
II.....	6.6	6.9	0.3	3.8	4.8	1.0	2.6	2.0	-0.6	3.8	3.3	-0.5
III.....	6.0	6.3	0.3	4.9	4.8	-0.1	1.0	1.5	0.5	1.8	2.2	0.4
IV.....	3.0	2.3	-0.7	0.6	-0.2	-0.8	2.4	2.8	0.4	3.7	4.0	0.3
2008: I.....	3.7	3.5	-0.2	1.0	0.9	-0.1	2.7	2.6	-0.1	3.6	3.5	-0.1

Quarterly Estimates

Revisions to quarterly (and monthly) NIPA estimates reflect (1) revisions to annual estimates that in turn reflect newly available annual data, (2) new and revised monthly and quarterly source data (including updated seasonal factors that are used to indicate quarterly patterns), and (3) methodology improvements (see page 18).

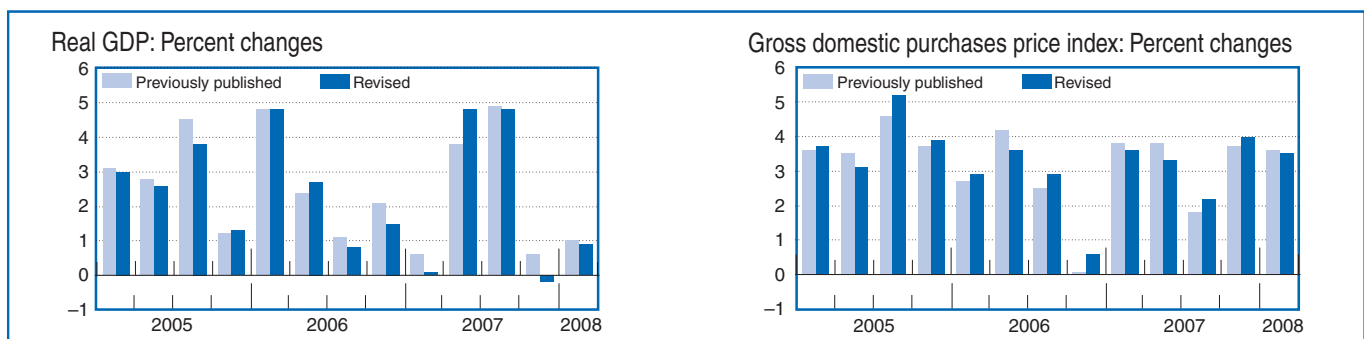
For real GDP, the revisions to the 13 quarterly percent changes (at annual rates) averaged 0.4 percentage point (without regard to sign). (Since 1979, annual revisions to quarterly estimates have averaged 0.7 percentage point.)

The quarterly real GDP growth rate was revised down for 9 of the 13 quarters and revised up for 3 of the 13 quarters. It was unrevised for one quarter. The largest downward revision to the percent change in real GDP was 0.8 percentage point (to -0.2 percent) for the fourth quarter of 2007. The largest contributors to that revision were downward revisions to PCE (mainly services) and to exports of services; the contributions of these components were partly offset by an upward revision to private inventory investment. The largest upward revision was 1.0 percentage point, to 4.8 percent, for the second quarter of

2007, reflecting upward revisions to PCE (durable and nondurable goods), to net exports (mainly an upward revision to services exports and a downward revision to goods imports), and to private inventory investment; these were partly offset by downward revisions to PCE for services and to nonresidential structures.

In general, the percent changes for the gross domestic purchases price index were similar to previously published estimates; the revisions to the 13 quarterly percent changes (at annual rates) averaged 0.3 percentage point (without regard to sign). The price index was revised up for eight quarters and revised down for five quarters. The largest upward revision was 0.6 percentage point, to 5.2 percent, for the third quarter of 2005; the largest contributor to the revision was prices of PCE for nondurable goods (mainly gasoline, fuel oil, and other energy goods). The largest downward revision was 0.6 percentage point, to 3.6 percent, for the second quarter of 2006; prices of PCE for nondurable goods (mainly gasoline, fuel oil, and other energy goods) more than accounted for the revision.

Chart 2. Revisions to Quarterly Percent Changes in Real GDP and the Gross Domestic Purchases Price Index



Price Indexes

Table 6. Revisions to Contributions to Percent Change in Gross Domestic Purchases Prices

[Percentage points at annual rates]

	2004	2005			2006			2007		
		Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
Gross domestic purchases¹	3.1	3.7	3.7	0.0	3.3	3.4	0.1	2.7	2.8	0.1
Personal consumption expenditures	1.78	1.97	1.96	-0.01	1.83	1.84	0.01	1.70	1.73	0.03
Durable goods.....	-0.15	-0.06	-0.06	0.00	-0.10	-0.11	-0.01	-0.14	-0.14	0.00
Nondurable goods.....	0.64	0.70	0.71	0.01	0.59	0.58	-0.01	0.58	0.58	0.00
Services.....	1.29	1.33	1.32	-0.01	1.35	1.36	0.01	1.26	1.29	0.03
Gross private domestic investment	0.51	0.65	0.68	0.03	0.56	0.67	0.11	0.18	0.22	0.04
Fixed investment.....	0.50	0.65	0.68	0.03	0.55	0.66	0.11	0.17	0.21	0.04
Nonresidential.....	0.12	0.27	0.28	0.01	0.30	0.33	0.03	0.12	0.14	0.02
Structures.....	0.15	0.28	0.28	0.00	0.31	0.32	0.01	0.10	0.12	0.02
Equipment and software.....	-0.02	-0.01	-0.01	0.00	0.00	0.00	0.00	0.03	0.02	-0.01
Residential.....	0.38	0.37	0.40	0.03	0.25	0.33	0.08	0.05	0.07	0.02
Change in private inventories.....	0.01	0.00	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.00
Government consumption expenditures and gross investment	0.80	1.04	1.04	0.00	0.87	0.85	-0.02	0.81	0.81	0.00
Federal.....	0.31	0.32	0.32	0.00	0.26	0.27	0.01	0.19	0.23	0.04
National defense.....	0.20	0.23	0.23	0.00	0.18	0.20	0.02	0.13	0.16	0.03
Nondefense.....	0.11	0.09	0.09	0.00	0.08	0.08	0.00	0.06	0.07	0.01
State and local.....	0.49	0.71	0.72	0.01	0.61	0.57	-0.04	0.62	0.58	-0.04
Addendum:										
Gross domestic product price index ¹	2.9	3.2	3.3	0.1	3.2	3.2	0.0	2.7	2.7	0.0

1. Percent change from the preceding period at annual rates.

Annual Price Estimates

Revisions to the chain-type price indexes reflect the incorporation of newly available and revised source data and the regularly scheduled incorporation of annual weights for the most recent year (2007). In this annual revision, the source data for price indexes used for deflation and the source data that affect implicit prices were revised.¹ The prices used for deflation also reflect updated seasonal factors. Also, new BLS producer price indexes were used to deflate consumer purchases of domestic airline services and international airline services, and a newly available BLS price index for new industrial building construction was incorporated (see “Methodology Changes” on page 18).

The change from the preceding year in the price index for gross domestic purchases was unrevised at 3.7 percent for 2005, was revised up 0.1 percentage point to 3.4 percent for 2006, and was revised up 0.1 percentage point to 2.8 percent for 2007 (chart 1 and table 6). The annual percent change in the GDP price index was revised up 0.1 percentage point to 3.3 percent for 2005, was unrevised at 3.2 percent for 2006, and was unrevised at 2.7 percent for 2007.

For 2005, the price index for gross domestic purchases was unrevised. Small revisions among the components of the price index were offsetting.

For 2006, the revision to the price index for gross domestic purchases primarily reflects an upward revision to the price index for residential fixed investment that was partly

offset by a downward revision to the price index for state and local government spending. The revision to the price index for residential fixed investment reflects an upward revision to the Census Bureau’s price index for single-family structures. The revision to the price index for state and local government spending reflects a downward revision to the implicit price for compensation—specifically, a downward revision to current-dollar compensation.

For 2007, the revision to the gross domestic purchases index primarily reflects upward revisions to the price indexes for PCE for services and for federal national defense spending that were partly offset by a downward revision to the price index for state and local government spending. The largest contributor to the upward revision to the price index for PCE for services was the price of transportation services, primarily reflecting a revision to the price associated with motor vehicle insurance. The revision to the price index, which is implicitly derived, reflects a larger downward revision to the annual estimates of current-dollar benefits than to the annual estimates of current-dollar premiums. By convention, the estimates for chained-dollar premiums and for chained-dollar benefits grow at the same rate. The revision to the price index for national defense spending primarily reflects an upward revision to the implicit price for military compensation. Current-dollar compensation was revised up because of upward revisions to wages and salaries and to supplements to wages and salaries, while chained-dollar estimates, which are based on employment, were essentially unrevised. The revision to the price index for state and local government spending was also attributable to a downward revision to the implicit price for compensation.

1. The implicit prices are computed by dividing the current-dollar estimates by the chained-dollar estimates that are derived from the quantity data used in quantity extrapolation and direct valuation. Thus, differences between the current-dollar revisions and the chained-dollar revisions to these components are reflected as revisions to their implicit prices.

Current-Dollar NIPA Measures

This table shows NIPA components with revisions of \$5.0 billion or more (in absolute value) for 2005–2007. The table also notes the major source data that were incorporated as part of the 2008 annual revision.

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data—Continues

Line	NIPA Component	Billions of dollars			Revised 2007 level	Major source data incorporated ¹
		Revision in level				
		2005	2006	2007		
1	Gross domestic product	-12.0	-16.3	-33.8	13,807.5	
2	Personal consumption expenditures	-13.7	-17.3	-24.0	9,710.2	
3	Goods	-5.1	0.4	4.4	3,915.8	
	<i>Of which:</i>					
4	Other durable goods	-0.4	4.0	6.0	227.0	Revised Census Bureau Annual Retail Trade Survey (ARTS) sales data for 2005; new ARTS data for 2006; revised Census Bureau monthly sales data for 2007.
5	Food	-2.6	-1.9	-7.3	1,329.1	
	<i>Of which:</i>					
6	Food purchased for off-premise consumption	-1.5	0.1	-2.4	809.8	New retail scanner data from trade sources on grocery store sales of food and beverage items for 2005–2007.
7	Purchased meals and beverages	-1.0	-2.1	-5.7	504.0	Revised Census Bureau ARTS sales data for 2005; new ARTS data for 2006; revised Census Bureau monthly sales data for 2007.
8	Services	-8.6	-17.7	-28.4	5,794.4	
	<i>Of which:</i>					
9	Housing	0.0	7.4	-5.0	1,460.9	
	<i>Of which:</i>					
10	Owner-occupied nonfarm dwellings—space rent	-1.2	5.7	-12.5	1,063.3	Revised Bureau of Economic Analysis (BEA) constant-dollar stock data for 2005 and 2006; new Census Bureau Current Population Survey/Housing Vacancy Survey unit-stock data for 2007.
11	Household operation	-1.3	0.8	-5.4	525.7	
	<i>Of which:</i>					
12	Electricity	0.0	-0.2	-5.5	153.8	New Energy Information Administration (EIA) annual survey data on residential electricity consumption for 2007.
13	Medical care	-1.3	-11.9	-8.2	1,681.1	
	<i>Of which:</i>					
14	Physicians	-0.6	-4.0	-6.4	387.5	Revised Census Bureau Service Annual Survey (SAS) data for 2005 and 2006; new SAS data for 2007.
15	Other services	-5.0	-13.7	-9.5	1,366.3	
	<i>Of which:</i>					
16	Personal care	0.7	-3.1	-6.1	124.4	
	<i>Of which:</i>					
17	Barbershops, beauty parlors, and health clubs	0.2	-0.9	-2.3	52.0	Revised Census Bureau SAS data for 2005 and 2006; new SAS data for 2007.
18	Other personal care services	0.6	-2.3	-4.0	55.2	Revised Census Bureau SAS data for 2005 and 2006; new SAS data for 2007.
19	Personal business	-5.5	-11.0	-3.3	741.0	
	<i>Of which:</i>					
20	Brokerage charges and investment counseling	-1.0	-1.9	-4.1	114.5	For investment counseling services, revised Census Bureau SAS data for 2005 and 2006; new SAS data for 2007.
21	Services furnished without payment by financial intermediaries except life insurance carriers	-2.3	-3.3	3.1	227.6	Revised Internal Revenue Service (IRS) tabulations on corporate tax return data for 2005; new IRS tabulations for regulated investment companies for 2006; revised Federal Reserve Board (FRB) flow of funds accounts sector data for 2005 and 2006; new FRB data for 2007; new trade source data for 2007; new Federal Deposit Insurance Corporation data, Credit Union National Association data, Office of Thrift Supervision data and trade source data for savings institutions and credit unions for 2007.
22	Expense of handling life insurance and pension plans	-2.1	-4.2	-2.0	117.7	Revised Census Bureau annual survey of government finances data on state and local governments pension plan fund administrative expenses for 2005 and 2006; new trade source data on life insurance expenses for 2005 and 2006; projected state and local government pension plan fund administrative expenses data for 2007 based on companies' annual financial reports; new Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages data on total annual wages for direct life insurance carriers for 2007.
23	Gross private domestic investment	8.9	11.2	5.0	2,130.4	
24	Fixed investment	2.5	8.6	11.6	2,134.0	
25	Nonresidential	1.0	16.4	22.0	1,503.8	
26	Structures	3.0	5.3	8.2	480.3	
	<i>Of which:</i>					
27	Manufacturing	0.0	0.6	3.6	33.0	Revised Census Bureau construction spending (value put in place) data for 2006 and 2007.
28	Power	0.0	0.6	3.1	39.8	Revised Census Bureau construction spending (value put in place) data for 2006 and 2007.
29	Other structures	0.1	2.4	3.2	92.6	Revised Census Bureau construction spending (value put in place) data for 2006 and 2007.

See the footnotes and abbreviations at the end of the table 7.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data—Continues

Line	NIPA Component	Billions of dollars			Revised 2007 level	Major source data incorporated ¹
		Revision in level				
		2005	2006	2007		
30	Equipment and software	-2.0	11.1	13.8	1,023.5	
	<i>Of which:</i>					
31	Information processing equipment and software	-6.0	1.4	6.0	517.7	
	<i>Of which:</i>					
32	Computers and peripheral equipment	-7.3	-2.5	-3.6	93.7	Revised Census Bureau Annual Survey of Manufactures (ASM) product shipments data for 2005; new ASM data for 2006; revised Census Bureau monthly industry shipments data for 2007; revised FRB industrial production index for 2007.
33	Software	1.3	2.4	9.6	227.3	Revised Census Bureau Service Annual Survey (SAS) detailed product receipts data for 2005 and 2006; new SAS data for 2007; new BLS employment data for 2007.
34	Industrial equipment.....	1.0	4.5	5.5	180.6	Revised Census Bureau Annual Survey of Manufactures (ASM) product shipments data for 2005; new ASM data for 2006; revised Census Bureau monthly industry shipments data for 2007.
35	Transportation equipment.....	4.9	5.1	3.2	157.2	
	<i>Of which:</i>					
36	Aircraft	3.9	4.5	4.1	22.3	New BEA valuation of aircraft based on reconciliation of shipments and exports.
37	Residential.....	1.4	-7.8	-10.5	630.2	
	<i>Of which:</i>					
38	Structures	1.4	-7.8	-10.3	620.7	
	<i>Of which:</i>					
39	Other structures	1.4	-7.5	-11.9	267.3	
	<i>Of which:</i>					
40	Improvements	0.0	-9.0	-13.0	174.9	Revised Census Bureau construction spending (value put in place) data for 2006 and 2007.
41	Change in private inventories.....	6.4	2.6	-6.5	-3.6	
	<i>Of which:</i>					
42	Nonfarm.....	5.6	5.5	-4.7	-5.2	
43	Change in book value	7.9	10.2	2.4	54.4	
	<i>Of which:</i>					
44	Manufacturing.....	2.9	7.7	0.2	18.3	Revised Census Bureau Annual Survey of Manufactures (ASM) inventory book value data for 2005; new ASM data for 2006; revised Census Bureau monthly inventory data for 2007.
45	Retail trade	-2.5	5.4	-1.5	1.0	Revised Census Bureau Annual Retail Trade Survey (ARTS) inventory book value data for 2005; new ARTS data for 2006; revised BEA estimates based on motor vehicle inventory data from trade sources and revised Census Bureau monthly inventory data for 2007.
46	Inventory valuation adjustment (IVA)	-2.3	-4.7	-7.1	-59.6	Revised Census Bureau Annual Wholesale Trade Survey (AWTS), ARTS, and ASM information on accounting methods used for inventory reporting for 2005; new AWTS, ARTS, and ASM information for 2006. Revised BEA unit labor cost indexes for 2005–2007.
47	Net exports of goods and services	1.0	4.7	0.2	-707.8	Revised BEA international transactions accounts estimates for 2005–2007.
48	Exports.....	2.1	13.2	19.4	1,662.4	
49	Goods.....	1.4	1.6	-3.7	1,149.2	
50	Services	0.7	11.6	23.1	513.2	
51	Imports	1.2	8.5	19.2	2,370.2	
52	Goods.....	3.3	2.3	5.8	1,985.2	
53	Services	-2.2	6.2	13.5	385.1	
54	Government consumption expenditures and gross investment	-8.1	-14.9	-15.0	2,674.8	
55	Federal	-2.9	-0.3	3.3	979.3	
56	National defense.....	-0.6	-0.2	2.1	662.2	
57	Nondefense	-2.4	-0.2	1.2	317.1	
58	State and local	-5.2	-14.6	-18.3	1,695.5	
59	Consumption expenditures.....	-6.0	-6.9	-10.0	1,355.9	
	<i>Of which:</i>					
60	Compensation of general government employees.....	-0.3	-5.7	-8.5	963.1	New Department of Health and Human Services (DHHS) Medical Expenditure Panel Survey data for 2006.
61	Services.....	-3.5	-3.8	-5.5	367.9	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006.
62	Less: Sales to other sectors	-0.1	-4.4	-6.8	333.0	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006.
63	Gross investment.....	0.8	-7.7	-8.3	339.6	
	<i>Of which:</i>					
64	Structures	-0.8	-10.3	-10.1	281.0	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006; revised Census Bureau construction spending (value put in place) data for 2006 and 2007.
65	Gross domestic product	-12.0	-16.3	-33.8	13,807.5	
66	Less: Statistical discrepancy ²	-76.6	-144.9	-103.8	-81.4	
67	Equals: Gross domestic income	64.4	128.6	70.1	13,889.0	

See the footnotes and abbreviations at the end of the table 7.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data—Continues

Line	NIPA Component	Billions of dollars			Revised 2007 level	Major source data incorporated ¹
		Revision in level				
		2005	2006	2007		
68	Compensation of employees, paid.....	1.2	-14.4	-68.8	7,819.4	
69	Wage and salary accruals.....	3.8	2.9	-32.9	6,362.8	
70	Disbursements.....	3.8	9.2	-4.2	6,369.0	See entries under "National income."
71	Wage accruals less disbursements.....	0.0	-6.2	-28.8	-6.3	State governments data and trade source data on bonus payments for 2006 and 2007.
72	Supplements to wages and salaries.....	-2.7	-17.3	-35.9	1,456.6	See entries under "National income."
73	Taxes on production and imports.....	6.6	8.9	7.0	1,015.5	See entries under "National income."
74	Less: Subsidies.....	0.8	0.0	5.2	52.3	See entries under "National income."
75	Net operating surplus.....	54.9	125.3	103.3	3,386.0	See entries under "National income."
76	Consumption of fixed capital.....	2.5	8.7	33.9	1,720.5	
	Of which:					
77	Private.....	2.7	8.5	32.4	1,431.1	
	Of which:					
78	Domestic business.....	1.9	4.1	27.9	1,147.0	Revised BEA fixed investment and price estimates for 2005–2007.
79	Capital consumption allowances.....	37.8	60.9	83.4	1,055.5	Revised IRS tabulations of corporate tax return data for 2005; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2006; revised BEA fixed investment estimates for 2005–2007.
80	Less: Capital consumption adjustment (CCAdj).....	35.9	56.7	55.5	-91.5	CCAdj is calculated as capital consumption allowances less consumption of fixed capital.
81	Plus: Income receipts from the rest of the world.....	29.4	34.0	44.2	861.7	Revised BEA international transactions accounts estimates for 2005–2007.
82	Less: Income payments to the rest of the world.....	4.9	13.7	37.5	759.3	Revised BEA international transactions accounts estimates for 2005–2007.
83	Equals: Gross national income.....	88.9	148.9	76.8	13,991.4	
84	Less: Consumption of fixed capital.....	2.5	8.7	33.9	1,720.5	
85	Equals: National income.....	86.4	140.1	42.9	12,270.9	
86	Compensation of employees.....	1.2	-14.5	-68.8	7,812.3	
87	Wage and salary accruals.....	3.8	2.8	-32.9	6,355.7	
88	Government.....	-0.2	2.4	7.4	1,075.2	New BLS Quarterly Census of Employment and Wages (QCEW) data for 2007.
89	Other.....	4.0	0.4	-40.3	5,280.5	Revised BLS QCEW data for 2005–2007; state governments data and trade source data on bonus payments for 2006 and 2007.
90	Supplements to wages and salaries.....	-2.7	-17.3	-35.9	1,456.6	
91	Employer contributions for employee pension and insurance funds.....	-1.7	-13.9	-24.9	991.9	New Department of Labor pension data for 2005; revised Pension Benefit Guaranty Corporation (PBGC) data for 2005; new PBGC data for 2006; new corporate financial data for 2007; new DHHS Medical Expenditure Panel Survey data for 2006.
92	Employer contributions for government social insurance.....	-1.0	-3.3	-11.1	464.7	See entries under "Personal income."
93	Proprietors' income with IVA and CCAdj.....	-10.1	8.0	13.6	1,056.2	
94	Farm.....	3.3	-3.2	7.8	44.0	
	Of which:					
95	Proprietors' income with IVA.....	3.4	-3.1	8.8	51.5	Revised U.S. Department of Agriculture (USDA) data for 2005 and 2006; new USDA data for 2007; revised BEA depreciation estimates for 2005–2007.
96	Nonfarm.....	-13.4	11.2	5.8	1,012.2	
	Of which:					
97	Proprietors' income.....	-13.9	3.7	-8.3	893.5	New IRS tabulations of sole proprietorship and partnership tax return data for 2006.
98	CCAdj.....	0.3	7.3	14.6	125.5	Capital consumption allowances: New IRS tabulations of sole proprietorship and partnership tax return data for 2006. Consumption of fixed capital: Revised BEA fixed investment and price estimates for 2005–2007.
99	Rental income of persons with CCAdj.....	-2.0	-10.2	-25.4	40.0	
	Of which:					
100	Rental income of persons.....	-1.9	-9.7	-24.7	56.8	Revised FRB flow of funds accounts residential mortgage loans liabilities data for 2005–2007; new Current Population Survey/Housing Vacancy Survey data on owner- and tenant-occupied units for 2007; revised IRS tabulations of individual tax return data for 2005; revised IRS tabulations of corporate tax return data for 2005; new IRS corporate tax return data for 2006; new Federal National Mortgage Corporation mortgage originations data for 2006; new Department of Housing and Urban Development (HUD) data on average closing costs for 2007; new Census data on expenditures for residential improvements and repairs for 2007; revised and new farm housing output and expenses based on Economic Research Service 2008 Farm Income Forecast; new 2006 and revised 2005 A.M. Best data on insurance premiums, losses, and net investment gains and losses and A.M. Best 2007 forecast of net premiums written for homeowners insurance and investment gains for personal lines of insurance; new Louisiana "Road Home" expenditures for 2007; new Mississippi "Homeowner Assistance Program" expenditures for 2007.

See the footnotes and abbreviations at the end of the table 7.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data—Continues

Line	NIPA Component	Billions of dollars			Revised 2007 level	Major source data incorporated ¹
		Revision in level				
		2005	2006	2007		
101	Corporate profits with IVA and CCAAdj	75.1	114.8	47.2	1,642.4	
102	Profits before tax without IVA and CCAAdj.....	41.0	67.9	9.6	1,886.3	Revised IRS tabulations of corporate tax return data for 2005; new IRS tabulations for 2006; regulatory agency and public financial reports profits data for 2007.
103	Domestic industries.....	19.7	57.7	2.5	1,541.6	
104	Financial.....	1.7	-26.5	-48.6	449.9	
105	Nonfinancial.....	18.1	84.2	51.1	1,091.7	
106	Rest of the world.....	21.2	10.2	7.1	344.7	
107	Less: Taxes on corporate income.....	20.8	15.0	-16.2	450.4	
108	Equals: Profits after tax.....	20.2	52.9	25.8	1,435.9	
109	Domestic industries.....	-1.1	42.7	18.7	1,091.2	
110	Rest of the world.....	21.2	10.2	7.1	344.7	Revised BEA international transactions accounts estimates for 2005-2007.
111	Less: Net corporate dividend payments, NIPAs.....	-24.0	3.2	-6.5	788.7	
112	Domestic industries.....	-29.0	5.7	11.6	671.1	
113	Rest of the world.....	5.1	-2.5	-18.0	117.6	
114	Equals: Undistributed corporate profits.....	44.2	49.7	32.4	647.3	
115	Domestic industries.....	27.9	37.0	7.2	420.2	
116	Rest of the world.....	16.3	12.7	25.2	227.1	
117	IVA.....	-1.6	-3.2	-5.0	-51.2	
118	CCAAdj.....	35.8	50.1	42.6	-192.7	Capital consumption allowances: Revised IRS tabulations of corporate tax return data for 2005; new IRS tabulations for 2006. Consumption of fixed capital: Revised BEA fixed investment and price estimates for 2005-2007.
119	Net interest and miscellaneous payments	11.1	32.7	61.8	664.4	
	<i>Of which:</i>					
120	Net interest ³	10.7	31.9	60.0	644.4	
121	Monetary interest paid.....	117.7	298.7	.....	4,237.2	
	<i>Of which:</i>					
122	Domestic business.....	118.3	280.2	.....	2,605.1	Revised IRS tabulations of corporate tax return data for 2005; new IRS tabulations for 2006; new IRS tabulations of sole proprietorship and partnership tax return data for 2006; revised FRB flow of funds residential mortgage liabilities data and nonfinancial corporate liabilities data for 2005 and 2006; new FRB data for 2007; revised USDA data on interest paid by farmers for 2005 and 2006; new USDA data for 2007; new Federal Deposit Insurance Corporation data, Credit Union National Association data, Office of Thrift Supervision data, and trade source data on investment companies for 2007.
	<i>Of which:</i>					
123	Financial corporations.....	61.1	180.2	.....	1,523.1	
124	Nonfinancial corporations.....	43.5	48.8	.....	612.9	
125	Sole proprietorships and partnerships.....	14.1	51.4	.....	384.5	
126	Persons.....	-3.1	-3.2	.....	288.2	Revised FRB consumer credit data for 2007; revised FRB interest rate data for 2005-2007; new regulatory data for 2007.
127	Rest of the world.....	4.1	13.1	.....	344.9	
128	Less: Monetary interest received.....	117.7	298.7	.....	4,237.2	Revised IRS tabulations of corporate tax return data for 2005; new IRS tabulations for 2006; new IRS tabulations for sole proprietorship and partnership tax return data for 2006; revised FRB flow of funds nonfinancial corporate assets data for 2005 and 2006; new FRB data for 2007; new Federal Deposit Insurance Corporation data, Credit Union National Association data, Office of Thrift Supervision data, and trade source data on investment companies for 2007.
129	Domestic business.....	107.8	284.9	.....	2,815.8	
	<i>Of which:</i>					
130	Financial corporations.....	83.9	234.1	.....	2,293.2	
131	Nonfinancial corporations.....	24.0	15.5	.....	366.1	
132	Financial sole proprietorships and partnerships.....	0.0	35.3	.....	156.5	
133	Persons.....	5.1	2.0	.....	748.9	
134	Government.....	3.9	7.7	.....	99.6	
	<i>Of which:</i>					
135	State and local.....	4.4	6.6	.....	78.4	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006.
136	Rest of the world.....	1.0	4.2	.....	572.8	
137	Plus: Imputed interest paid.....	-2.0	24.0	.....	373.9	
	<i>Of which:</i>					
138	Depositor and insurance services (paid by domestic financial corporate business).....	-2.1	24.6	.....	536.5	Revised FRB <i>Call Report</i> data on commercial banks for 2005-2007; new trade source data on property insurance companies for 2006; new trade source data on other financial intermediaries for 2007.
	<i>Of which:</i>					
139	Life insurance carriers.....	0.1	25.3	.....	248.0	New trade source data on investment income of life insurance carriers for 2006; revised FRB flow of funds asset data on life insurance companies for 2005 and 2006; new FRB data for 2007.

See the footnotes and abbreviations at the end of the table 7.

Current-Dollar NIPA Measures

Table 7. NIPA Revisions: Selected Components Detail and Major Source Data—Table Ends

Line	NIPA Component	Billions of dollars			Revised 2007 level	Major source data incorporated ¹
		Revision in level				
		2005	2006	2007		
140	Less: Imputed interest received.....	-2.0	24.0	.....	373.9	
	Of which:					
141	Depositor and insurance services.....	-2.1	26.4	.....	543.2	Revised FRB flow of funds asset data for 2005 and 2006; new FRB data for 2007.
	Of which:					
142	Persons	-1.9	23.2	.....	464.3	
	Of which:					
143	From life insurance carriers.....	0.1	25.3	.....	248.0	
144	Taxes on production and imports	6.6	8.9	7.0	1,015.5	
	Of which:					
145	State and local	6.4	9.4	9.2	917.8	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006.
146	Less: Subsidies	0.8	0.0	5.2	52.3	
	Of which:					
147	State and local	0.0	0.0	6.7	7.1	New Louisiana "Road Home" expenditures for 2007; new Mississippi "Homeowner Assistance Program" expenditures for 2007.
148	Business current transfer payments (net)	3.5	-4.8	6.0	100.2	
	Of which:					
149	To the rest of the world (net)	1.2	0.0	6.7	6.9	Revised BEA international transactions accounts estimates for 2005–2007.
150	Current surplus of government enterprises	1.7	5.3	6.6	-7.9	
	Of which:					
151	State and local	2.0	5.7	6.5	-5.7	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006.
	Addenda:					
152	Gross national product	12.5	3.9	-27.1	13,910.0	
153	Gross saving	109.6	171.6	96.0	1,956.0	
154	Personal income	-31.3	10.5	-2.4	11,663.2	See entries under "National Income" and additional sources below.
155	Compensation of employees, received	1.2	-8.2	-40.0	7,818.6	
156	Proprietors' income with IVA and CCAAdj.....	-10.1	8.0	13.6	1,056.2	
157	Rental income of persons with CCAAdj	-2.0	-10.2	-25.4	40.0	
158	Personal income receipts on assets	-20.9	28.3	52.9	2,000.1	
159	Personal interest income.....	3.1	25.2	59.6	1,214.3	See entries under "Net interest."
160	Personal dividend income	-24.0	3.1	-6.7	785.8	Revised IRS tabulations of corporate tax return data for 2005; new IRS tabulations for 2006; regulatory agency and public financial statements data on dividends for 2007; revised BEA international transactions accounts estimates for 2005–2007.
161	Personal current transfer receipts	0.0	-9.5	-18.4	1,713.3	
	Of which:					
162	Government social benefits.....	-1.2	-7.2	-22.4	1,681.4	
	Of which:					
163	Federal.....	-0.8	-7.5	-20.1	1,250.6	Revised allocations of FY 2006 Federal budget data for 2005 and 2006; revised FY 2007 Federal budget data for 2006 and 2007; preliminary FY 2008 Federal budget data for 2007; new Centers for Medicare and Medicaid Services tabulations of Medicare payments for 2005–2007; new Treasury Department data for 2007; new Department of Labor data on unemployment benefits for 2007.
164	Less: Contributions for government social insurance	-0.5	-2.1	-14.8	965.1	
	Of which:					
165	Federal	0.7	0.8	-11.6	942.3	Revised Social Security Administration (SSA) data on taxable wages for 2005 and 2006; new SSA data for 2007.
166	Less: Personal current taxes	-1.3	-1.1	9.1	1,492.8	
	Of which:					
167	State and local	0.4	2.1	5.0	325.4	Revised Census Bureau government finances FY 2005 tabulations for 2005; new government finances FY 2006 tabulations for 2005 and 2006.
168	Equals: Disposable personal income.....	-30.0	11.6	-11.4	10,170.5	
169	Less: Personal outlays.....	-17.9	-20.3	-21.0	10,113.1	
	Of which:					
170	Personal consumption expenditures	-13.7	-17.3	-24.0	9,710.2	See entries under "Personal consumption expenditures."
171	Equals: Personal saving	-12.1	31.9	9.6	57.4	

1. In these descriptions, "new" indicates this is the first time that data from the specific source are being incorporated into the component estimate for the given year, and "revised" indicates that data from the specific source were incorporated previously and now revised data from that source are being incorporated.

2. The statistical discrepancy is gross domestic product (GDP) less gross domestic income (GDI); it is also the difference between gross national product (GNP) and gross national income (GNI), which is GDI plus net income receipts from the rest of the world. The statistical discrepancy arises because the product-side measures of GDP and GNP are estimated independently from the income-side measures of GDI and GNI.

3. Net interest is the sum of monetary interest paid by domestic business and by the rest of the world and imputed interest paid by domestic financial corporate business, less monetary interest received by domestic business and by the rest of the world and imputed interest received by domestic business and by the rest of the world.

BEA Bureau of Economic Analysis
 BLS Bureau of Labor Statistics
 CCAAdj Capital consumption adjustment
 DHHS Department of Health and Human Services
 EIA Energy Information Administration
 FRB Federal Reserve Board
 FY Fiscal year
 IRS Internal Revenue Service
 IVA Inventory valuation adjustment
 USDA U.S. Department of Agriculture

Income Measures

Table 8. Revisions to National Income and Gross National Domestic Product
[Billions of dollars]

	2004	2005		
		Previously published	Revised	Revision
National income	10,306.8	10,887.6	10,974.0	86.4
Compensation of employees.....	6,656.4	7,029.6	7,030.8	1.2
Wage and salary accruals.....	5,379.5	5,672.9	5,676.7	3.8
Supplements to wages and salaries.....	1,276.9	1,356.8	1,354.1	-2.7
Proprietors' income with IVA and CCAAdj.....	911.6	969.9	959.8	-10.1
Farm.....	37.3	30.8	34.1	3.3
Nonfarm.....	874.3	939.1	925.7	-13.4
Rental income of persons with CCAAdj.....	118.4	42.9	40.9	-2.0
Corporate profits with IVA and CCAAdj.....	1,231.2	1,372.8	1,447.9	75.1
Net interest and miscellaneous payments.....	491.2	558.0	569.1	11.1
Taxes on production and imports.....	863.8	921.6	928.2	6.6
Less: Subsidies.....	44.6	58.5	59.3	0.8
Business current transfer payments (net).....	83.0	66.5	70.0	3.5
Current surplus of government enterprises.....	-4.2	-15.1	-13.4	1.7
Plus: Consumption of fixed capital.....	1,436.1	1,609.5	1,612.0	2.5
Plus: Statistical discrepancy ¹	19.1	5.4	-71.2	-76.6
Equals: Gross national product	11,762.1	12,502.4	12,514.9	12.5
Less: Income receipts from the rest of the world.....	437.5	544.1	573.5	29.4
Plus: Income payments to the rest of the world.....	361.3	475.6	480.5	4.9
Equals: Gross domestic product	11,685.9	12,433.9	12,421.9	-12.0
Addendum:				
Gross domestic income.....	11,666.8	12,428.6	12,493.0	64.4

	2005	2006		
		Previously published	Revised	Revision
National income	10,974.0	11,655.6	11,795.7	140.1
Compensation of employees.....	7,030.8	7,448.3	7,433.8	-14.5
Wage and salary accruals.....	5,676.7	6,025.7	6,028.5	2.8
Supplements to wages and salaries.....	1,354.1	1,422.6	1,405.3	-17.3
Proprietors' income with IVA and CCAAdj.....	959.8	1,006.7	1,014.7	8.0
Farm.....	34.1	19.4	16.2	-3.2
Nonfarm.....	925.7	987.4	998.6	11.2
Rental income of persons with CCAAdj.....	40.9	54.5	44.3	-10.2
Corporate profits with IVA and CCAAdj.....	1,447.9	1,553.7	1,668.5	114.8
Net interest and miscellaneous payments.....	569.1	598.5	631.2	32.7
Taxes on production and imports.....	928.2	967.3	976.2	8.9
Less: Subsidies.....	59.3	49.7	49.7	0.0
Business current transfer payments (net).....	70.0	90.2	85.4	-4.8
Current surplus of government enterprises.....	-13.4	-13.9	-8.6	5.3
Plus: Consumption of fixed capital.....	1,612.0	1,615.2	1,623.9	8.7
Plus: Statistical discrepancy ¹	-71.2	-18.1	-163.0	-144.9
Equals: Gross national product	12,514.9	13,252.7	13,256.6	3.9
Less: Income receipts from the rest of the world.....	573.5	691.4	725.4	34.0
Plus: Income payments to the rest of the world.....	480.5	633.4	647.1	13.7
Equals: Gross domestic product	12,421.9	13,194.7	13,178.4	-16.3
Addendum:				
Gross domestic income.....	12,493.0	13,212.8	13,341.4	128.6

	2006	2007		
		Previously published	Revised	Revision
National income	11,795.7	12,228.0	12,270.9	42.9
Compensation of employees.....	7,433.8	7,881.1	7,812.3	-68.8
Wage and salary accruals.....	6,028.5	6,388.6	6,355.7	-32.9
Supplements to wages and salaries.....	1,405.3	1,492.5	1,456.6	-35.9
Proprietors' income with IVA and CCAAdj.....	1,014.7	1,042.6	1,056.2	13.6
Farm.....	16.2	36.2	44.0	7.8
Nonfarm.....	998.6	1,006.4	1,012.2	5.8
Rental income of persons with CCAAdj.....	44.3	65.4	40.0	-25.4
Corporate profits with IVA and CCAAdj.....	1,668.5	1,595.2	1,642.4	47.2
Net interest and miscellaneous payments.....	631.2	602.6	664.4	61.8
Taxes on production and imports.....	976.2	1,008.5	1,015.5	7.0
Less: Subsidies.....	49.7	47.1	52.3	5.2
Business current transfer payments (net).....	85.4	94.2	100.2	6.0
Current surplus of government enterprises.....	-8.6	-14.5	-7.9	6.6
Plus: Consumption of fixed capital.....	1,623.9	1,686.6	1,720.5	33.9
Plus: Statistical discrepancy ¹	-163.0	22.4	-81.4	-103.8
Equals: Gross national product	13,256.6	13,937.1	13,910.0	-27.1
Less: Income receipts from the rest of the world.....	725.4	817.5	861.7	44.2
Plus: Income payments to the rest of the world.....	647.1	721.8	759.3	37.5
Equals: Gross domestic product	13,178.4	13,841.3	13,807.5	-33.8
Addendum:				
Gross domestic income.....	13,341.4	13,818.9	13,889.0	70.1

For 2005–2007, two broad income measures, gross domestic income (GDI) and national income, were revised up.

For 2005, the revision to national income reflects a large upward revision to corporate profits with inventory valuation adjustment (IVA) and capital consumption adjustment (CCAAdj) and a smaller upward revision to net interest and miscellaneous payments (that is, net interest paid by domestic private enterprises and rents and royalties paid by private enterprises to government) that were partly offset by a downward revision to nonfarm proprietors' income.

The statistical discrepancy, the difference between GDI and GDP, was revised down from less than 0.1 percent of GDP to -0.6 percent of GDP.

For 2006, the revision to national income reflects large upward revisions to corporate profits with IVA and CCAAdj and to net interest and miscellaneous payments that were partly offset by downward revisions to supplements to wages and salaries and to rental income of persons with CCAAdj.

The statistical discrepancy was revised down from -0.1 percent of GDP to -1.2 percent of GDP.

For 2007, the revision to national income reflects large upward revisions to net interest and miscellaneous payments and to corporate profits with IVA and CCAAdj that were partly offset by large downward revisions to compensation of employees and to rental income of persons with CCAAdj.

The statistical discrepancy was revised down from 0.2 percent of GDP to -0.6 percent of GDP.

1. See the box "The Statistical Discrepancy" in Robert P. Parker and Eugene P. Seskin, "Annual Revision of the National Income and Product Accounts," SURVEY 77 (August 1997): 19.
CCAAdj Capital consumption adjustment
IVA Inventory valuation adjustment

Methodology Changes

Changes in methodology this year include the following.¹

Motor vehicle valuation. Beginning with estimates for the first quarter of 2005, the values of unit sales and inventory change for new domestic and foreign autos now incorporate more detailed and comprehensive model-year data on transactions prices from J.D. Power. During a calendar year, the new autos and trucks sold usually include vehicles for the preceding, current, and next model year. The improved estimates now incorporate average price data for all three model years. Previously, the price data for valuing new domestic autos were based on a two-model-year split from a large auto manufacturer that was then applied to other manufacturers.² The price data for valuing new foreign autos were based only on the one-model year corresponding to the calendar year. The improved procedure is now consistent with the methodology used to value new domestic and foreign light trucks.

Airline prices. The price index used for deflating consumer purchases of domestic airline services has been changed to an improved BLS producer price index (PPI) for domestic scheduled passenger air transportation. Similarly, the price index used for deflating international airline services purchased by U.S. residents from U.S. carriers is now an improved PPI for international scheduled passenger air transportation. Previously, domestic airline services expenditures were deflated using data on cents per revenue passenger mile for domestic carriers from the Air Transport Association of America, and the expenditures for international airline services on U.S. carriers were deflated using the BLS import air passenger fares index. The improved PPIs reflect a methodology that captures average revenue per passenger for all passengers and fare codes from an origin to a destination; previously, the price indexes reflected only a single fare code from an origin to a destination. The improved PPIs also capture all Internet pricing, include frequent flyer mile tickets, and include pricing from all distribution channels, making them more consistent with the current-dollar expenditures series that are being deflated.

Scanner data. Within personal consumption expenditures (PCE) for goods, estimates of the composition of goods bought at grocery stores are now based on point-of-sale retail scanner data from trade sources. This method captures the variation in the composition of goods sold by grocery stores (mainly food and beverage items) and alters the composition of commodities in PCE goods. Previously, the composition of PCE for food and beverage items was

adjusted annually using BLS consumer expenditure survey (CES) data. However, the CES data are not available by industry (only by commodity) and are only available during annual revisions with a 1-year lag. The value of total sales of grocery stores continues to be based on the Census Bureau's monthly and annual surveys of retail trade by industry.

Quarterly consumption of fixed capital. The estimates of quarterly private consumption of fixed capital (CFC) are now calculated using the perpetual inventory method (PIM) at a much more detailed level than previously calculated.³ Detailed quarterly real private fixed investment by type of asset is now apportioned to detailed industries and legal form of ownership (LFO) using implied ratios from the most recent year's fixed assets accounts. After applying the PIM at the detailed level by industry, by LFO, and by type of asset, the resulting real depreciation estimates are reflat to current-cost CFC estimates using detailed NIPA price indexes for private fixed investment by type of asset. These detailed private CFC estimates are then aggregated to total private CFC by LFO. Previously, private CFC was calculated by apportioning real private fixed investment for all asset types combined to LFO using implied ratios from the most recent year's fixed assets accounts, and the PIM was applied at the LFO level using implied depreciation rates also calculated from the most recent year's fixed assets accounts. The resulting estimates were then reflat to current-cost estimates using an aggregate price index for total private fixed investment. Because the new method makes full use of detailed NIPA quarterly private fixed investment by type of asset, the current quarterly estimates of CFC will more accurately reflect each LFO's asset-type composition. For example, CFC for "households and institutions" will more accurately reflect the composition of assets owned by households and institutions (that is, primarily residential structures) as opposed to reflecting investment in not only residential structures, but also in nonresidential structures and in equipment and software. This will reduce the size of revisions for the most recent year and for the quarterly estimates of private CFC during annual revisions.

New nonresidential building prices. As part of the 2006 annual revision, BEA began incorporating price data from BLS's nonresidential building construction initiative into its estimates of nonresidential structures. With the estimates for the first quarter of 2008, BEA is now incorporating the newly available price index for new industrial building construction into its estimates of manufacturing structures.

1. These changes update the information that was published in "Updated Summary NIPA Methodologies" in the November 2007 SURVEY and that will be updated in the November 2008 SURVEY.

2. Specifically, for January–July, the current and preceding model years were used; for August–December, the current and next model years were used.

3. For information on the perpetual inventory method, see Bureau of Economic Analysis, *Fixed Assets and Consumer Durable Goods in the United States, 1925–99* (Washington, DC: U.S. Government Printing Office, September 2003) at <www.bea.gov/national/pdf/Fixed_Assets_1925_97.pdf>.

Source Data

Source Data Incorporated in the 2008 Annual Revision

The annual revision incorporated data from a variety of sources: Census Bureau annual surveys of manufactures, of merchant wholesale trade, and of retail trade for 2005 (revised) and 2006 (preliminary) and revised monthly indicators of manufactures, of merchant wholesale trade, and of retail trade for 2005–2007; Census Bureau annual survey of services for 2005 and 2006 (revised) and 2007 (preliminary); Census Bureau annual surveys of state and local government finances for 2004 and 2005 (revised) and 2006 (preliminary); Census Bureau monthly survey of construction spending (value put in place) for 2006 and 2007

(revised); Census Bureau quarterly survey of services for 2005–2007 (revised); Census Bureau current population survey/housing vacancy survey for 2007; federal government budget data for fiscal years 2007 and 2008; Internal Revenue Service tabulations of tax returns for corporations for 2005 (revised) and 2006 (preliminary) and for sole proprietorships and partnerships for 2006; Bureau of Labor Statistics quarterly census of employment and wages for 2005–2007 (revised); Department of Agriculture farm statistics for 2005–2007 (revised); and BEA's international transactions accounts for 2005–2007 (revised).

Discontinuities in NIPA Foreign Transactions

The revisions to net exports of goods and services reflect the annual revision to Bureau of Economic Analysis international transactions accounts, which incorporated new and updated source data.¹

The revisions to the international transactions accounts for 2005–2007 were incorporated into the accounts at their

“best level.” As a result, there are small discontinuities between the estimates for 2004 and those for 2005 in the national income and product accounts (NIPAs) (table A). For current-dollar net exports of goods and services (and for current-dollar gross domestic product), the change from 2004–2005 was overstated by \$4.4 billion. (The revisions to the international transactions accounts for years before 2005 will be incorporated in the next comprehensive NIPA revision.)

1. See Christopher L. Bach, “Annual Revision of the U.S. International Accounts, 1974–2007,” SURVEY 88 (July 2008): 36–52.

Table A. Discontinuities in NIPA Foreign Transactions, 2004–2005

[Billions of dollars]

	2004			2005	Change from 2004 to 2005	
	Published	Dis-continuity ¹	Adjusted	Revised	Published	Adjusted
Net exports of goods and services	-615.4	4.4	-611.0	-713.6	-98.2	-102.6
Exports	1,182.4	3.3	1,185.7	1,311.5	129.1	125.8
Goods	818.3	0.0	818.3	908.4	90.1	90.1
Services	364.1	3.3	367.4	403.1	39.0	35.7
Imports	1,797.8	-1.0	1,796.8	2,025.1	227.3	228.3
Goods	1,499.5	0.0	1,499.5	1,705.3	205.8	205.8
Services	298.3	-1.0	297.3	319.8	21.5	22.5
Net receipts of income	76.2	10.9	87.1	93.0	16.8	5.9
Income receipts	437.5	11.5	449.0	573.5	136.0	124.5
Wage and salary receipts	2.8	0.0	2.8	2.9	0.1	0.1
Income receipts on assets	434.7	11.5	446.2	570.6	135.9	124.4
Interest	118.3	-0.3	118.0	186.5	68.2	68.5
Dividends	121.1	14.5	135.6	363.3	242.2	227.7
Reinvested earnings of U.S. direct investment abroad	195.3	-2.8	192.5	20.7	-174.6	-171.8
Income payments	361.3	0.7	362.0	480.5	119.2	118.5
Wage and salary payments	9.0	0.0	9.0	9.3	0.3	0.3
Income payments on assets	352.3	0.7	353.0	471.2	118.9	118.2
Interest	229.4	0.5	229.9	326.6	97.2	96.7
Dividends	73.3	0.0	73.3	102.5	29.2	29.2
Reinvested earnings of foreign direct investment in the United States	49.7	0.2	49.9	42.1	-7.6	-7.8
Current taxes and transfer payments to the rest of the world (net)	84.9	0.1	85.0	90.3	5.4	5.3
Addenda:						
Gross domestic product	11,685.9	4.4	11,690.3	12,421.9	736.0	731.6
Gross national product	11,762.1	15.2	11,777.3	12,514.9	752.8	737.6

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

Data Availability and Acknowledgments

Data Availability

An extensive set of estimates is presented in “National Income and Product Accounts” in this issue. These estimates and annual estimates for 1929 forward and quarterly estimates for 1947 forward are available at <www.bea.gov>.

Selected revised NIPA estimates and related estimates will be published in upcoming issues of the SURVEY. The September SURVEY will present the following NIPA tables: tables 3.15–3.17 (government spending by function), table 5.9 (which shows the changes in the net stock of produced assets), table 7.15 (which shows the relationship between net farm income in the NIPAs and net farm income from the USDA). It will also present new estimates of fixed assets and consumer durable goods for 2007 and revised estimates for 2005 and 2006.

The October SURVEY will present NIPA tables 3.18 and 3.19 (government-sector reconciliation tables), tables 3.20 and 3.21 (state government and local government current receipts and expenditures), and tables 8.3 and 8.4 (seasonally unadjusted estimates of federal and state and local cur-

rent receipts and expenditures). It will also present revised real inventories, sales, and inventory-sales ratios for manufacturing and trade for the first quarter of 2005 to the first quarter of 2008. Also, revised estimates of state personal income that incorporate this annual revision will be presented.

The November SURVEY will feature the “Updated Summary NIPA Methodologies,” which lists the principal source data and estimating methods that are used in preparing the current-dollar and real estimates of GDP. In addition, NIPA table 2.9 (personal income by households and by nonprofit institutions serving households) and table 7.20 (nonprofits reconciliation table) will be presented.

The December SURVEY will include updated estimates from the annual industry accounts. As previously announced, due to the fiscal year 2008 federal budget, BEA will not provide updated estimates for seasonally unadjusted tables 8.1, 8.2, 8.5, and 8.6 or for the comparison of personal income with adjusted gross income in table 7.19.

Acknowledgments

Carol E. Moylan, Chief of the National Income and Wealth Division, supervised the preparation of this year’s annual revision of the national income and product accounts. Brian C. Moyer, former Chief of the Government Division, directed major parts of the revision. Brent R. Moulton, Associate Director for National Economic Accounts, provided overall supervision. David F. Sullivan—together with Charles Ian Mead, Robert J. Kornfeld, and Virginia H. Mannering—coordinated and conducted the estimation and review process.

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Appendix A

Revisions to the National Income and Product Accounts—Continues

[Billions of dollars]

	2005		2006		2007	
	Revised	Revision	Revised	Revision	Revised	Revision
Account 1. Domestic Income and Product Account						
Compensation of employees, paid	7,037.2	1.2	7,440.4	-14.4	7,819.4	-68.8
Wage and salary accruals	5,683.1	3.8	6,035.1	2.9	6,362.8	-32.9
Disbursements	5,678.1	3.8	6,033.9	9.2	6,369.0	-4.2
Wage accruals less disbursements	5.0	0.0	1.3	-6.2	-6.3	-28.8
Supplements to wages and salaries	1,354.1	-2.7	1,405.3	-17.3	1,456.6	-35.9
Taxes on production and imports	928.2	6.6	976.2	8.9	1,015.5	7.0
Less: Subsidies	59.3	0.8	49.7	0.0	52.3	5.2
Net operating surplus	2,974.9	54.9	3,350.6	125.3	3,386.0	103.3
Private enterprises	2,988.3	53.2	3,359.2	120.0	3,393.9	96.7
Current surplus of government enterprises	-13.4	1.7	-8.6	5.3	-7.9	6.6
Consumption of fixed capital	1,612.0	2.5	1,623.9	8.7	1,720.5	33.9
Gross domestic income	12,493.0	64.4	13,341.4	128.6	13,889.0	70.1
Statistical discrepancy	-71.2	-76.6	-163.0	-144.9	-81.4	-103.8
GROSS DOMESTIC PRODUCT	12,421.9	-12.0	13,178.4	-16.3	13,807.5	-33.8
Personal consumption expenditures	8,694.1	-13.7	9,207.2	-17.3	9,710.2	-24.0
Durable goods	1,020.8	-3.1	1,052.1	3.2	1,082.8	4.6
Nondurable goods	2,514.1	-2.1	2,685.2	-2.8	2,833.0	-0.2
Services	5,159.2	-8.6	5,469.9	-17.7	5,794.4	-28.4
Gross private domestic investment	2,086.1	8.9	2,220.4	11.2	2,130.4	5.0
Fixed investment	2,042.8	2.5	2,171.1	8.6	2,134.0	11.6
Nonresidential	1,273.1	1.0	1,414.1	16.4	1,503.8	22.0
Structures	337.6	3.0	410.4	5.3	480.3	8.2
Equipment and software	935.5	-2.0	1,003.7	11.1	1,023.5	13.8
Residential	769.6	1.4	757.0	-7.8	630.2	-10.5
Change in private inventories	43.3	6.4	49.3	2.6	-3.6	-6.5
Net exports of goods and services	-713.6	1.0	-757.3	4.7	-707.8	0.2
Exports	1,311.5	2.1	1,480.8	13.2	1,662.4	19.4
Imports	2,025.1	1.2	2,238.1	8.5	2,370.2	19.2
Government consumption expenditures and gross investment	2,355.3	-8.1	2,508.1	-14.9	2,674.8	-15.0
Federal	875.5	-2.9	932.2	-0.3	979.3	3.3
National defense	588.1	-0.6	624.1	-0.2	662.2	2.1
Nondefense	287.4	-2.4	308.0	-0.2	317.1	1.2
State and local	1,479.8	-5.2	1,575.9	-14.6	1,695.5	-18.3
GROSS DOMESTIC PRODUCT	12,421.9	-12.0	13,178.4	-16.3	13,807.5	-33.8
Account 2. Private Enterprise Income Account						
Income payments on assets	2,755.0	119.7	3,425.8	316.5	3,769.6	.....
Interest and miscellaneous payments	2,610.4	115.7	3,254.4	307.6	3,605.0	.....
Dividend payments to the rest of the world	102.5	10.0	102.2	10.8	95.6	33.2
Reinvested earnings on foreign direct investment in the United States	42.1	-6.0	69.2	-1.9	68.9	-22.1
Business current transfer payments (net)	70.0	3.5	85.4	-4.8	100.2	6.0
To persons (net)	38.8	1.2	24.9	-2.3	31.9	4.0
To government (net)	31.8	1.1	57.9	-2.7	61.4	-4.8
To the rest of the world (net)	-0.6	1.2	2.5	0.0	6.9	6.7
Proprietors' income with inventory valuation and capital consumption adjustments	959.8	-10.1	1,014.7	8.0	1,056.2	13.6
Rental income of persons with capital consumption adjustment	40.9	-2.0	44.3	-10.2	40.0	-25.4
Corporate profits with inventory valuation and capital consumption adjustments	1,447.9	75.1	1,668.5	114.8	1,642.4	47.2
Taxes on corporate income	413.7	20.8	468.9	15.0	450.4	-16.2
To government	397.2	20.7	449.7	14.2	426.3	-18.2
To the rest of the world	16.5	0.1	19.3	0.9	24.1	2.0
Profits after tax with inventory valuation and capital consumption adjustments	1,034.2	54.3	1,199.6	99.8	1,192.0	63.4
Net dividends	577.4	-24.0	702.1	3.2	788.7	-6.5
Undistributed corporate profits with inventory valuation and capital consumption adjustments	456.9	78.3	497.5	96.6	403.4	69.9
USES OF PRIVATE ENTERPRISE INCOME	5,273.6	186.3	6,238.7	424.2	6,608.5	.....
Net operating surplus	2,988.3	53.2	3,359.2	120.0	3,393.9	96.7
Income receipts on assets	2,285.3	133.1	2,879.5	304.2	3,214.6	.....
Interest	1,901.2	107.7	2,440.6	285.1	2,705.4	.....
Dividend receipts from the rest of the world	363.3	15.0	175.4	8.2	213.2	15.2
Reinvested earnings on U.S. direct investment abroad	20.7	10.3	263.5	10.9	296.0	3.0
SOURCES OF PRIVATE ENTERPRISE INCOME	5,273.6	186.3	6,238.7	424.2	6,608.5	.....
Account 3. Personal Income and Outlay Account						
Personal current taxes	1,207.8	-1.3	1,353.2	-1.1	1,492.8	9.1
Personal outlays	9,029.5	-17.9	9,570.0	-20.3	10,113.1	-21.0
Personal consumption expenditures	8,694.1	-13.7	9,207.2	-17.3	9,710.2	-24.0
Personal interest payments	215.0	-2.7	235.4	-2.6	265.4	2.6
Personal current transfer payments	120.4	-1.4	127.4	-0.4	137.5	0.4
To government	72.5	-2.0	76.2	-2.7	81.2	-4.9
To the rest of the world (net)	47.9	0.6	51.1	2.2	56.3	5.2
Personal saving	32.5	-12.1	70.7	31.9	57.4	9.6
PERSONAL TAXES, OUTLAYS, AND SAVING	10,269.8	-31.3	10,993.9	10.5	11,663.2	-2.4
Compensation of employees, received	7,025.8	1.2	7,432.6	-8.2	7,818.6	-40.0
Wage and salary disbursements	5,671.7	3.8	6,027.2	9.0	6,362.0	-4.1
Domestic	5,668.8	3.8	6,024.4	9.0	6,359.0	-4.1
Rest of the world	2.9	0.0	2.9	0.0	3.0	0.0
Supplements to wages and salaries	1,354.1	-2.7	1,405.3	-17.3	1,456.6	-35.9
Employer contributions for employee pension and insurance funds	926.0	-1.7	956.8	-13.9	991.9	-24.9
Employer contributions for government social insurance	428.1	-1.0	448.5	-3.3	464.7	-11.1
Proprietors' income with inventory valuation and capital consumption adjustments	959.8	-10.1	1,014.7	8.0	1,056.2	13.6
Rental income of persons with capital consumption adjustment	40.9	-2.0	44.3	-10.2	40.0	-25.4
Personal income receipts on assets	1,596.9	-20.9	1,824.8	28.3	2,000.1	52.9
Personal interest income	1,022.0	3.1	1,125.4	25.2	1,214.3	59.6
Personal dividend income	574.9	-24.0	699.4	3.1	785.8	-6.7
Personal current transfer receipts	1,520.7	0.0	1,603.0	-9.5	1,713.3	-18.4
Government social benefits	1,481.9	-1.2	1,578.1	-7.2	1,681.4	-22.4
From business (net)	38.8	1.2	24.9	-2.3	31.9	4.0
Less: Contributions for government social insurance	874.3	-0.5	925.5	-2.1	965.1	-14.8
PERSONAL INCOME	10,269.8	-31.3	10,993.9	10.5	11,663.2	-2.4

Appendix A

Revisions to the National Income and Product Accounts—Table Ends

[Billions of dollars]

	2005		2006		2007	
	Revised	Revision	Revised	Revision	Revised	Revision
Account 4. Government Receipts and Expenditures Account						
Consumption expenditures.....	1,957.5	-8.2	2,081.5	-7.8	2,212.0	-9.9
Current transfer payments.....	1,520.5	-1.2	1,611.0	-7.3	1,721.3	-21.1
Government social benefits.....	1,485.0	-1.2	1,581.4	-7.3	1,685.0	-22.4
To persons.....	1,481.9	-1.2	1,578.1	-7.2	1,681.4	-22.4
To the rest of the world.....	3.1	0.0	3.3	0.0	3.6	0.0
Other current transfer payments to the rest of the world (net).....	35.5	0.0	29.6	0.0	36.3	1.3
Interest payments.....	345.3	-0.9	376.5	3.6	411.1	9.8
Subsidies.....	59.3	0.8	49.7	0.0	52.3	5.2
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving.....	-262.2	40.9	-155.0	40.4	-218.9	11.4
Federal.....	-291.7	26.6	-201.1	18.9	-229.3	-10.8
State and local.....	29.5	14.3	46.2	21.6	10.4	22.2
GOVERNMENT CURRENT EXPENDITURES AND NET SAVING.....	3,620.4	31.3	3,963.8	29.0	4,177.8	-4.6
Current tax receipts.....	2,545.3	26.6	2,792.4	22.6	2,948.5	-1.6
Personal current taxes.....	1,207.8	-1.3	1,353.2	-1.1	1,492.8	9.1
Taxes on production and imports.....	928.2	6.6	976.2	8.9	1,015.5	7.0
Taxes on corporate income.....	397.2	20.7	449.7	14.2	426.3	-18.2
Taxes from the rest of the world.....	12.1	0.6	13.4	0.8	14.0	0.6
Contributions for government social insurance.....	874.3	-0.5	925.5	-2.1	965.1	-14.8
Income receipts on assets.....	109.8	4.2	120.4	8.5	129.5	14.9
Interest and miscellaneous receipts.....	107.4	4.3	117.7	8.4	126.6	14.7
Dividends.....	2.5	0.1	2.7	0.1	2.8	0.1
Current transfer receipts.....	104.3	-0.9	134.2	-5.3	142.6	-9.7
From business (net).....	31.8	1.1	57.9	-2.7	61.4	-4.8
From persons.....	72.5	-2.0	76.2	-2.7	81.2	-4.9
Current surplus of government enterprises.....	-13.4	1.7	-8.6	5.3	-7.9	6.6
GOVERNMENT CURRENT RECEIPTS.....	3,620.4	31.3	3,963.8	29.0	4,177.8	-4.6
Account 5. Foreign Transactions Current Account						
Exports of goods and services.....	1,311.5	2.1	1,480.8	13.2	1,662.4	19.4
Income receipts from the rest of the world.....	573.5	29.4	725.4	34.0	861.7	44.2
Wage and salary receipts.....	2.9	0.0	2.9	0.0	3.0	0.0
Income receipts on assets.....	570.6	29.4	722.5	33.9	858.8	44.3
Interest.....	186.5	4.0	283.6	14.8	349.6	26.1
Dividends.....	363.3	15.0	438.9	8.2	509.2	15.2
Reinvested earnings on U.S. direct investment abroad.....	20.7	10.3	263.5	10.9	296.0	3.0
CURRENT RECEIPTS FROM THE REST OF THE WORLD.....	1,885.0	31.5	2,206.1	47.1	2,524.1	63.6
Imports of goods and services.....	2,025.1	1.2	2,238.1	8.5	2,370.2	19.2
Income payments to the rest of the world.....	480.5	4.9	647.1	13.7	759.3	37.5
Wage and salary payments.....	9.3	0.0	9.5	0.1	10.0	0.0
Income payments on assets.....	471.2	4.9	637.6	13.6	749.3	37.6
Interest.....	326.6	0.9	466.2	4.7	584.8	26.5
Dividends.....	102.5	10.0	102.2	10.8	95.6	33.2
Reinvested earnings on foreign direct investment in the United States.....	42.1	-6.0	69.2	-1.9	68.9	-22.1
Current taxes and transfer payments to the rest of the world (net).....	90.3	1.3	92.5	2.4	113.2	14.7
From persons (net).....	47.9	0.6	51.1	2.2	56.3	5.2
From government (net).....	26.5	-0.6	19.6	-0.7	25.9	0.7
From business (net).....	15.9	1.3	21.8	0.9	31.0	8.8
Balance on current account, national income and product accounts.....	-710.9	24.2	-771.6	22.5	-718.6	-7.8
CURRENT PAYMENTS TO THE REST OF THE WORLD AND BALANCE ON CURRENT ACCOUNT.....	1,885.0	31.5	2,206.1	47.1	2,524.1	63.6
Account 6. Domestic Capital Account						
Gross domestic investment.....	2,483.9	8.9	2,647.0	4.1	2,593.2	-0.1
Private fixed investment.....	2,042.8	2.5	2,171.1	8.6	2,134.0	11.6
Government fixed investment.....	397.8	0.0	426.7	-7.1	462.8	-5.1
Change in private inventories.....	43.3	6.4	49.3	2.6	-3.6	-6.5
Capital account transactions (net).....	4.0	-0.1	3.9	0.0	1.8	0.2
Net lending or net borrowing (-), national income and product accounts.....	-714.9	24.2	-775.5	22.5	-720.4	-8.0
GROSS DOMESTIC INVESTMENT, CAPITAL ACCOUNT TRANSACTIONS, AND NET LENDING.....	1,773.0	33.1	1,875.5	26.7	1,874.6	-7.9
Net saving.....	232.2	107.1	414.5	162.8	235.6	62.2
Personal saving.....	32.5	-12.1	70.7	31.9	57.4	9.6
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	456.9	78.3	497.5	96.6	403.4	69.9
Wage accruals less disbursements (private).....	5.0	0.0	1.3	-6.2	-6.3	-28.8
Net government saving.....	-262.2	40.9	-155.0	40.4	-218.9	11.4
Plus: Consumption of fixed capital.....	1,612.0	2.5	1,623.9	8.7	1,720.5	33.9
Private.....	1,359.7	2.7	1,356.0	8.5	1,431.1	32.4
Government.....	252.3	-0.1	268.0	0.3	289.4	1.5
General government.....	207.5	0.0	223.7	0.1	241.4	0.8
Government enterprises.....	44.9	0.0	44.3	0.2	48.0	0.7
Equals: Gross saving.....	1,844.2	109.6	2,038.5	171.6	1,956.0	96.0
Statistical discrepancy.....	-71.2	-76.6	-163.0	-144.9	-81.4	-103.8
GROSS SAVING AND STATISTICAL DISCREPANCY.....	1,773.0	33.1	1,875.5	26.7	1,874.6	-7.9
Account 7. Foreign Transactions Capital Account						
BALANCE ON CURRENT ACCOUNT, NATIONAL INCOME AND PRODUCT ACCOUNTS.....	-710.9	24.2	-771.6	22.5	-718.6	-7.8
Capital account transactions (net).....	4.0	-0.1	3.9	0.0	1.8	0.2
Net lending or net borrowing (-), national income and product accounts.....	-714.9	24.2	-775.5	22.5	-720.4	-8.0
CAPITAL ACCOUNT TRANSACTIONS (NET) AND NET LENDING, NATIONAL INCOME AND PRODUCT ACCOUNTS.....	-710.9	24.2	-771.6	22.5	-718.6	-7.8