

Annual Revision of the National Income and Product Accounts

Annual Estimates for 2009–2011

Quarterly Estimates for 2009:I–2012:I

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THE BUREAU of Economic Analysis (BEA) released revised estimates of the national income and product accounts (NIPAs) for 2009–2011 and for the first quarter of 2012 on July 27, 2012.¹ As is usual in annual NIPA revisions, these estimates incorporated newly available source data that are more complete, more detailed, and otherwise more reliable than those that were previously incorporated.

This annual revision has not greatly changed the general picture of the economy for the past several years.² However, the revised estimates indicate that the decline during the recession was somewhat less steep and that the subsequent period of expansion was slightly less robust. The revised estimates of the change in real gross domestic product (GDP) show that for the period of contraction from the fourth quarter of 2007 to the second quarter of 2009, real GDP decreased at an average annual rate of 3.2 percent; in the previously published estimates, it had decreased 3.5 percent. The cumulative decrease in real GDP was 4.7 percent (*not* at an annual rate); in the previously published estimates, the cumulative decrease had been 5.1 percent. For the period of expansion from the second quarter of 2009 to the first quarter of 2012, real GDP increased at an average annual rate of 2.3 percent; in the previously published estimates, it had increased 2.4 percent.

The revised *annual* estimates of real GDP and of the featured price indexes show similar rates of change to the previously published estimates. The overall pattern of the contributions of the major components to real GDP growth was also little changed except for the contribution of state and local government spending.

1. Information about the structure, definitions, presentation, and methodologies that underlie the NIPAs is available on BEA's Web site; go to www.bea.gov, and click on "Methodology Papers."

2. BEA judges the accuracy of the estimates by whether they present the same general picture of economic activity as the previous estimates in terms of long-term growth rates, trends in key components of GDP, broad features of the business cycle, including the timing and depth of recessions, the strength of recoveries, the major components contributing to expansions and to contractions, and the pattern of quarterly growth. For more about the accuracy of annual revisions, see Dennis J. Fixler, Ryan Greenaway-McGrevy, and Bruce T. Grimm, "Revisions to GDP, GDI, and Their Major Components," *SURVEY OF CURRENT BUSINESS* 91 (July 2011): 9–31.

Highlights

- From 2008 to 2011, the average annual growth in real GDP was revised down 0.1 percentage point from 0.4 percent to 0.3 percent.³ From the fourth quarter of 2008 to the first quarter of 2012, the average annual growth in real GDP was revised up 0.1 percentage point from 1.4 percent to 1.5 percent (table 1).
- In the annual NIPA revisions since 1982, the revisions

3. 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* 91 (November 2011): 9–27.

Table 1. Real GDP and Its Major Components
Change From the Fourth Quarter of 2008 to the First Quarter of 2012
[Percent change at annual rates]

	Previously published	Revised	Revision in change (percentage points)
Gross domestic product	1.4	1.5	0.1
Personal consumption expenditures	1.5	1.6	0.1
Goods.....	3.4	3.1	-0.3
Durable goods	7.3	6.5	-0.8
Nondurable goods	1.6	1.6	0.0
Services	0.6	0.8	0.2
Gross private domestic investment	2.7	2.6	-0.1
Fixed investment	0.2	-0.2	-0.4
Nonresidential	1.1	0.6	-0.5
Structures	-9.3	-7.9	1.4
Equipment and software	6.2	4.8	-1.4
Residential.....	-3.7	-3.5	0.2
Change in private inventories.....			
Net exports of goods and services			
Exports.....	4.4	4.4	0.0
Goods.....	5.0	5.1	0.1
Services	3.0	2.9	-0.1
Imports.....	2.4	2.6	0.2
Goods.....	2.8	2.8	0.0
Services	0.7	1.2	0.5
Government consumption expenditures and gross investment	-0.8	-0.5	0.3
Federal	0.8	0.6	-0.2
National defense.....	-0.3	-0.3	0.0
Nondefense	3.0	2.4	-0.6
State and local	-1.8	-1.1	0.7
Addenda:			
Final sales of domestic product.....	1.1	1.1	0.0
Gross domestic purchases.....	1.2	1.3	0.1
Gross national product.....	1.5	1.6	0.1
Gross domestic income.....	1.6	1.5	-0.1

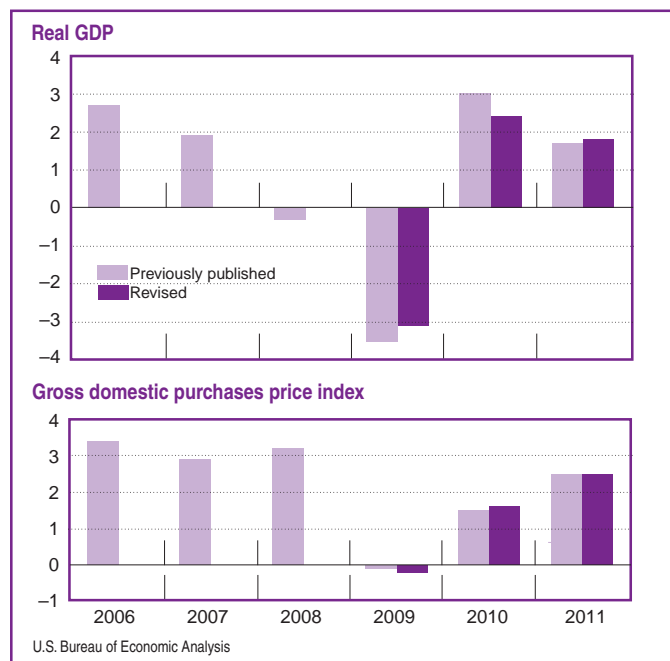
(without regard to sign) to the annual estimates of the percent change in real GDP have averaged 0.3 percentage point. For 2009, the percent change was revised up 0.4 percentage point from a decrease of 3.5 percent to a decrease of 3.1 percent (chart 1). For 2010, the increase in real GDP was revised down 0.6 percentage point from 3.0 percent to 2.4 percent. For 2011, the increase in real GDP was revised up 0.1 percentage point from 1.7 percent to 1.8 percent.

- From 2008 to 2011, the average annual growth in real gross domestic income (GDI) was revised down from 0.5 percent to 0.3 percent.⁴ From the fourth quarter of 2008 to the first quarter of 2012, the average annual growth in real GDI was revised down from 1.6 percent to 1.5 percent.
- From 2008 to 2011, the average annual increase in the gross domestic purchases price index was unrevised at 1.3 percent, and the average annual increase in the GDP price index was revised up 0.1 percentage point from 1.4 percent to 1.5 percent. From the fourth quarter of 2008 to the first quarter of 2012, the average annual increases in the price indexes for gross domestic purchases and for GDP were unrevised at 1.6 percent and 1.5 percent, respectively (table 2).⁵

4. For a given quarter, the estimates of GDP and GDI may differ for a variety of reasons, including the incorporation of largely independent source data. However, over longer time spans, the estimates of GDP and GDI tend to follow similar patterns.

5. For a discussion of the difference between the gross domestic purchases price index and the GDP price index, see the box “Note on Prices” on page 3 in this issue.

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



- From 2008 to 2011, inflation, as measured by the personal consumption expenditures (PCE) price index, increased at an average annual rate of 1.5 percent, the same rate as in the previously published estimates. The average annual increase in the “core” PCE price index (which excludes food and energy) was also unrevised at 1.5 percent. From the first quarter of 2008 to the first quarter of 2012, the average annual increase in the PCE price index was revised down from 1.9 percent to 1.8 percent, and the average annual increase in the “core” PCE price index was revised down from 1.6 percent to 1.5 percent.
- From 2008 to 2011, real disposable personal income (DPI) grew at an average annual rate of 0.1 percent; in the previously published estimates, real DPI had grown at an average annual rate of 0.2 percent.
- Personal saving was revised down for 2009–2011: \$44.4 billion for 2009, \$26.1 billion for 2010, and \$49.1 billion for 2011. Personal saving as a percentage of disposable personal income was also revised down for all 3 years: from 5.1 percent to 4.7 percent for 2009, from 5.3 percent to 5.1 percent for 2010, and from 4.6 percent to 4.2 percent for 2011.
- National income was revised down for all 3 years: \$15.0 billion (or 0.1 percent) for 2009, \$28.7 billion (or 0.2 percent) for 2010, and \$62.3 billion (or 0.5 percent) for 2011.

Table 2. Chain-Type Price Indexes
Change From the Fourth Quarter of 2008 to the First Quarter of 2012
[Percent change at annual rates]

	Previously published	Revised	Revision in change (percentage points)
Gross domestic product (GDP)	1.5	1.5	0.0
Less: Exports of goods and services	2.8	2.8	0.0
Plus: Imports of goods and services	3.2	3.2	0.0
Equals: Gross domestic purchases	1.6	1.6	0.0
Personal consumption expenditures (PCE)	1.9	1.8	-0.1
Goods	2.0	2.0	0.0
Durable goods.....	-1.3	-1.2	0.1
Nondurable goods.....	3.6	3.6	0.0
Services.....	1.8	1.7	-0.1
Gross private domestic investment	-0.6	-0.6	0.0
Fixed investment.....	-0.5	-0.3	0.2
Nonresidential	-0.5	-0.3	0.2
Structures.....	0.2	0.3	0.1
Equipment and software	-0.6	-0.4	0.2
Residential	-0.5	-0.4	0.1
Government consumption expenditures and gross investment	2.0	2.1	0.1
Federal.....	2.1	2.0	-0.1
National defense	2.1	2.0	-0.1
Nondefense.....	2.1	2.0	-0.1
State and local.....	2.0	2.1	0.1
Addenda:			
GDP excluding food and energy.....	1.5	1.5	0.0
Gross domestic purchases excluding food and energy.....	1.4	1.4	0.0
PCE excluding food and energy	1.6	1.5	-0.1
Market-based PCE	1.8	1.8	0.0
Market-based PCE excluding food and energy	1.5	1.5	0.0
Final sales of domestic product.....	1.5	1.5	0.0
Gross national product	1.5	1.5	0.0

- Corporate profits was revised down for all 3 years: \$19.7 billion (or 1.4 percent) for 2009, \$97.7 billion (or 5.4 percent) for 2010, and \$115.8 billion (or 6.0 percent) for 2011.

Why BEA revises its estimates

As noted above, BEA undertakes revisions to improve the accuracy of its estimates and to provide a more detailed picture of the economy by incorporating the most complete and reliable source data available. These data may take the form of indicators that have been benchmarked to more comprehensive and detailed annual surveys, or in some cases they may represent comprehensive source data that take the place of trends or indirect indicators when direct indicators were not available for the previously published estimates.

In this annual revision, BEA incorporated preliminary data on business shipments and inventories from the Census Bureau annual survey of manufactures (ASM) for 2010 that replaced data from the Census Bureau monthly survey of manufacturers’ shipments, inventories, and orders (M3) and incorporated revised M3 data for 2011. The M3 is a voluntary survey with a sample size of about 4,300 companies, representing only large manufacturing companies. It covers 89 industry categories, but it does not include product detail. In contrast, the ASM is a mandatory survey with a sample of about 50,000 establishments representing a total of about 340,000 large, medium, and small establishments. It covers 471 industries and almost 1,400 product classes. Chart 2 illustrates

the revisions made by the Census Bureau to the M3 from benchmarking it to the ASM. These revisions, in turn, are reflected in BEA’s revisions to private investment in equipment.

Similarly, BEA incorporated preliminary data from the Census Bureau annual retail trade survey (ARTS) for 2010 that replaced data from the Census Bureau monthly retail trade survey (MRTS) for 2010 and incorporated revised MRTS data for 2011. The MRTS is a voluntary survey with a sample size of about 12,000 large and small retail and food services companies in 79 industries. In contrast, the ARTS is a mandatory survey with a sample size of about 22,000 large and small retail and accommodation and food services companies in 84 industries. Chart 3 illustrates the revisions made by the Census Bureau to the MRTS from benchmarking it to the ARTS. These revisions, in turn, are reflected in BEA’s revisions to PCE for goods.

For state and local government spending, the current quarterly estimation presents an even greater challenge because the major source data—the Census Bureau annual survey of government finances—are only available with a 2-year lag. For current quarterly estimates, the available source data are limited and cover the categories of compensation, investment in structures, and a few other spending categories; the estimates of the remaining categories are largely based on BEA trend estimates. Thus, in this annual revision, the revised estimates largely reflect the incorporation of revised government finances data for fiscal year 2009, newly available prelim-

Chart 2. Census Bureau Shipments of Nondefense Capital Goods Excluding Aircraft

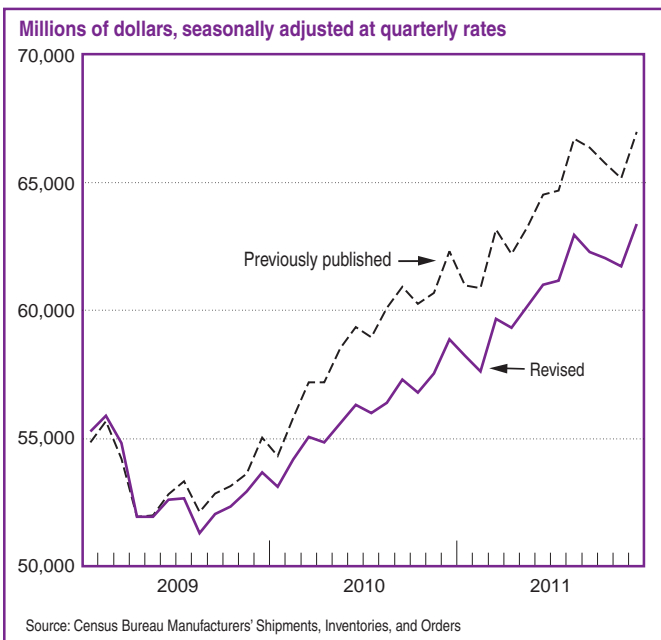
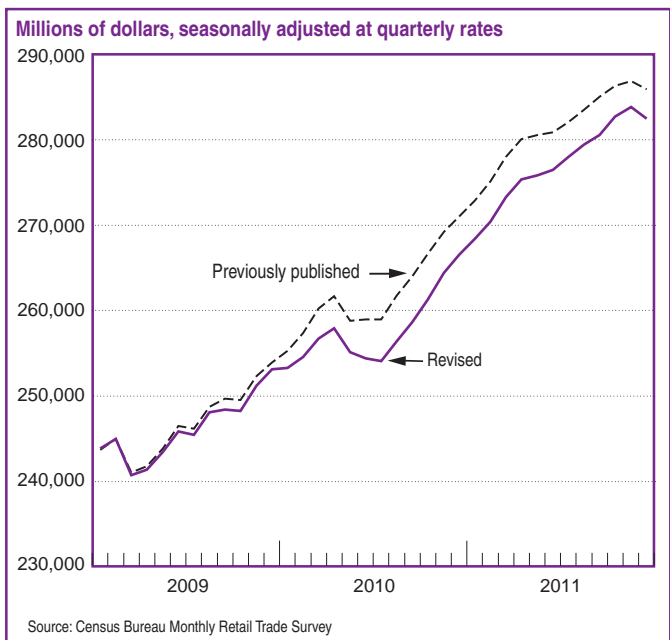


Chart 3. Census Bureau Retail Sales Excluding Motor Vehicles



inary government finances data for fiscal year 2010, and BEA revised trend estimates for fiscal years 2011 and 2012. These data replaced preliminary government finances data for fiscal year 2009 and BEA trend estimates for fiscal years 2010–2012.

Other improvements

The revised estimates also reflect improvements in the methodologies used for estimation and in the presentation of the estimates, including the following:

- The improved estimation of several categories of PCE for services using newly available data from the Census Bureau quarterly services survey and the service annual survey, which have been expanded to cover additional transportation, education, and utilities services industries.
- The introduction of several new tables that present measures of GDP and GDI side-by-side to facilitate comparisons. These measures include percent changes,

current-dollar estimates, and chained-dollar estimates of GDP, GDI, and related aggregates (including gross national product and various command-basis measures).

The remainder of the article discusses the impact of the revisions on key NIPA measures, summarizes the revisions to the major aggregates, and describes the changes in methodology and presentation (see pages 24–26). Appendix A presents the revised annual estimates and the revisions for the seven summary accounts of the NIPAs (see pages 28 and 29). In addition, tables presenting revised monthly, quarterly, and annual NIPA estimates and the “advance” estimates for the second quarter of 2012 are presented in “National Income and Product Accounts Tables” in this issue.

This article also includes information about the upcoming comprehensive NIPA revision. See “Note on the Upcoming 2013 Comprehensive NIPA Revision” on pages 30 and 31.

Source Data Incorporated in the 2012 Annual Revision

The annual revision incorporated data from the following major statistical sources: Census Bureau annual survey of manufactures for 2009 (revised) and 2010 (preliminary); Census Bureau annual surveys of merchant wholesale trade and of retail trade for 2009 (revised) and for 2010 (preliminary); Census Bureau revised monthly indicators of manufactures, of merchant wholesale trade, and of retail trade for 2009–2011; Census Bureau service annual survey for 2009 (revised), 2010 (revised), and 2011 (preliminary); Census Bureau annual survey of state and local government finances for fiscal years 2008 (revised), 2009 (revised), and 2010 (preliminary); Census Bureau monthly survey of construction spending (value put in place) for 2009–2011

(revised); Census Bureau quarterly services survey for 2009–2011 (revised); Census Bureau current population survey/housing vacancy survey for 2011; federal government budget data for fiscal years 2011 and 2012; Internal Revenue Service tabulations of tax returns for corporations for 2009 (revised) and 2010 (preliminary) and for sole proprietorships and partnerships for 2010; Bureau of Labor Statistics (BLS) quarterly census of employment and wages for 2009–2011 (revised); BLS occupational employment survey data for 2011; Department of Agriculture farm statistics for 2009–2011 (revised); and BEA’s international transactions accounts for 2009–2011 (revised).

Annual Estimates of Real GDP

Table 4A. Revisions to Contributions to Percent Change in Real GDP, 2009 and 2010

[Percentage points]

	2008	2009		
		Previously published	Revised	Revision
Gross domestic product¹	-0.3	-3.5	-3.1	0.4
Personal consumption expenditures	-0.39	-1.32	-1.36	-0.04
Goods.....	-0.59	-0.69	-0.69	0.00
Durable goods.....	-0.41	-0.41	-0.41	0.00
Nondurable goods.....	-0.18	-0.28	-0.28	0.00
Services.....	0.21	-0.63	-0.67	-0.04
Gross private domestic investment	-1.66	-3.61	-3.59	0.02
Fixed investment.....	-1.15	-2.77	-2.80	-0.03
Nonresidential.....	-0.09	-2.05	-2.08	-0.03
Structures.....	0.24	-0.85	-0.85	0.00
Equipment and software.....	-0.34	-1.20	-1.23	-0.03
Residential.....	-1.05	-0.72	-0.73	-0.01
Change in private inventories.....	-0.51	-0.84	-0.78	0.06
Net exports of goods and services	1.21	1.11	1.14	0.03
Exports.....	0.73	-1.18	-1.14	0.04
Goods.....	0.53	-1.04	-1.05	-0.01
Services.....	0.20	-0.13	-0.10	0.03
Imports.....	0.47	2.29	2.28	-0.01
Goods.....	0.57	2.19	2.19	0.00
Services.....	-0.10	0.10	0.09	-0.01
Government consumption expenditures and gross investment	0.50	0.34	0.74	0.40
Federal.....	0.50	0.45	0.46	0.01
National defense.....	0.36	0.30	0.31	0.01
Nondefense.....	0.15	0.16	0.16	0.00
State and local.....	0.00	-0.11	0.28	0.39
	2009	2010		
		Previously published	Revised	Revision
Gross domestic product¹	-3.1	3.0	2.4	-0.6
Personal consumption expenditures	-1.36	1.44	1.28	-0.16
Goods.....	-0.69	0.99	0.82	-0.17
Durable goods.....	-0.41	0.53	0.45	-0.08
Nondurable goods.....	-0.28	0.46	0.37	-0.09
Services.....	-0.67	0.46	0.46	0.00
Gross private domestic investment	-3.59	1.96	1.50	-0.46
Fixed investment.....	-2.80	0.32	-0.03	-0.35
Nonresidential.....	-2.08	0.42	0.07	-0.35
Structures.....	-0.85	-0.51	-0.50	0.01
Equipment and software.....	-1.23	0.93	0.56	-0.37
Residential.....	-0.73	-0.11	-0.09	0.02
Change in private inventories.....	-0.78	1.64	1.52	-0.12
Net exports of goods and services	1.14	-0.51	-0.52	-0.01
Exports.....	-1.14	1.31	1.29	-0.02
Goods.....	-1.05	1.12	1.11	-0.01
Services.....	-0.10	0.19	0.18	-0.01
Imports.....	2.28	-1.82	-1.81	0.01
Goods.....	2.19	-1.74	-1.74	0.00
Services.....	0.09	-0.08	-0.07	0.01
Government consumption expenditures and gross investment	0.74	0.14	0.14	0.00
Federal.....	0.46	0.37	0.37	0.00
National defense.....	0.31	0.18	0.17	-0.01
Nondefense.....	0.16	0.19	0.20	0.01
State and local.....	0.28	-0.23	-0.23	0.00

1. Percent change from the preceding period.

For 2009, a downward revision to PCE for services was widespread; however, financial services and insurance (mainly “financial services furnished without payment”) was revised up.

The upward revision to private inventory investment was mostly accounted for by an upward revision to manufacturing inventories.

The upward revision to exports was mainly to exports of services.

The upward revision to state and local government spending primarily reflected an upward revision to consumption expenditures.

For 2010, a downward revision to PCE for goods was to both durable goods (mainly recreational goods and vehicles, furnishings and durable household equipment, and “other” durable goods) and to nondurable goods (mainly “other” nondurable goods; most other categories of nondurable goods also contributed).

About half of the downward revision to investment in equipment and software was due to a downward revision to information processing equipment and software (mainly computers and peripheral equipment); the rest of the revision primarily reflected downward revisions to industrial equipment and to “other” equipment.

The downward revision to private inventory investment reflected downward revisions to both nonfarm inventories (mainly manufacturing) and farm inventories (mainly crops).

Annual Estimates of Real GDP

Table 4B. Revisions to Contributions to Percent Change in Real GDP, 2011
[Percentage points]

	2010	2011		
		Previously published	Revised	Revision
Gross domestic product¹	2.4	1.7	1.8	0.1
Personal consumption expenditures	1.28	1.53	1.79	0.26
Goods.....	0.82	0.87	0.89	0.02
Durable goods.....	0.45	0.60	0.53	-0.07
Nondurable goods.....	0.37	0.27	0.36	0.09
Services.....	0.46	0.66	0.90	0.24
Gross private domestic investment	1.50	0.60	0.62	0.02
Fixed investment.....	-0.03	0.81	0.76	-0.05
Nonresidential.....	0.07	0.84	0.80	-0.04
Structures.....	-0.50	0.12	0.07	-0.05
Equipment and software.....	0.56	0.72	0.72	0.00
Residential.....	-0.09	-0.03	-0.03	0.00
Change in private inventories.....	1.52	-0.21	-0.14	0.07
Net exports of goods and services	-0.52	0.05	0.07	0.02
Exports.....	1.29	0.86	0.87	0.01
Goods.....	1.11	0.67	0.65	-0.02
Services.....	0.18	0.19	0.22	0.03
Imports.....	-1.81	-0.81	-0.80	0.01
Goods.....	-1.74	-0.78	-0.72	0.06
Services.....	-0.07	-0.03	-0.08	-0.05
Government consumption expenditures and gross investment	0.14	-0.44	-0.67	-0.23
Federal.....	0.37	-0.17	-0.23	-0.06
National defense.....	0.17	-0.13	-0.15	-0.02
Nondefense.....	0.20	-0.03	-0.09	-0.06
State and local.....	-0.23	-0.28	-0.43	-0.15

1. Percent change from the preceding period.

For 2011, a small upward revision to PCE for goods reflected an upward revision to nondurable goods (mainly food and beverages purchased for off-premises consumption and gasoline and other energy goods) that was largely offset by a downward revision to durable goods (mainly motor vehicles and parts).

The upward revision to PCE for services reflected upward revisions to health care services (mainly outpatient services) and to housing and utilities (mainly housing) that were partly offset by a downward revision to financial services and insurance (mainly “financial services furnished without payment”).

The downward revision to investment in non-residential structures was more than accounted for by a downward revision to power structures.

The upward revision to private inventory investment primarily reflected an upward revision to farm inventories; within nonfarm inventories, an upward revision to retail trade inventories offset downward revisions to mining, utilities, and construction inventories and to wholesale trade inventories.

The downward revision to federal government spending reflected a downward revision to nondefense spending (mainly consumption expenditures).

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

Annual Price Indexes

Revisions to the chain-type price indexes result from the incorporation of newly available and revised source data and from the regularly scheduled incorporation of annual weights for the most recent year (2011). In this annual revision, the source data for price indexes that are used for deflation and the source data that affect implicit prices were revised.¹ The prices used for deflation also reflect updated seasonal factors. In addition, BEA, in collaboration with the Census Bureau, has improved the seasonal adjustment of foreign trade prices. (See “Changes in Methodology and Presentation” on page 24.)

The percent change from the preceding year in the price index for gross domestic purchases was revised down 0.1 percentage point for 2009, was revised up 0.1 percentage point for 2010, and was unrevised at 2.5 percent for 2011 (see chart 1 and table 5). The annual percent change in the price index for GDP was revised down 0.2 percentage point for 2009, was revised up 0.1 percentage point for 2010, and was unrevised at 2.1 percent for 2011 (see the addendum to table 5).

For 2009, the largest contributors to the downward revision to the price index for gross domestic purchases were the prices of PCE for services and the prices of state and local government spending. The revision to the

prices of PCE for services reflected a downward revision to the prices of financial services and insurance, mainly “financial services furnished without payment.” The revision to the prices of state and local government spending primarily reflected a downward revision to the implicit price of compensation.

For 2010, the largest contributors to the upward revision to the price index for gross domestic purchases were again the prices of PCE for services and the prices of state and local government spending. The revision to the prices of PCE for services reflected an upward revision to the prices of financial services and insurance, mainly “financial services furnished without payment.” The revision to the prices of state and local government spending mainly reflected upward revisions to the prices of intermediate services purchased and to the implicit price of compensation.

For 2011, the price index for gross domestic purchases was unrevised, reflecting offsetting revisions. The most notable upward revision was to the prices of state and local government spending; the largest contributors to the revision were again upward revisions to the prices of intermediate services purchased (especially “financial services furnished without payment”) and to the implicit price of compensation. The most notable downward revision was to the prices associated with private nonfarm inventory investment, reflecting a downward revision to the prices of nondurable-goods manufacturing inventories (mainly petroleum and coal products).

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.

Table 5. Revisions to Contributions to Percent Change in Gross Domestic Purchases Prices

[Percentage points]

	2008	2009			2010			2011		
		Previously published	Revised	Revision	Previously published	Revised	Revision	Previously published	Revised	Revision
Gross domestic purchases¹	3.2	-0.1	-0.2	-0.1	1.5	1.6	0.1	2.5	2.5	0.0
Personal consumption expenditures	2.17	0.14	0.04	-0.10	1.22	1.30	0.08	1.69	1.66	-0.03
Goods.....	0.70	-0.58	-0.60	-0.02	0.35	0.38	0.03	0.87	0.86	-0.01
Durable goods.....	-0.15	-0.13	-0.14	-0.01	-0.12	-0.10	0.02	-0.07	-0.07	0.00
Nondurable goods.....	0.84	-0.45	-0.46	-0.01	0.48	0.47	-0.01	0.94	0.92	-0.02
Services.....	1.48	0.72	0.64	-0.08	0.86	0.93	0.07	0.82	0.81	-0.01
Gross private domestic investment	0.17	-0.13	-0.14	-0.01	-0.18	-0.15	0.03	0.19	0.18	-0.01
Fixed investment.....	0.17	-0.16	-0.15	0.01	-0.16	-0.14	0.02	0.15	0.18	0.03
Nonresidential.....	0.22	-0.06	-0.06	0.00	-0.15	-0.14	0.01	0.12	0.16	0.04
Structures.....	0.18	-0.09	-0.09	0.00	-0.03	-0.03	0.00	0.12	0.12	0.00
Equipment and software.....	0.04	0.03	0.03	0.00	-0.12	-0.11	0.01	0.01	0.04	0.03
Residential.....	-0.05	-0.10	-0.10	0.00	-0.01	0.00	0.01	0.02	0.02	0.00
Change in private inventories.....	-0.01	0.03	0.01	-0.02	-0.01	-0.01	0.00	0.04	0.00	-0.04
Government consumption expenditures and gross investment	0.91	-0.06	-0.11	-0.05	0.45	0.49	0.04	0.61	0.66	0.05
Federal.....	0.22	-0.02	-0.02	0.00	0.19	0.19	0.00	0.23	0.22	-0.01
National defense.....	0.17	-0.04	-0.04	0.00	0.13	0.13	0.00	0.17	0.16	-0.01
Nondefense.....	0.05	0.02	0.02	0.00	0.06	0.06	0.00	0.06	0.06	0.00
State and local.....	0.68	-0.05	-0.10	-0.05	0.26	0.30	0.04	0.38	0.44	0.06
Addendum:										
Gross domestic product price index ¹	2.2	1.1	0.9	-0.2	1.2	1.3	0.1	2.1	2.1	0.0

1. Percent change from the preceding period.

Quarterly Estimates

Revisions to the quarterly (and monthly) NIPA estimates reflect (1) revisions to the annual estimates that reflect the incorporation of newly available annual source data, (2) the incorporation of newly available and revised monthly and quarterly source data (including updated seasonal factors that are used to indicate quarterly patterns), and (3) methodology improvements (see “Changes in Methodology and Presentation” on pages 24–26).

Real GDP. The revisions to the 13 quarterly percent changes (at annual rates) from the first quarter of 2009 through the first quarter of 2012 averaged 0.7 percentage point (without regard to sign). (In the annual NIPA revisions since 1982, the revisions to the quarterly estimates have averaged 0.7 percentage point.)

The quarterly revisions did not alter the direction of change (increase or decrease) in real GDP for any quarter. The quarterly percent change in real GDP was revised up for 8 of the 13 quarters, and it was revised down for 5 of the 13 quarters.

The largest upward revision to the quarterly percent change in real GDP was 1.4 percentage points, from a decrease of 6.7 percent to a decrease of 5.3 percent, for the first quarter of 2009. The largest contributors to the revision were upward revisions to state and local government spending (mainly consumption expenditures), to private inventory investment (mainly manufacturing inventories), and to investment in equipment and software (especially information processing equipment and soft-

ware).

The largest downward revision to the quarterly percent change in real GDP was 1.6 percentage points for two quarters: from 3.9 percent to 2.3 percent for the first quarter of 2010 and from 3.8 percent to 2.2 percent for the second quarter of 2010.

The largest contributors to the revision for the first quarter of 2010 were downward revisions to private inventory investment (widespread), to investment in equipment and software (especially to computers and peripheral equipment), to PCE for goods (widespread within durable goods), to federal defense spending (both gross investment and consumption expenditures), and to state and local government spending (more than accounted for by consumption expenditures); these downward revisions were partly offset by a downward revision to imports (both goods and services).

The largest contributors to the revision for the second quarter of 2010 were downward revisions to private inventory investment (mainly wholesale trade and manufacturing inventories), to investment in equipment and software (again, especially computers and peripheral equipment), to PCE, and to state and local government spending (more than accounted for by consumption expenditures); these downward revisions were partly offset by a downward revision to imports (both goods and services). Within PCE, downward revisions to nondurable goods (especially gasoline and other energy goods) and to services (especially recreation services) were partly

Table 6. 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 ¹	Previously published	Revised	Revision ¹	Previously published	Revised	Revision ¹	Previously published	Revised	Revision ¹
2008: IV	-8.4			-8.9			0.5			-4.0		
2009: I	-5.2	-4.4	0.8	-6.7	-5.3	1.4	1.7	1.0	-0.7	-1.9	-2.4	-0.5
II	-1.1	-1.1	0.0	-0.7	-0.3	0.4	-0.4	-0.8	-0.4	0.5	0.2	-0.3
III	1.9	1.9	0.0	1.7	1.4	-0.3	0.3	0.5	0.2	1.6	1.7	0.1
IV	4.9	5.3	0.4	3.8	4.0	0.2	1.1	1.3	0.2	2.1	2.4	0.3
2010: I	5.5	3.9	-1.6	3.9	2.3	-1.6	1.5	1.5	0.0	2.1	2.1	0.0
II	5.4	4.1	-1.3	3.8	2.2	-1.6	1.5	1.7	0.2	0.5	0.7	0.2
III	3.9	4.6	0.7	2.5	2.6	0.1	1.4	2.0	0.6	1.0	1.4	0.4
IV	4.2	4.5	0.3	2.3	2.4	0.1	1.9	2.1	0.2	2.1	2.5	0.4
2011: I	3.1	2.2	-0.9	0.4	0.1	-0.3	2.5	2.0	-0.5	4.0	3.4	-0.6
II	4.0	5.2	1.2	1.3	2.5	1.2	2.5	2.6	0.1	3.3	3.5	0.2
III	4.4	4.3	-0.1	1.8	1.3	-0.5	2.6	3.0	0.4	2.0	2.3	0.3
IV	3.8	4.2	0.4	3.0	4.1	1.1	0.9	0.4	-0.5	1.1	0.9	-0.2
2012: I	3.9	4.2	0.3	1.9	2.0	0.1	2.0	2.0	0.0	2.6	2.5	-0.1

1. Percentage points.

Quarterly Estimates

offset by an upward revision to durable goods (mainly motor vehicles and parts).

Prices. In general, the quarterly percent changes in the gross domestic purchases price index were similar to the previously published estimates; the revisions to the 13 quarterly percent changes (at annual rates) from the first quarter of 2009 through the first quarter of 2012 averaged 0.3 percentage point (without regard to sign). The percent change was revised up for seven quarters, was revised down for five quarters, and was unrevised for one quarter.

The largest upward revision to the price index for gross domestic purchases was 0.4 percentage point for both the third and fourth quarters of 2010. For the third quarter of 2010, the percent change in the price index was revised from 1.0 percent to 1.4 percent; the largest contributors to the revision were prices of PCE for services (mainly “financial services furnished without payment”) and prices of state and local government spending (mainly the implicit price of compensation and the prices of petroleum). For the fourth quarter of 2010, the percent change in the index was revised from 2.1 percent to 2.5 percent; the largest contributors to the revision were the prices of PCE for goods (especially gasoline and other energy goods), the prices of state and local government spending (mainly the implicit price of compensation and the prices of petroleum), and the prices of equipment and software (especially communication equipment).

The largest downward revision to the price index for gross domestic purchases was 0.6 percentage point, from 4.0 percent to 3.4 percent, for the first quarter of

2011. The largest contributors to the revision were prices of PCE for nondurable goods (mainly gasoline and other energy goods) and prices of PCE for services (mainly “financial services furnished without payment”).

The quarterly percent changes in the GDP price index were revised about the same as those for gross domestic purchases prices. For the GDP price index, the revisions to the 13 quarterly percent changes (at annual rates) from the first quarter of 2009 to first quarter of 2012 also averaged 0.3 percentage point (without regard to sign). The percent change was revised up for seven quarters, was revised down for four quarters, and was unrevised for two quarters.

The largest upward revision to the price index for GDP was 0.6 percentage point, from 1.4 percent to 2.0 percent, for the third quarter of 2010; the largest contributors to the revision were the prices of PCE for services (more than accounted for by “financial services furnished without payment”), the prices of state and local government spending (mainly the implicit price of compensation and the prices of petroleum), and the prices of imports of goods (specifically petroleum).

The largest downward revision to the price index for GDP was 0.7 percentage point, from 1.7 percent to 1.0 percent, for the first quarter of 2009; the largest contributors to the revision were the prices of PCE for services (more than accounted for by “financial services furnished without payment”), the prices of PCE for nondurable goods (mainly gasoline and other energy goods), and the prices of state and local government spending (mainly the implicit price of compensation).

Current-Dollar NIPA Measures

This table shows NIPA components with revisions of \$5.0 billion or more (in absolute value) for 2009–2011. The table also lists the major source data that were incorporated as part of this annual revision. Note that

the incorporation of newly available and revised source data for a year usually results in a revision to the level of an estimate both for that year and for subsequent years.

Table 7. Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹
		Revision in level				
		2009	2010	2011		
1	Gross domestic product	34.7	-27.6	-18.3	15,075.7	
2	Personal consumption expenditures	-20.2	-29.8	3.0	10,729.0	
3	Goods	-3.1	-22.1	-21.8	3,624.8	
4	Durable goods	0.0	-6.1	-16.5	1,146.4	
5	Motor vehicles and parts.....	-0.5	2.6	-5.0	373.6	
	<i>Of which:</i>					
6	Net purchases of used motor vehicles.....	0.0	3.0	-4.0	117.3	Revised Census Bureau annual retail trade survey (ARTS) data for gross margins and for retail sales of used motor vehicle dealers for 2009; new ARTS data for 2010; revised Census Bureau monthly retail trade survey (MRTS) data for 2011; new trade source data on cars and trucks in operation for 2011.
7	Furnishings and durable household equipment	0.1	-2.5	-1.7	251.7	
8	Recreational goods and vehicles	0.7	-3.1	-4.5	340.1	Revised ARTS data for 2009; new ARTS data for 2010; revised Census Bureau MRTS data for 2011; revised trade source retail scanner data for 2010; new retail scanner data for 2011.
9	Other durable goods	-0.4	-3.1	-5.3	181.0	
	<i>Of which:</i>					
10	Therapeutic appliances and equipment	-0.4	-2.3	-4.7	55.2	Revised ARTS data for 2009; new ARTS data for 2010; revised MRTS data for 2011.
11	Nondurable goods	-3.0	-16.0	-5.3	2,478.4	
12	Food and beverages purchased for off-premises consumption	-3.7	-5.8	1.6	810.2	
	<i>Of which:</i>					
13	Food and nonalcoholic beverages purchased for off-premises consumption	-2.9	-4.9	2.1	698.2	Revised ARTS data for 2009; new ARTS data for 2010; revised MRTS data for 2011; new trade source retail scanner data for 2011.
14	Clothing and footwear	-1.2	-2.7	-1.1	349.2	
15	Gasoline and other energy goods.....	-0.1	-1.7	0.1	428.3	
16	Other nondurable goods	2.0	-5.9	-5.9	890.7	Revised ARTS data for 2009; new ARTS data for 2010; revised MRTS data for 2011.
17	Services	-17.2	-7.6	24.8	7,104.2	
18	Household consumption expenditures (for services)....	-16.4	-7.1	17.4	6,812.3	
19	Housing and utilities	0.0	-1.3	8.6	1,929.9	
20	Housing	1.3	2.8	15.1	1,623.3	
	<i>Of which:</i>					
21	Rental of tenant-occupied nonfarm housing	-0.1	0.8	6.2	377.6	New BLS consumer expenditure survey data for 2009–2011; new Census Bureau Current Population Survey/Housing Vacancy Survey (CPS/HVS) data for 2011.
22	Imputed rental of owner-occupied nonfarm housing	1.3	2.0	7.9	1,222.8	Revised CPS/HVS data for 2009 and 2010; new CPS/HVS data for 2011; revised BEA constant-dollar housing stock data for 2009 and 2010; new BEA constant-dollar housing stock data for 2011.
23	Household utilities	-1.3	-4.1	-6.5	306.7	
24	Health care.....	-2.6	-4.4	21.2	1,751.6	
	<i>Of which:</i>					
25	Physician services	-0.9	5.0	13.7	412.6	Revised Census Bureau service annual survey (SAS) taxable revenue data for 2009 and 2010; new SAS data for 2011.
26	Dental services	0.2	1.0	5.6	113.9	Revised SAS taxable revenue data for 2009 and 2010; new SAS data for 2011.
27	Hospitals	0.7	-9.1	-1.9	793.5	Revised SAS taxable and tax-exempt revenue data for 2009 and 2010; new SAS data for 2011.
28	Transportation services	-2.6	-7.9	-3.1	302.0	
	<i>Of which:</i>					
29	Motor vehicle maintenance and repair	-1.2	-0.6	5.2	160.8	Revised SAS taxable revenue data for 2009 and 2010; new SAS data for 2011; new Census Bureau ARTS data for 2010; new Census Bureau MRTS data for 2011.

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

Current-Dollar NIPA Measures

Table 7. Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹
		Revision in level				
		2009	2010	2011		
30	Air transportation.....	0.7	-3.5	-6.0	49.8	New Department of Transportation airline revenue data for 2010 and 2011.
31	Recreation services.....	-0.5	-4.1	-6.0	394.5	
32	Food services and accommodations.....	-3.1	-7.0	-9.2	670.9	
	<i>Of which:</i>					
33	Purchased meals and beverages.....	-2.9	-6.6	-9.3	557.6	Revised ARTS data for 2009; new ARTS data for 2010; revised MRTS data for 2011.
34	Financial services and insurance.....	-6.0	16.1	2.3	807.1	
35	Financial services.....	-4.2	-2.0	-14.8	518.1	
36	Financial services furnished without payment...	-3.5	-4.5	-20.9	283.7	Revised FRB flow of funds data for 2009 and 2010; new flow of funds data for 2011; revised IRS tabulations of corporate tax return data for 2009; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2010; new trade source data on credit unions and new FDIC <i>Call Report</i> data for 2011.
37	Financial service charges, fees, and commissions.....	-0.6	2.5	6.1	234.4	Revised SAS product revenue data on portfolio management and investment advice services for 2009 and 2010; new SAS data for 2011; revised FDIC <i>Call Report</i> data for 2011.
38	Insurance.....	-1.9	18.0	17.0	289.0	
	<i>Of which:</i>					
39	Life insurance.....	-2.0	4.4	7.1	85.6	Revised trade source data on life insurance company expenses for 2009; new trade source data for 2010; new BLS quarterly census of employment and wages (QCEW) data for 2011.
40	Net health insurance.....	0.0	15.4	14.0	136.4	Revised benefits-to-premiums ratio based on new trade source data on medical insurance for 2010; new trade source data for 2011.
41	Other services.....	-1.5	1.4	3.5	956.2	
42	Final consumption expenditures of NPISHs.....	-0.8	-0.5	7.4	291.9	
43	Gross output of nonprofit institutions.....	0.5	-5.5	6.9	1,164.5	Revised SAS tax-exempt expenses data for 2009 and 2010; new SAS data for 2011.
44	Less: Receipts from sales of goods and services by nonprofit institutions.....	1.3	-4.9	-0.7	872.5	
45	Gross private domestic investment.....	2.5	-57.8	-61.3	1,854.9	
46	Fixed investment.....	-4.1	-49.2	-51.7	1,818.3	
47	Nonresidential.....	-3.7	-51.7	-52.9	1,479.6	
48	Structures.....	1.2	1.9	-4.7	404.8	
	<i>Of which:</i>					
49	Manufacturing.....	0.0	2.5	5.8	44.2	Revised Census Bureau construction spending (value put in place) data for 2010 and 2011.
50	Power.....	0.0	-0.5	-13.5	59.2	Revised Census Bureau construction spending (value put in place) data for 2010 and 2011.
51	Equipment and software.....	-4.8	-53.6	-48.3	1,074.7	
52	Information processing equipment and software	-1.9	-26.1	-28.3	539.6	
	<i>Of which:</i>					
53	Computers and peripheral equipment.....	-2.1	-21.0	-24.8	78.3	Revised Census Bureau annual survey of manufactures (ASM) data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
54	Software.....	3.7	3.0	5.5	278.7	Revised Census Bureau SAS data for 2009 and 2010; revised Census Bureau quarterly services survey (QSS) data for 2011; new BLS occupational employment survey data for 2011.
55	Industrial equipment.....	-1.0	-13.3	-14.5	181.2	
	<i>Of which:</i>					
56	Special industry machinery, n.e.c.....	-0.7	-3.9	-6.0	34.6	Revised ASM data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
57	Electrical transmission, distribution, and industrial apparatus.....	-0.2	-3.3	-4.2	28.3	Revised ASM data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
58	Transportation equipment.....	-1.9	0.5	6.9	164.7	
	<i>Of which:</i>					
59	Light trucks (including utility vehicles).....	-0.5	0.0	5.8	51.0	Revised trade source data on average expenditure for 2009 and 2010; revised trade source data on business registrations for 2011.

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

Current-Dollar NIPA Measures

Table 7. Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹
		Revision in level				
		2009	2010	2011		
60	Other equipment.....	-0.4	-12.9	-16.7	200.2	
	<i>Of which:</i>					
61	Furniture and fixtures	-1.0	-5.2	-6.3	32.5	Revised ASM data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
62	Construction machinery	-0.7	-5.5	-7.6	41.6	Revised ASM data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
63	Mining and oilfield machinery	1.0	4.4	6.2	23.6	Revised ASM data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
64	Other	-1.5	-5.6	-6.7	44.6	Revised ASM data for 2009; new ASM data for 2010; revised Census Bureau monthly industry shipments data for 2011.
65	Less: Sale of equipment scrap, excluding autos ...	-0.3	1.6	-4.3	11.0	
66	Residential.....	-0.6	2.5	1.2	338.7	
67	Change in private inventories.....	6.6	-8.5	-9.7	36.6	
68	Farm	0.1	-5.7	1.6	-6.1	Revised USDA data for 2009–2011.
69	Nonfarm.....	6.5	-2.9	-11.3	42.7	
70	Change in book value	2.1	3.3	3.0	125.1	
71	Mining, utilities, and construction	-1.1	6.8	-0.6	6.8	Revised IRS tabulations of corporate tax return data on inventory book values for 2009; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2010.
72	Manufacturing.....	3.5	0.5	0.0	53.9	
73	Wholesale trade.....	-0.7	-2.0	-4.7	52.6	Revised Census Bureau annual wholesale trade survey (AWTS) data on inventory book values for 2009; new AWTS data for 2010; revised Census Bureau monthly inventory data for 2011.
74	Merchant wholesale	-0.2	-4.3	-4.3	39.6	
75	Nonmerchant wholesale.....	-0.4	2.3	-0.5	13.0	
76	Retail trade	-0.6	0.9	9.1	6.9	Revised Census Bureau ARTS data on inventory book values for 2009; new ARTS data for 2010; revised Census Bureau monthly inventory data for 2011; revised trade source data on motor vehicle inventories for 2011.
	<i>Of which:</i>					
77	Retail motor vehicle dealers.....	-0.3	0.2	8.9	-4.8	
78	Other industries.....	1.1	-2.8	-0.9	4.9	
79	IVA.....	4.4	-6.2	-14.1	-82.3	Revised Census Bureau AWTS, ARTS, and ASM information on accounting methods used for inventory reporting for 2009; new AWTS, ARTS, and ASM information for 2010; revised BEA unit labor cost indexes for 2009–2011.
80	Net exports of goods and services.....	2.8	5.3	10.6	-568.1	Revised BEA international transactions accounts estimates for 2009–2011. ²
81	Exports of goods and services.....	4.4	4.6	8.7	2,094.2	
82	Goods.....	0.0	0.7	1.1	1,474.5	
83	Services.....	4.3	3.9	7.6	619.7	
	<i>Of which:</i>					
84	Other private services	2.4	5.0	-2.9	270.2	Improved methodology for measuring the compensation of foreign residents who work in the United States using data from the Department of State and the Department of Labor.
85	Imports of goods and services.....	1.6	-0.6	-1.9	2,662.3	
86	Goods	0.2	-0.3	-8.7	2,229.2	
87	Services.....	1.4	-0.3	6.7	433.0	
88	Government consumption expenditures and gross investment	49.7	54.7	29.2	3,059.8	
89	Federal government	0.9	0.3	-10.8	1,222.1	Revised allocations of FY 2010 federal budget data for 2009 and 2010; revised FY 2011 federal budget data for 2010 and 2011; preliminary FY 2012 federal budget data for 2011.
90	Consumption expenditures.....	0.4	1.8	-10.6	1,061.5	
	<i>Of which:</i>					
91	Services.....	0.3	2.7	-8.0	364.2	
92	Gross investment.....	0.5	-1.5	-0.3	160.5	
93	National defense.....	1.1	-1.5	-4.1	820.8	
94	Consumption expenditures	0.3	0.4	-4.8	712.1	
95	Gross investment	0.7	-1.8	0.6	108.7	
96	Nondefense	-0.2	1.7	-6.6	401.3	
97	Consumption expenditures	0.0	1.4	-5.8	349.4	
98	Gross investment	-0.2	0.4	-0.9	51.8	

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

Current-Dollar NIPA Measures

Table 7. Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹
		Revision in level				
		2009	2010	2011		
99	State and local	48.8	54.4	40.0	1,837.7	
100	Consumption expenditures	47.8	52.7	42.8	1,518.0	
	Of which:					
101	Compensation of general government employees	-2.1	3.5	6.6	1,074.4	Revised BLS QCEW data for 2009 and 2010; new QCEW data for 2011.
102	Nondurable goods	16.9	14.9	8.9	256.8	Revised Census Bureau government finances FY 2009 tabulations for 2009; new FY 2010 tabulations for 2009 and 2010.
103	Services.....	27.9	22.8	13.7	403.4	Revised Census Bureau government finances FY 2009 tabulations for 2009; new FY 2010 tabulations for 2009 and 2010.
104	Less: Sales to other sectors	-4.1	-11.7	-14.9	381.7	Revised Census Bureau government finances FY 2009 tabulations for 2009; new FY 2010 tabulations for 2009 and 2010.
105	Gross investment	1.0	1.7	-2.8	319.7	
106	Structures.....	3.2	5.2	2.1	256.3	Revised Census Bureau government finances FY 2009 tabulations for 2009; new government finances FY 2010 tabulations for 2009 and 2010. Revised Census Bureau construction spending (value put in place) data for 2010 and 2011.
107	Equipment and software.....	-2.2	-3.5	-5.0	63.3	See entries under Software, line 54.
108	Gross domestic product	34.7	-27.6	-18.3	15,075.7	
109	Less: Statistical discrepancy ³	40.9	22.5	63.7	31.9	
110	Equals: Gross domestic income	-6.1	-50.1	-82.0	15,043.8	
111	Compensation of employees, paid.....	-8.2	-3.4	17.6	8,303.2	See entries under Compensation of employees, line 135.
112	Wage and salary accruals.....	-1.2	-5.8	-7.9	6,669.3	
113	Disbursements.....	-1.2	-5.8	-7.9	6,669.3	
114	To persons.....	-0.2	-4.1	-7.3	6,655.5	
115	To the rest of the world.....	-0.9	-1.7	-0.6	13.8	
116	Wage accruals less disbursements	0.0	0.0	0.0	0.0	
117	Supplements to wages and salaries	-7.1	2.3	25.5	1,633.9	
118	Taxes on production and imports.....	5.3	1.0	0.0	1,097.9	
119	Less: Subsidies.....	0.0	-0.3	-1.2	61.6	
120	Net operating surplus.....	-3.3	-46.5	-87.3	3,767.6	
121	Private enterprises	-2.7	-42.7	-76.2	3,794.1	
122	Current surplus of government enterprises.....	-0.7	-3.8	-11.2	-26.5	
123	Consumption of fixed capital.....	0.1	-1.5	-13.3	1,936.8	
124	Private	0.4	-1.0	-10.5	1,587.4	Revised BEA fixed investment and price estimates for 2009-2011.
125	Domestic business.....	0.1	-0.7	-8.7	1,285.7	
126	Capital consumption allowances	-6.6	-126.1	-112.7	1,509.5	Revised IRS tabulations of corporate tax return data for 2009; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2010; new OTA bonus depreciation estimates for 2011; revised BEA fixed investment estimates for 2009-2011.
127	Less: CCAAdj	-6.6	-125.5	-103.9	223.8	CCAAdj is calculated as capital consumption allowances less consumption of fixed capital.
128	Households and institutions.....	0.2	-0.3	-1.7	301.7	
129	Government.....	-0.2	-0.5	-2.8	349.4	
130	Plus: Income receipts from the rest of the world	2.6	13.6	4.4	783.7	Revised BEA international transactions accounts estimates for 2009-2011.
131	Less: Income payments to the rest of the world.....	11.4	-6.3	-2.0	531.8	Revised BEA international transactions accounts estimates for 2009-2011.
132	Equals: Gross national income	-14.9	-30.2	-75.6	15,295.7	
133	Less: Consumption of fixed capital.....	0.1	-1.5	-13.3	1,936.8	See entries under Consumption of fixed capital, line 123.
134	Equals: National income	-15.0	-28.7	-62.3	13,358.9	
135	Compensation of employees	-7.0	-1.4	18.6	8,295.2	
136	Wage and salary accruals.....	0.0	-3.6	-6.9	6,661.3	
137	Government.....	-0.1	0.5	5.0	1,195.3	Revised BLS QCEW data for 2009 and 2010; new QCEW data for 2011.
138	Other.....	0.1	-4.1	-11.9	5,466.0	Revised BLS QCEW data for 2009 and 2010; new QCEW data for 2011.
139	Supplements to wages and salaries	-7.1	2.3	25.5	1,633.9	

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

Current-Dollar NIPA Measures

Table 7. Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹	
		Revision in level					
		2009	2010	2011			
140	Employer contributions for employee pension and insurance funds	-5.9	7.4	28.0	1,139.0	New Department of Labor pension data for 2009; new Pension Benefit Guaranty Corporation data for 2010; new corporate financial data for 2010 and 2011; new DHHS Medical Expenditure Panel Survey data for 2010 and 2011.	
141	Employer contributions for government social insurance	-1.1	-5.1	-2.5	494.9		
142	Proprietors' income with IVA and CCAAdj	38.2	67.0	48.4	1,157.3		
143	Farm	0.7	-7.9	-11.3	54.6	Revised USDA data for 2009–2011.	
144	Proprietors' income with IVA	0.7	-7.9	-11.4	60.5		
145	CCAAdj	0.0	0.0	0.1	-5.9		
146	Nonfarm	37.5	74.9	59.8	1,102.8		
147	Proprietors' income	36.3	105.1	92.6	902.6		
148	IVA	0.8	0.2	0.0	-8.9	Revised IRS tabulations of corporate tax return data for the posttabulation and mining depreciation adjustments for 2009; new IRS tabulations of sole proprietorship and partnership tax return data for 2010; new Census Bureau nonfiler income data for 2010.	
149	CCAAdj	0.4	-30.4	-32.9	209.0		
150	Rental income of persons with CCAAdj	-16.2	-1.0	5.8	409.7	See entries under Consumption of fixed capital, line 123.	
151	Rental income of persons	-16.2	-1.0	5.7	424.4		
152	CCAAdj	0.0	0.0	0.1	-14.7	Revised FRB flow of funds accounts data on residential mortgage loan liabilities for 2009–2011; revised Census Bureau CPS/HVS data for 2009 and 2010; new CPS/HVS data for 2011; new Federal National Mortgage Corporation mortgage originations data for 2010; revised IRS tabulations of corporate and individual tax return data for 2009; new IRS tabulations for 2010; revised trade source data on insurance for 2009; new trade source data on insurance for 2010; revised Census Bureau government finances FY 2009 tabulations for 2009; new FY 2010 tabulations for 2009 and 2010; new Census Bureau FY 2011 State Government Tax Collections data for 2010 and 2011; new Office of Management and Budget FY 2013 Budget data on subsidies for 2011.	
153	Corporate profits with IVA and CCAAdj	-19.7	-97.7	-115.8	1,827.0		
154	Domestic industries	-12.1	-117.3	-125.6	1,388.1		
155	Financial	-30.6	-83.0	-63.7	381.0		
156	Nonfinancial	18.5	-34.4	-61.9	1,007.1		
157	Rest of the world	-7.6	19.7	9.8	438.9		
158	Less: CCAAdj	-7.0	-94.9	-71.2	35.4		See entries under Consumption of fixed capital, line 123.
159	Equals: Corporate profits with IVA	-12.7	-2.7	-44.6	1,791.6		See entries under Corporate profits before tax without IVA and CCAAdj, line 176.
160	Domestic industries	-5.1	-22.4	-54.4	1,352.7		Revised BEA international transactions accounts estimates for 2009–2011.
161	Financial	-27.0	-70.4	-56.2	408.3		
162	Federal Reserve banks	0.0	0.0	-0.9	75.9		
163	Other financial	-27.0	-70.5	-55.4	332.3		
164	Nonfinancial	21.9	48.1	1.8	944.4		
165	Utilities	0.9	2.9	2.5	17.7		
166	Manufacturing	5.8	16.4	-8.9	244.9		
167	Durable goods	0.6	8.1	-9.6	100.3		
168	Nondurable goods	5.2	8.3	0.7	144.6		
169	Wholesale trade	3.3	12.4	11.9	96.3		
170	Retail trade	2.0	0.0	-7.7	108.9		
171	Transportation and warehousing	1.3	13.7	14.3	45.5		
172	Information	-8.4	-1.7	-15.8	85.5		
173	Other nonfinancial	16.9	4.2	5.6	345.7		
174	Rest of the world	-7.6	19.7	9.8	438.9		
175	Less: IVA	2.6	0.4	-2.5	-62.6	Revised IRS tabulations of corporate tax return data for 2009; new IRS tabulations for 2010; revised Census Bureau Quarterly Financial Report data for 2011; regulatory agency and public financial reports profits data for 2011.	
176	Equals: Corporate profits before tax without IVA and CCAAdj	-15.2	-3.2	-42.2	1,854.1		

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

Current-Dollar NIPA Measures

Table 7. Selected Components Detail and Major Source Data Incorporated—Continues

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹
		Revision in level				
		2009	2010	2011		
177	Less: Taxes on corporate income	-3.0	-37.8	-37.2	379.0	
178	Equals: Profits after tax	-12.2	34.6	-5.0	1,475.1	
179	Less: Net corporate dividend payments	-65.9	-136.4	-116.4	697.2	
180	Equals: Undistributed corporate profits	53.7	171.0	111.4	777.9	
181	Net interest and miscellaneous payments	-16.2	3.6	-7.7	527.4	
182	Net interest	-15.4	6.2	-4.7	509.8	
183	Domestic business	-12.7	8.9	.....	280.2	
	Of which:					
184	Monetary interest paid	-91.4	62.8	.....	1,337.4	Revised IRS tabulations of corporate tax return data for 2009; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2010; revised FRB flow of funds accounts data on nonfinancial corporate liabilities for 2009 and 2010; new FRB data for 2011; revised USDA data on interest paid by farmers for 2009 and 2010; new USDA data for 2011; new FDIC data, Credit Union National Association data, Office of Thrift Supervision data, and trade source data on investment companies for 2011.
185	Less: Monetary interest received	-80.2	43.7	.....	1,664.2	Revised IRS tabulations of corporate tax return data for 2009; new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2010; revised FRB flow of funds data on nonfinancial corporate assets for 2009 and 2010; new FRB data for 2011; new FDIC data, Credit Union National Association data, Office of Thrift Supervision data, and trade source data on investment companies for 2011.
186	Imputed interest paid, depositor and insurance services	-1.4	-6.8	.....	507.7	
	Of which:					
187	Life insurance carriers	0.0	-6.2	.....	253.4	New trade source data on investment income of life insurance carriers for 2010; revised FRB flow of funds data on life insurance companies assets for 2009 and 2010; new FRB data for 2011.
188	Owner-occupied housing	-0.3	-1.1	.....	401.1	
189	Nonprofit institutions	0.0	0.1	.....	7.5	
190	Rest of the world	-2.3	-1.8	.....	-179.0	
191	Miscellaneous payments	-1.0	-2.5	-3.0	17.5	
192	Taxes on production and imports	5.3	1.0	0.0	1,097.9	
193	Federal	-5.9	-6.0	-3.4	107.4	Revised IRS data on federal excise taxes for 2008–2010; revised FY 2011 federal budget data for 2010 and 2011; preliminary FY 2012 federal budget data for 2011; new Alcohol and Tobacco Tax and Trade Bureau data for 2011.
194	State and local	11.2	6.9	3.3	990.4	Revised Census Bureau government finances FY 2009 and FY 2010 tabulations for 2009 and 2010; new Census Bureau FY 2011 State Government Tax Collections data for 2010 and 2011.
195	Less: Subsidies	0.0	-0.3	-1.2	61.6	
196	Federal	0.0	-0.4	-1.2	61.1	
197	State and local	0.0	0.0	0.0	0.5	
198	Business current transfer payments (net)	1.4	3.3	-1.5	132.6	
199	To persons (net)	1.4	9.1	5.4	44.9	Revised trade source data on insurance benefits for 2009–2011; new IRS tabulations of corporate gifts for 2010.
200	To government (net)	-0.1	-4.5	-4.6	94.8	
201	To the rest of the world (net)	0.0	-1.3	-2.4	-7.1	
202	Current surplus of government enterprises	-0.7	-3.8	-11.2	-26.5	
203	Federal	-0.1	-2.2	-10.9	-12.7	Revised FY 2011 federal budget data for 2010 and 2011; preliminary FY 2012 federal budget data for 2011; new United States Postal Service annual report data for 2011.
204	State and local	-0.6	-1.7	-0.3	-13.8	
	Addenda:					
205	Gross national product	26.0	-7.7	-12.0	15,327.5	
206	Gross saving	-41.5	-49.8	-110.7	1,837.5	
207	Personal income	-63.2	-51.6	-43.9	12,947.3	See entries under National income and additional sources below.
208	Compensation of employees, received	-7.0	-1.4	18.6	8,295.2	
209	Proprietors' income with IVA and CCAAdj	38.2	67.0	48.4	1,157.3	

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

Current-Dollar NIPA Measures

Table 7. Selected Components Detail and Major Source Data Incorporated—Table Ends

Line	NIPA component	Billions of dollars			Revised 2011 level	Major source data incorporated ¹
		Revision in level				
		2009	2010	2011		
210	Rental income of persons with CCAj.....	-16.2	-1.0	5.8	409.7	
211	Personal income receipts on assets.....	-81.2	-122.9	-104.9	1,685.1	
212	Personal interest income	-15.6	13.2	10.7	1,008.8	Revised tabulations of corporate tax return data for 2009, new IRS tabulations of corporate and of sole proprietorship and partnership tax return data for 2010; new trade source data on investment income of life insurance carriers for 2010; revised FRB flow of funds accounts data on assets of life insurance carriers for 2009 and 2010; new FRB data for 2011.
213	Personal dividend income.....	-65.6	-136.0	-115.6	676.3	Revised IRS tabulations of corporate tax return data for 2009; new IRS tabulations for 2010; regulatory agency and public financial statements data on dividends for 2011; revised BEA international transactions accounts estimates for 2009–2011.
214	Personal current transfer receipts.....	2.0	3.1	-17.0	2,319.2	
215	Government social benefits to persons	0.6	-6.0	-22.5	2,274.3	
216	Federal	3.6	0.3	-3.0	1,735.8	
217	State and local	-3.0	-6.3	-19.5	538.5	New Centers For Medicare and Medicaid Services data on Medicaid benefits for 2011.
218	Other current transfer receipts, from business (net)	1.4	9.1	5.4	44.9	See entries under Business current transfer payments (net), line 198.
219	Less: Contributions for government social insurance, domestic	-1.0	-3.5	-5.1	919.3	
220	Federal.....	0.2	-1.1	-1.8	901.0	
221	State and local	-1.2	-2.4	-3.3	18.3	
222	Less: Personal current taxes.....	3.2	0.9	0.3	1,398.0	
223	Federal	0.4	-2.2	3.2	1,075.2	
224	State and local	2.8	3.1	-2.9	322.8	
225	Equals: Disposable personal income.....	-66.4	-52.6	-44.2	11,549.3	
226	Less: Personal outlays	-22.0	-26.5	4.8	11,059.9	
227	Personal consumption expenditures	-20.2	-29.8	3.0	10,729.0	
228	Personal interest payments	3.4	10.4	10.2	168.0	Revised FRB flow of funds accounts data on liabilities for 2009 and 2010; new FRB data for 2011; revised FRB interest rate data for 2009–2011; revised FRB consumer credit data for 2011; new regulatory data for 2011.
229	Personal current transfer payments.....	-5.2	-7.1	-8.5	162.8	
230	To government	-3.9	-7.7	-8.8	88.9	Revised Census Bureau state and local government finances FY 2009 tabulations for 2009; new FY 2010 tabulations for 2009 and 2010.
231	To the rest of the world (net)	-1.3	0.6	0.3	73.9	
232	Equals: Personal saving.....	-44.4	-26.1	-49.1	489.4	

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. For more information on the revisions to the international transactions accounts, see Jeffrey R. Bogen and Jessica M. Hanson, "Annual Revision of the U.S. International Transactions Accounts," SURVEY OF CURRENT BUSINESS 92 (July 2012): 35–46.

3. 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.

BEA Bureau of Economic Analysis
 BLS Bureau of Labor Statistics
 CCAj Capital consumption adjustment
 DHHS Department of Health and Human Services
 FDIC Federal Deposit Insurance Corporation
 FRB Federal Reserve Board
 FY Fiscal year
 IRS Internal Revenue Service
 IVA Inventory valuation adjustment
 NIPAs National income and product account
 NPISHs Nonprofit institutions serving households
 OTA Office of Tax Analysis
 USDA U.S. Department of Agriculture

Changes in Methodology and Presentation

As part of the annual revision of the NIPAs, a number of changes in methodology and presentation have been incorporated.¹

Crude petroleum prices. The refiner crude acquisition cost is used in estimating a number of important series of private inventory investment and their corresponding inventory valuation adjustments. Beginning with the estimates for the second quarter of 2012, BEA is using the “preliminary” composite refiner acquisition cost (RAC) of crude oil from the Energy Information Administration in place of the producer price index (PPI) for crude petroleum as the indicator for the estimates of the refiner crude acquisition cost. Specifically, for the advance GDP estimate, the “final” RAC is used for the first month of the quarter, the “preliminary” RAC is used for the second month, and the PPI is used for the third month. For the second GDP estimate, the “final” RACs are used for the first and second months, and the “preliminary” RAC is used for the third month. For the third GDP estimate, the “final” RACs are used for each month of the quarter. Previously, the PPI was used for each month as the indicator until the “final” RAC was available. Recent research has shown that using the “preliminary” RACs in place of the PPIs for the advance and second GDP estimates reduces the revisions to the estimates of the refiner crude acquisition cost.

Seasonal adjustment of foreign trade prices. BEA has been working closely with the Census Bureau’s Foreign Trade Division to develop more consistent measures of chained-dollar exports and imports. These efforts have resulted in an improved methodology for seasonally adjusting petroleum imports that was introduced in last year’s annual revision of the NIPAs and in improved coordination of the seasonal adjustment of foreign trade prices that are used to deflate current-dollar exports and imports.² In this annual revision, the revised foreign trade prices are incorporated into BEA’s chained-dollar estimates of exports and imports beginning with the first quarter of 2009.

Newly available data for services. As part of the 2005 annual revision, BEA began incorporating data from the Census Bureau’s quarterly services survey (QSS) into its

estimates. Since then, the Census Bureau has continued to expand the coverage of the QSS, and BEA has incorporated the additional data into its estimates of PCE for services.³ This year, the Census Bureau expanded the coverage of both the QSS and the service annual survey (SAS) to include additional transportation, education, and utilities services industries.

Consequently, beginning with the estimates for 2010, BEA is incorporating newly available annual SAS data into the PCE estimates of ground transportation for intercity buses, taxicabs, private urban transit systems, school bus transportation, and “other” road transportation and into the PCE estimates of water transportation (both ground transportation and water transportation are included in the PCE category public transportation). In addition, BEA is incorporating newly available SAS data into the PCE estimates of commercial and vocational schools and of water supply and sanitation services.

Similarly, beginning with the estimates for the first quarter of 2011, BEA is incorporating newly available QSS data into the PCE estimates of ground transportation for intercity buses, taxicabs, private urban transit systems, and “other” road transportation and into the PCE estimates of water transportation and of commercial and vocational schools.

Previously, the PCE estimates for these services categories were based on assorted industry data; trade association information; BLS employment, wage, and CPI data; or they were trended using population and price data.

As the Census Bureau expands coverage of more service industries, BEA will continue to incorporate the newly available data in order to improve the estimates of PCE for services.

Change in “seasonal adjustment” of QSS series. Many of the expanded QSS series have not been available long enough for seasonal adjustment using the X-12 ARIMA seasonal adjustment program. Beginning with the estimates for the first quarter of 2010, the PCE estimates based on these QSS series reflect a four-quarter moving average. Previously, BEA had applied a five-quarter moving average to these series to account for

1. These changes update the information in the two tables that were published in “Updated Summary NIPA Methodologies” in the November 2011 SURVEY; these tables will be updated in the November 2012 SURVEY.

2. For details on the seasonal adjustment of petroleum imports, see Eugene P. Seskin and Shelly Smith, “Annual Revision of the National Income and Product Accounts,” SURVEY 91 (August 2011): 27.

3. About 42 percent of the quarterly estimates of PCE for services is now based on the QSS data. For a detailed list of the PCE components that are estimated using the QSS, see [FAQ 315](#) on BEA’s Web site.

Changes in Methodology and Presentation

seasonal effects in estimating the corresponding PCE categories. This change should reduce the seasonal “noise” that may have been introduced inadvertently into the estimates by the inclusion of a fifth quarter, which could “overweight” the seasonal impact of a particular quarter, and is in response to comments received from several data users. The PCE components affected by this change include outpatient services, transportation services, recreation services, portfolio management and investment advice services, personal care and clothing services, social services, and household maintenance services as well as gross output of nonprofit outpatient, recreation, and social services.

Retail motor vehicle inventories. Beginning with the 2010 quarterly and annual estimates for inventory investment of retail motor vehicle dealers, BEA is using a weighted average of BEA unit-based automotive inventories (50 percent) and of Census Bureau total motor vehicle inventories (50 percent). BEA unit-based quarterly estimates include detailed data on automobiles and light trucks in PCE and in private fixed investment as well as data on heavy trucks in private fixed investment.

This change is designed to improve the inventory estimates by balancing the coverage and timing differences inherent in the data from the two agencies. The BEA unit-based data may reflect differences in company-by-company reporting, and they also exclude information on high-end and exotic vehicles such as Ferraris. The Census Bureau data are industry based and more comprehensive and include information on automotive parts, other motor vehicles (such as motorcycles, RVs, and ATVs), and the high-end exotic vehicles sold at retailers; combined, these categories of motor vehicles and parts represent about 5 percent of total retail automobile dealer sales. In addition, the Census Bureau data more closely align with BEA industry-based reporting of inventory investment. However, the monthly data on retail motor vehicle inventories available from the Census Bureau only provide information for a single category that includes automobiles, trucks, and “other” motor vehicles. The annual retail trade survey (ARTS) provides detailed data for these categories; however, the detailed data are only available with a 1-year lag.

Previously, the current quarterly estimates of inventory investment of retail motor vehicle dealers from BEA unit-based inventories were reconciled with the limited quarterly inventory data available from the Census Bu-

reau. Similarly, during annual revisions, the estimates for the latest year—for example, 2011 in this annual revision—were also reconciled in this way because the more comprehensive ARTS data were not yet available. Estimates for earlier years were based on the ARTS data.

State and local corporate profits taxes. Under NIPA accounting principles, business income and the taxes on that income should be measured on an accrual basis. The main difference between tax liabilities and tax payments is timing; tax collections should approximately equal tax accruals in the long run. In practice, for recent years, BEA estimates of state and local corporate profits tax accruals have differed greatly from the corresponding tax collections.

In an effort to lessen this difference, beginning with this annual revision, the revised historical estimates of state and local corporate profits taxes for a quarter are based on tax collections data for the following quarter. For estimating the current quarterly estimates of profits taxes—for which the following quarter’s collections do not yet exist—a model is used in which taxes are a function of the current quarter’s tax collections and a timing factor. The timing factor, in turn, is a function of the quarter-to-quarter change in NIPA profits before tax and the average tax rate.

Previously, for annual revisions, a BEA-developed procedure had been used to adjust the timing of collections to an accrual basis. However, a recent analysis of the procedure concluded that a simple shifting of collections back one quarter adequately characterized the timing relationship of the corresponding tax accruals.

Previously, for the current quarter’s estimate, state and local corporate profits tax accruals were extrapolated from the previous quarter’s estimate using the quarter-to-quarter growth rate of a sample of state data on corporate tax collections from the Rockefeller Institute of Government.

Changes in presentation. There has been increasing interest in tracking changes in GDP with changes in GDI, which measures the output of the economy as the costs incurred and the incomes earned in the production of GDP. To facilitate comparisons in the movements in these two important aggregate measures, three new tables have been introduced that show percent changes, current-dollar measures, and chained-dollar measures of these and related aggregates (including gross national product and various command-basis measures) side-by-

Changes in Methodology and Presentation

side: “Table 1.17.1. Percent Change from Preceding Period in Real Gross Domestic Product, Real Gross Domestic Income, and Other Major NIPA Aggregates,” “Table 1.17.5. Gross Domestic Product, Gross Domestic Income and Other Major NIPA Aggregates,” and “Table 1.17.6. Real Gross Domestic Product, Real Gross Domestic Income, and Other Major NIPA Aggregates, Chained Dollars.” Previously, current-dollar GDI measures had only been shown in NIPA tables 1.10, 1.11, and the addenda of table 1.7.5, and chained-dollar GDI measures had only been shown in the addenda of tables 1.7.1 and 1.7.6.

A new line has been added to “Table 3.14. Government Social Insurance Funds Current Receipts and Expenditures” that shows government transfers to the Social Security Trust Fund. This annual-only table shows the sources of receipts for the social insurance

funds—for example, employee and employer contributions for social insurance (such as social security and Medicare) and interest income of the funds—as well as the expenditures of the funds categorized as administrative expenses or government social benefits (such as social security payments and Medicare payments). Under the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010, which established a “payroll tax holiday,” a transfer from the “general” fund was authorized in order to offset the forgone receipts from the tax holiday that began in January 2011. Beginning with the first quarter of 2011, BEA quarterly estimates of federal government net saving for social insurance funds have reflected this large transfer, and this change to table 3.14 allows users to more easily identify this type of transfer on an annual basis.

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 on BEA’s Web site at www.bea.gov.

Selected revised NIPA estimates and related estimates will be published in upcoming issues of the SURVEY OF CURRENT BUSINESS. The September SURVEY will present the following NIPA tables: tables 3.15–3.17 (government spending by function) and table 7.15 (reconciliation of net farm income in the NIPAs with net farm income from the U.S. Department of Agriculture). It will also present new estimates of fixed assets and of consumer durable goods beginning with 2009.

The October SURVEY will present the following NIPA tables: table 3.18 (reconciliation of NIPA federal government estimates with federal budget data), table 3.19 (reconciliation of NIPA state and local government estimates with

Census Bureau data), tables 3.20 and 3.21 (state government and local government current receipts and expenditures), and tables 3.22 and 3.23 (not seasonally adjusted estimates of federal government and state and local government current receipts and expenditures). It will also present real inventories, sales, and inventory-sales ratios for manufacturing and trade for the fourth quarter of 2008 through the second quarter of 2012. In addition, revised estimates of state personal income that incorporate the results of this annual revision of the NIPAs will be presented.

The November SURVEY will feature the “Updated Summary of NIPA Methodologies,” which lists the principal source data and estimating methods that are used in preparing the current-dollar and real estimates of GDP. It will also present NIPA table 2.9 (personal income by households and by nonprofit institutions serving households) and table 7.20 (reconciliation of NIPA income and outlays of nonprofit institutions with IRS revenue and expenses).

Acknowledgments

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Appendix A

Revisions to the National Income and Product Accounts—Continues

[Billions of dollars]

	2009		2010		2011	
	Revised	Revision	Revised	Revision	Revised	Revision
Account 1. Domestic Income and Product Account						
Compensation of employees, paid	7,807.2	-8.2	7,977.2	-3.4	8,303.2	17.6
Wage and salary accruals	6,283.2	-1.2	6,411.7	-5.8	6,669.3	-7.9
Disbursements	6,278.2	-1.2	6,411.7	-5.8	6,669.3	-7.9
Wage accruals less disbursements	5.0	0.0	0.0	0.0	0.0	0.0
Supplements to wages and salaries	1,524.0	-7.1	1,565.4	2.3	1,633.9	25.5
Taxes on production and imports	1,023.2	5.3	1,055.0	1.0	1,097.9	0.0
Less: Subsidies	59.7	0.0	57.0	-0.3	61.6	-1.2
Net operating surplus	3,218.4	-3.3	3,627.0	-46.5	3,767.6	-87.3
Private enterprises	3,233.9	-2.7	3,646.5	-42.7	3,794.1	-76.2
Current surplus of government enterprises	-15.6	-0.7	-19.5	-3.8	-26.5	-11.2
Consumption of fixed capital	1,866.3	0.1	1,873.4	-1.5	1,936.8	-13.3
Gross domestic income	13,855.4	-6.1	14,475.6	-50.1	15,043.8	-82.0
Statistical discrepancy	118.3	40.9	23.3	22.5	31.9	63.7
GROSS DOMESTIC PRODUCT	13,973.7	34.7	14,498.9	-27.6	15,075.7	-18.3
Personal consumption expenditures	9,845.9	-20.2	10,215.7	-29.8	10,729.0	3.0
Goods	3,194.4	-3.1	3,364.9	-22.1	3,624.8	-21.8
Durable goods	1,029.6	0.0	1,079.4	-6.1	1,146.4	-16.5
Nondurable goods	2,164.8	-3.0	2,285.5	-16.0	2,478.4	-5.3
Services	6,651.5	-17.2	6,850.9	-7.6	7,104.2	24.8
Gross private domestic investment	1,549.3	2.5	1,737.3	-57.8	1,854.9	-61.3
Fixed investment	1,703.5	-4.1	1,679.0	-49.2	1,818.3	-51.7
Nonresidential	1,349.3	-3.7	1,338.4	-51.7	1,479.6	-52.9
Structures	451.1	1.2	376.3	1.9	404.8	-4.7
Equipment and software	898.2	-4.8	962.1	-53.6	1,074.7	-48.3
Residential	354.1	-0.6	340.6	2.5	338.7	1.2
Change in private inventories	-154.2	6.6	58.4	-8.5	36.6	-9.7
Net exports of goods and services	-388.7	2.8	-511.6	5.3	-568.1	10.6
Exports	1,587.4	4.4	1,844.4	4.6	2,094.2	8.7
Imports	1,976.2	1.6	2,356.1	-0.6	2,662.3	-1.9
Government consumption expenditures and gross investment	2,967.2	49.7	3,057.5	54.7	3,059.8	29.2
Federal	1,143.6	0.9	1,223.1	0.3	1,222.1	-10.8
National defense	776.0	1.1	817.7	-1.5	820.8	-4.1
Nondefense	367.6	-0.2	405.3	1.7	401.3	-6.6
State and local	1,823.6	48.8	1,834.4	54.4	1,837.7	40.0
GROSS DOMESTIC PRODUCT	13,973.7	34.7	14,498.9	-27.6	15,075.7	-18.3
Account 2. Private Enterprise Income Account						
Income payments on assets	2,628.0	-83.3	2,413.9	47.4	2,352.4	.....
Interest and miscellaneous payments	2,487.1	-94.2	2,231.0	52.2	2,146.1	.....
Dividend payments to the rest of the world	119.0	2.7	115.1	21.3	118.8	15.0
Reinvested earnings on foreign direct investment in the United States	21.9	8.2	67.7	-26.2	87.5	-16.8
Business current transfer payments (net)	133.4	1.4	140.0	3.3	132.6	-1.5
To persons (net)	39.6	1.4	47.4	9.1	44.9	5.4
To government (net)	96.0	-0.1	94.5	-4.5	94.8	-4.6
To the rest of the world (net)	-2.3	0.0	-1.9	-1.3	-7.1	-2.4
Proprietors' income with inventory valuation and capital consumption adjustments	979.4	38.2	1,103.4	67.0	1,157.3	48.4
Rental income of persons with capital consumption adjustment	289.7	-16.2	349.2	-1.0	409.7	5.8
Corporate profits with inventory valuation and capital consumption adjustments	1,342.3	-19.7	1,702.4	-97.7	1,827.0	-115.8
Taxes on corporate income	269.4	-3.0	373.3	-37.8	379.0	-37.2
To government	245.9	-3.2	349.5	-37.9	351.8	-37.9
To the rest of the world	23.5	0.2	23.8	0.2	27.2	0.6
Profits after tax with inventory valuation and capital consumption adjustments	1,073.0	-16.6	1,329.1	-60.0	1,447.9	-78.6
Net dividends	554.1	-65.9	600.9	-136.4	697.2	-116.4
Undistributed corporate profits with inventory valuation and capital consumption adjustments	518.8	49.2	728.2	76.5	750.7	37.8
USES OF PRIVATE ENTERPRISE INCOME	5,372.8	-79.7	5,708.9	18.9	5,879.0	.....
Net operating surplus, private enterprises	3,233.9	-2.7	3,646.5	-42.7	3,794.1	-76.2
Income receipts on assets	2,138.9	-77.0	2,062.4	61.6	2,084.9	.....
Interest	1,645.2	-80.3	1,478.0	46.8	1,439.7	.....
Dividend receipts from the rest of the world	230.9	11.0	235.0	19.1	262.0	-15.8
Reinvested earnings on U.S. direct investment abroad	262.8	-7.7	349.4	-4.4	383.2	23.9
SOURCES OF PRIVATE ENTERPRISE INCOME	5,372.8	-79.7	5,708.9	18.9	5,879.0	.....
Account 3. Personal Income and Outlay Account						
Personal current taxes	1,144.6	3.2	1,194.8	0.9	1,398.0	0.3
Personal outlays	10,214.3	-22.0	10,560.4	-26.5	11,059.9	4.8
Personal consumption expenditures	9,845.9	-20.2	10,215.7	-29.8	10,729.0	3.0
Personal interest payments	217.1	3.4	183.8	10.4	168.0	10.2
Personal current transfer payments	151.3	-5.2	160.9	-7.1	162.8	-8.5
To government	85.2	-3.9	87.4	-7.7	88.9	-8.8
To the rest of the world (net)	66.1	-1.3	73.5	0.6	73.9	0.3
Personal saving	508.2	-44.4	566.7	-26.1	489.4	-49.1
PERSONAL TAXES, OUTLAYS, AND SAVING	11,867.0	-63.2	12,321.9	-51.6	12,947.3	-43.9
Compensation of employees, received	7,794.4	-7.0	7,970.0	-1.4	8,295.2	18.6
Wage and salary disbursements	6,270.3	0.0	6,404.6	-3.6	6,661.3	-6.9
Domestic	6,264.9	-0.2	6,398.9	-4.1	6,655.5	-7.3
Rest of the world	5.5	0.3	5.6	0.3	5.8	0.4
Supplements to wages and salaries	1,524.0	-7.1	1,565.4	2.3	1,633.9	25.5
Employer contributions for employee pension and insurance funds	1,067.2	-5.9	1,097.3	7.4	1,139.0	28.0
Employer contributions for government social insurance	456.9	-1.1	468.1	-5.1	494.9	-2.5
Proprietors' income with inventory valuation and capital consumption adjustments	979.4	38.2	1,103.4	67.0	1,157.3	48.4
Rental income of persons with capital consumption adjustment	289.7	-16.2	349.2	-1.0	409.7	5.8
Personal income receipts on assets	1,626.5	-81.2	1,598.3	-122.9	1,685.1	-104.9
Personal interest income	1,093.3	-15.6	1,016.6	13.2	1,008.8	10.7
Personal dividend income	533.2	-65.6	581.7	-136.0	676.3	-115.6
Personal current transfer receipts	2,140.1	2.0	2,284.3	3.1	2,319.2	-17.0
Government social benefits	2,100.5	0.6	2,236.9	-6.0	2,274.3	-22.5
From business (net)	39.6	1.4	47.4	9.1	44.9	5.4
Less: Contributions for government social insurance, domestic	963.1	-1.0	983.3	-3.5	919.3	-5.1
PERSONAL INCOME	11,867.0	-63.2	12,321.9	-51.6	12,947.3	-43.9

Appendix A

Revisions to the National Income and Product Accounts—Table Ends

[Billions of dollars]

	2009		2010		2011	
	Revised	Revision	Revised	Revision	Revised	Revision
Account 4. Government Receipts and Expenditures Account						
Consumption expenditures.....	2,460.3	48.1	2,552.0	54.5	2,579.5	32.2
Current transfer payments.....	2,170.0	0.7	2,308.0	-8.8	2,350.1	-21.2
Government social benefits.....	2,116.5	0.5	2,253.4	-6.1	2,291.4	-22.1
To persons.....	2,100.5	0.6	2,236.9	-6.0	2,274.3	-22.5
To the rest of the world.....	16.0	-0.1	16.5	-0.1	17.1	0.3
Other current transfer payments to the rest of the world (net).....	53.5	0.2	54.7	-2.6	58.7	0.9
Interest payments.....	357.9	-0.7	387.4	-2.8	434.2	5.8
Subsidies.....	59.7	0.0	57.0	-0.3	61.6	-1.2
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	0.0
Net government saving.....	-1,342.6	-46.6	-1,397.7	-98.7	-1,339.4	-86.1
Federal.....	-1,229.3	-11.4	-1,308.0	-34.3	-1,237.4	-49.6
State and local.....	-113.2	-35.2	-89.7	-64.4	-102.0	-36.5
GOVERNMENT CURRENT EXPENDITURES AND NET SAVING.....	3,705.3	1.6	3,906.8	-56.0	4,086.1	-70.4
Current tax receipts.....	2,428.5	5.5	2,614.4	-34.3	2,863.5	-37.5
Personal current taxes.....	1,144.6	3.2	1,194.8	0.9	1,398.0	0.3
Taxes on production and imports.....	1,023.2	5.3	1,055.0	1.0	1,097.9	0.0
Taxes on corporate income.....	245.9	-3.2	349.5	-37.9	351.8	-37.9
Taxes from the rest of the world.....	14.8	0.1	15.1	1.8	15.9	0.2
Contributions for government social insurance.....	968.1	-0.9	988.2	-3.5	923.8	-5.1
Income receipts on assets.....	143.1	1.7	141.8	-2.2	141.7	-3.3
Interest and miscellaneous receipts.....	122.2	2.1	122.5	-1.9	120.8	-2.5
Dividends.....	20.9	-0.4	19.2	-0.4	20.9	-0.8
Current transfer receipts.....	181.2	-4.0	181.9	-12.2	183.7	-13.3
From business (net).....	96.0	-0.1	94.5	-4.5	94.8	-4.6
From persons.....	85.2	-3.9	87.4	-7.7	88.9	-8.8
Current surplus of government enterprises.....	-15.6	-0.7	-19.5	-3.8	-26.5	-11.2
GOVERNMENT CURRENT RECEIPTS.....	3,705.3	1.6	3,906.8	-56.0	4,086.1	-70.4
Account 5. Foreign Transactions Current Account						
Exports of goods and services.....	1,587.4	4.4	1,844.4	4.6	2,094.2	8.7
Income receipts from the rest of the world.....	642.4	2.6	716.5	13.6	783.7	4.4
Wage and salary receipts.....	5.5	0.3	5.6	0.3	5.8	0.4
Income receipts on assets.....	636.9	2.3	710.9	13.3	777.9	4.0
Interest.....	143.2	-1.0	126.5	-1.4	132.7	-4.1
Dividends.....	230.9	11.0	235.0	19.1	262.0	-15.8
Reinvested earnings on U.S. direct investment abroad.....	262.8	-7.7	349.4	-4.4	383.2	23.9
CURRENT RECEIPTS FROM THE REST OF THE WORLD.....	2,229.9	7.1	2,560.9	18.2	2,877.9	13.1
Imports of goods and services.....	1,976.2	1.6	2,356.1	-0.6	2,662.3	-1.9
Income payments to the rest of the world.....	498.9	11.4	507.2	-6.3	531.8	-2.0
Wage and salary payments.....	13.3	-0.9	12.8	-1.7	13.8	-0.6
Income payments on assets.....	485.6	12.3	494.4	-4.6	518.0	-1.4
Interest.....	344.7	1.4	311.6	0.3	311.7	0.3
Dividends.....	119.0	2.7	115.1	21.3	118.8	15.0
Reinvested earnings on foreign direct investment in the United States.....	21.9	8.2	67.7	-26.2	87.5	-16.8
Current taxes and transfer payments to the rest of the world (net).....	137.0	-1.2	146.5	-5.1	149.6	-0.3
From persons (net).....	66.1	-1.3	73.5	0.6	73.9	0.3
From government (net).....	49.7	-0.1	51.2	-4.5	55.5	1.1
From business (net).....	21.2	0.2	21.9	-1.2	20.2	-1.7
Balance on current account, national income and product accounts.....	-382.2	-4.8	-448.8	30.4	-465.8	17.3
CURRENT PAYMENTS TO THE REST OF THE WORLD AND BALANCE ON CURRENT ACCOUNT.....	2,229.9	7.1	2,560.9	18.2	2,877.9	13.1
Account 6. Domestic Capital Account						
Gross domestic investment.....	2,056.2	4.0	2,242.9	-57.5	2,335.1	-64.4
Private fixed investment.....	1,703.5	-4.1	1,679.0	-49.2	1,818.3	-51.7
Government fixed investment.....	506.9	1.5	505.5	0.2	480.2	-3.1
Change in private inventories.....	-154.2	6.6	58.4	-8.5	36.6	-9.7
Capital account transactions (net).....	0.6	0.0	0.7	0.0	1.7	0.4
Transfer payments for catastrophic losses (net).....	0.0	0.0	0.0	0.0	0.0	0.0
Other capital account transactions.....	0.6	0.0	0.7	0.0	1.7	0.4
Net lending or net borrowing (-), national income and product accounts.....	-382.7	-4.7	-449.5	30.4	-467.4	17.0
GROSS DOMESTIC INVESTMENT, CAPITAL ACCOUNT TRANSACTIONS (NET), AND NET LENDING.....	1,674.1	-0.7	1,794.0	-27.3	1,869.4	-47.0
Net saving.....	-310.5	-41.7	-102.8	-48.3	-99.3	-97.4
Personal saving.....	508.2	-44.4	566.7	-26.1	489.4	-49.1
Undistributed corporate profits with inventory valuation and capital consumption adjustments.....	518.8	49.2	728.2	76.5	750.7	37.8
Wage accruals less disbursements (private).....	5.0	0.0	0.0	0.0	0.0	0.0
Net government saving.....	-1,342.6	-46.6	-1,397.7	-98.7	-1,339.4	-86.1
Plus: Consumption of fixed capital.....	1,866.3	0.1	1,873.4	-1.5	1,936.8	-13.3
Private.....	1,542.8	0.4	1,539.9	-1.0	1,587.4	-10.5
Government.....	323.5	-0.2	333.5	-0.5	349.4	-2.8
General government.....	270.4	-0.1	278.2	-0.4	291.0	-2.2
Government enterprises.....	53.1	-0.1	55.3	-0.1	58.4	-0.7
Equals: Gross saving.....	1,555.8	-41.5	1,770.7	-49.8	1,837.5	-110.7
Statistical discrepancy.....	118.3	40.9	23.3	22.5	31.9	63.7
GROSS SAVING AND STATISTICAL DISCREPANCY.....	1,674.1	-0.7	1,794.0	-27.3	1,869.4	-47.0
Account 7. Foreign Transactions Capital Account						
BALANCE ON CURRENT ACCOUNT, NATIONAL INCOME AND PRODUCT ACCOUNTS.....	-382.2	-4.8	-448.8	30.4	-465.8	17.3
Capital account transactions (net).....	0.6	0.0	0.7	0.0	1.7	0.4
Transfer payments for catastrophic losses (net).....	0.0	0.0	0.0	0.0	0.0	0.0
Other capital account transactions.....	0.6	0.0	0.7	0.0	1.7	0.4
Net lending or net borrowing (-), national income and product accounts.....	-382.7	-4.7	-449.5	30.4	-467.4	17.0
CAPITAL ACCOUNT TRANSACTIONS (NET) AND NET LENDING, NATIONAL INCOME AND PRODUCT ACCOUNTS.....	-382.2	-4.8	-448.8	30.4	-465.8	17.3

Note on the Upcoming 2013 Comprehensive NIPA Revision

Next year, BEA will release the results of a comprehensive, or benchmark, revision of the national income and product accounts (NIPAs). Comprehensive revisions, and to a lesser extent annual revisions, provide the opportunity to introduce the major changes that are outlined in BEA's strategic plan for maintaining and improving the NIPAs.¹ Comprehensive revisions cover a longer time span than most annual revisions and encompass a wider range of improvements, including major changes in definitions, classifications, and presentations.

The most important source of information for comprehensive NIPA revisions is the benchmark input-output accounts. These accounts are used to establish the level of GDP for the benchmark year and to provide critical information for estimating GDP for periods after the benchmark year. For the comprehensive revision to be released in 2013, the revised NIPA estimates will reflect the benchmark input-output accounts for 2007, which will be released shortly after the NIPA comprehensive revision.²

The 2013 comprehensive NIPA revision will also include five major improvements recommended by the *System of National Accounts, 2008* that are described below. BEA will provide additional information about these changes and about other changes related to the comprehensive revision in articles in the *SURVEY OF CURRENT BUSINESS*, on the BEA Web site, at meetings of the BEA Advisory Committee, and at other meetings of experts and data users.

Major improvements

The treatment of spending on research and development (R&D) as investment in the NIPAs. The primary effect of this improvement will be to increase both GDP and gross domestic income (GDI) in periods when businesses invest in R&D. The depreciation (consumption of fixed capital) of the stock of R&D capital will reduce business income in subsequent periods. For governments and nonprofit institutions, R&D expenditures will be reclassified within GDP from current consumption to investment; the depreciation of the stock of R&D capital

will increase both GDP and GDI in subsequent periods.³

The treatment of spending on entertainment, literary, and artistic originals as investment in the NIPAs. This category includes motion pictures, television programs, music compositions and recordings, and books. The primary effect of this improvement will be to increase both GDP and GDI in periods when firms invest in entertainment, literary, and artistic originals. The depreciation of the capital stock of entertainment, literary, and artistic originals will reduce business income in subsequent periods.⁴

The adoption of accrual accounting for defined benefit pension plans in place of cash-based accounting. Defined benefit plans determine the level of benefits during retirement by a formula that typically depends on length of service and average or final pay rather than on the amount of money that has been accumulated in a pension account. Under the accrual approach, the measure of compensation income for the participants in the plans will be the present value of the benefits to which employees become entitled as a result of their service to employers rather than the employers' actual contributions to the plans. In addition, underfunded defined benefit pension plans have a claim on employers to cover the unfunded actuarial liability, and these plans will receive imputed interest from the employers on this claim. This imputed interest will be included in the property income of the plan participants along with the interest and dividends earned on the plan assets.⁵

An improved treatment of borrowers' and depositors' services. For financial services furnished without payment by commercial banks, borrowers' services will exclude expected credit losses (default costs), which are an important and predictable cost of doing business for commercial banks. In addition, BEA will introduce an

3. For more information, see Jennifer Lee and Andrew G. Schmidt, "Research and Development Satellite Account Update: Estimates for 1959–2007," *SURVEY 90* (December 2010): 16–27 and Ana M. Aizcorbe, Carol E. Moylan, and Carol A. Robbins, "Toward Better Measurement of Innovation and Intangibles," *SURVEY 89* (January 2009): 10–23.

4. For more information, see Rachel H. Soloveichik, "Artistic Originals as Capital Assets," *SURVEY 91* (June 2011): 43–51.

5. For more information, see Marshall B. Reinsdorf and David G. Lenze, "Defined Benefit Pensions and Household Income and Wealth," *SURVEY 89* (August 2009): 50–62.

1. BEA's strategic plan can be found on the Web site at www.bea.gov.

2. For more information, see Brian C. Moyer, "Future Directions for the Industry Accounts," *SURVEY 89* (March 2009): 29–32.

Note on the Upcoming 2013 Comprehensive NIPA Revision

improved reference rate to allocate the unpriced financial services between depositors and borrowers; the new reference rate will result in reduced volatility in the estimates of depositors' and borrowers' services.

The classification of ownership transfer costs as fixed investment. Currently in the NIPAs, real estate brokers' commissions are classified as fixed investment and are depreciated over the life of the associated assets. For residential dwellings, the additional costs of ownership transfer other than those connected with obtaining a mortgage will be classified as fixed investment. Transaction costs for acquiring or selling residential assets will be depreciated at a rate based on the expected holding period of the asset, not on the lifetime of the asset.

Presentational changes

The NIPA tables will be updated to reflect the changes described above. In addition, some new presentations

will be introduced, including the following.

A new category of fixed investment. A new category will be introduced: intellectual property products. Fixed investment will consist of structures, equipment, and intellectual property products. Intellectual property products will include software (currently included in equipment and software); research and development; and entertainment, literary, and artistic originals. Tables will be modified to show the new categories for private and government fixed investment, and new tables will be introduced to show private fixed investment in intellectual property products.

The adoption of accrual accounting for defined benefit pensions. This accounting will introduce new transactions, and tables will be modified to show them. In addition, new tables will present transactions of pension plans for the private sector, for the federal government, and for state and local governments.