

# Preview of the 2013 Comprehensive Revision of the National Income and Product Accounts

## Changes in Definitions and Presentations

**I**N JULY, the Bureau of Economic Analysis (BEA) will release the initial results of the 14<sup>th</sup> comprehensive, or benchmark, revision of the national income and product accounts (NIPAs). The last comprehensive revision was released in July 2009.

Comprehensive NIPA revisions differ from annual NIPA revisions primarily because of the scope of the changes. Comprehensive revisions typically incorporate three major types of improvements: (1) changes in definitions and classifications that update the accounts to more accurately portray the evolving U.S. economy and to provide for consistent comparisons with data for the economies of other nations, (2) statistical changes that update the accounts to reflect the introduction of new and improved methodologies and the incorporation of newly available and revised source data, and (3) changes in presentations that update the NIPA tables to reflect the changes in definitions and the statistical changes and to make the tables more informative. Comprehensive revisions are usually conducted at 5-year intervals that correspond with the integration of updated statistics from BEA's quinquennial benchmark input-output accounts.<sup>1</sup>

This article discusses the major changes in definitions and presentations that will be a part of the upcoming comprehensive revision.<sup>2</sup> An article in May will describe the major statistical changes.<sup>3</sup> An article in September will discuss the results of the revision, including estimates that reflect the effects of the changes in definitions and statistical methods as well as the changes in presentation.

Comprehensive revisions and, to a lesser extent, annual revisions, provide the opportunity to introduce major improvements that are outlined in BEA's strategic plan for maintaining and improving its economic

accounts.<sup>4</sup> BEA's strategic plan for the national economic accounts outlines several major objectives, including addressing data gaps and other shortcomings, improving consistency and integration with other BEA accounts, and improving consistency with international guidelines. These changes in definitions and presentations and the planned statistical improvements constitute important steps toward meeting each of these objectives.

This revision presents an opportunity to incorporate changes to the NIPAs that reflect the updated international guidelines for national accounts, the *System of National Accounts 2008* (SNA).<sup>5</sup> BEA played a key leadership role in updating the SNA, which was developed by the international statistical community in order to facilitate comparisons between countries and to serve as a guide for countries as they develop their economic accounting systems. The United States produces all five of the core components of the SNA, ranging from quarterly accounts to balance sheets, and with this revision, the NIPAs will have adopted the most important of the major changes introduced in the 2008 SNA, including the recognition of research and development expenditures as fixed investment and the accrual-based approach to measuring defined benefit pension plans. Most other developed economies, including those of Europe, will have incorporated most of the major changes included in the 2008 SNA into their economic accounts by 2014. While the NIPAs will

4. The Bureau of Economic Analysis Strategic Plan for 2012–2016 is available on [BEA's Web site](#).

5. The latest edition of the *System of National Accounts 2008* can be found at [unstats.un.org](http://unstats.un.org).

1. This year's comprehensive revision of the NIPAs will incorporate results from BEA's 2007 benchmark input-output accounts, which will be released later this year.

2. The changes in definitions and classifications that are discussed in this article are changes that affect the conceptual content of the components of the NIPAs.

3. Last month's SURVEY OF CURRENT BUSINESS introduced a statistical improvement that will be made to BEA's measures of imputed financial services of commercial banks. See Kyle K. Hood, "Measuring the Services of Commercial Banks in the National Income and Product Accounts," SURVEY 93 (February 2013): 8–19.

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be largely consistent with the SNA, they, like the accounts of other countries, will differ from the SNA in some respects, especially in regard to the allocation of certain units or transactions to institutional sectors.<sup>6</sup>

The major changes in definitions and classifications in this comprehensive revision are as follows:

- Recognize expenditures by business, government, and nonprofit institutions serving households (NPISH) on research and development as fixed investment.
- Recognize expenditures by business and NPISH on entertainment, literary, and other artistic originals as fixed investment.
- Expand the ownership transfer costs of residential fixed assets that are recognized as fixed investment and improve the accuracy of the associated asset values and services lives.
- Measure the transactions of defined benefit pension plans on an accrual accounting basis by recognizing the costs of unfunded liabilities and showing the pension plans as a subsector of the financial corporate sector.
- Harmonize the treatment of wages and salaries by using accrual-based estimates consistently throughout the accounts.

These major improvements also result in presentation changes to the accounts. In addition, the reference

6. For discussion of differences between the NIPAs and the SNA, especially with respect to the sector accounts, see Charles Ian Mead, Karin E. Moses and Brent R. Moulton, “The NIPAs and the System of National Accounts,” *SURVEY* 84 (December 2004): 19–21. Note that some of the differences between the NIPAs and the SNA in 2004, such as the treatment of military weapon systems, have now been resolved by the 2008 SNA adopting the treatment currently used in the NIPAs.

year for the chain-type quantity and price indexes and for the chained-dollar estimates will be changed to 2009 from 2005.

In the following sections of the article, each change is described, the reason for the change is given, the current treatment and the new treatment are outlined, and the effects on the NIPA summary accounts are provided. Also, the section “Changes in Presentations” describes the major changes to the NIPA tables as a result of the implementation of these improvements.

Table 1 lists the major changes and the affected components of the NIPAs.

## Changes in Definitions

### Capitalization of research and development expenditures

Research and development (R&D) is defined in the SNA as “creative work undertaken on a systematic basis to increase the stock of knowledge, and use of this stock of knowledge for the purpose of discovering or developing new products, including improved versions or qualities of existing products, or discovering or developing new or more efficient processes of production.”<sup>7</sup> Expenditures for R&D have long been recognized as having the characteristics of fixed assets—defined ownership rights, long-lasting, and repeated use and benefit in the production process. Recognizing that the asset boundary should be expanded to include innovative activities, such as R&D, the NIPAs will record private and government

7. SNA 2008, 119, paragraph 6.207.

**Table 1. Changes in Definitions Affecting the NIPA Estimates**

Change	Major components affected
Recognize expenditures by business, government, and nonprofit institutions serving households (NPISH) on research and development as fixed investment	GDP, GDI, GNP, national income, PCE, gross private domestic investment, government consumption expenditures and gross investment, net operating surplus, consumption of fixed capital, proprietors' income, corporate profits, personal income, DPI, personal saving, government saving, net saving, and gross saving.
Recognize expenditures by business and NPISH on entertainment, literary, and other artistic originals as fixed investment	GDP, GDI, GNP, national income, PCE, gross private domestic investment, net operating surplus, consumption of fixed capital, proprietors' income, corporate profits, personal income, DPI, personal saving, net saving, and gross saving.
Expand the ownership transfer costs of residential fixed assets that are recognized as fixed investment and improve the accuracy of the associated asset values and services lives	GDP, GDI, GNP, national income, gross private domestic investment, net operating surplus, consumption of fixed capital, proprietors' income, rental income of persons, corporate profits, personal income, DPI, personal saving, net saving, and gross saving.
Measure transactions of defined benefit pension plans on an accrual accounting basis by recognizing the costs of unfunded liabilities and showing the pension plans as a subsector of the financial corporate sector	GDP, GDI, GNP, national income, government consumption expenditures and gross investment, compensation of employees, net operating surplus, net interest, corporate profits, personal interest income, personal saving, current surplus of government enterprises, net government interest, and government saving.
Harmonize the treatment of wages and salaries by using accrual-based estimates consistently throughout the accounts	GDI, national income, compensation of employees, statistical discrepancy, personal income, DPI, personal saving, government saving, net saving, and gross saving.

NOTE: These changes in definitions will be incorporated into the NIPA estimates for 1929 forward.

DPI Disposable personal income  
GDI Gross domestic income

GDP Gross domestic product  
GNP Gross national product  
NIPA National income and product account  
PCE Personal consumption expenditures

expenditures for R&D as investment.<sup>8</sup> Investment in R&D will be presented along with investment in software and in entertainment, literary, and artistic originals in a new asset category entitled “intellectual property products,” beginning with 1929. These estimates will be presented in a new table, an example of which is presented in table 2. The recognition of R&D as investment will improve BEA’s measures of fixed investment, allow users to better measure the effects of innovation and intangible assets on the economy, and make the NIPAs more consistent with recommendations in the *SNA*.<sup>9</sup>

**Current treatment**

Currently, expenditures for private R&D are not recorded as final expenditures in the calculation of gross domestic product (GDP). Expenditures for purchased R&D are classified as intermediate inputs, and the costs of producing own-account R&D (that is, production of R&D by an enterprise for its own use) are simply included with the other costs of production and are not identified as contributing to the output of a separate commodity. For nonprofit institutions serving households (NPISH) and for governments, whose production is derived using a production-cost approach, expenditures for R&D are included in consumption expenditures but generally are not separately identified. In addition, BEA’s estimates of exports and imports of services include R&D services.

**New treatment**

The new treatment will recognize expenditures for both purchased and own-account R&D by businesses, NPISH, and general governments as fixed investment and the depreciation of these assets in consumption of fixed capital (CFC).<sup>10</sup> Government R&D expenditures will be treated as investment regardless of whether the R&D is protected or made freely available to the public, because the provision of public services is part of the economic benefits generated by government R&D.<sup>11</sup>

**Measuring R&D output.** Conceptually, the value of

an enterprise’s R&D is equal to the present value of the future benefits that the company derives from the R&D. In practice, because future benefits are not observable and most R&D is produced on own-account, the standard approach is to measure the activity as the sum of production costs. Using data from National Science Foundation (NSF) surveys of R&D expenditures by performer, BEA will estimate the production costs associated with spending for R&D to derive annual current-dollar estimates of R&D output; table 3 lists several of the NSF surveys that will be used to estimate R&D output.

**Adjustments to source data.** After compiling NSF-reported R&D expenditures, adjustments will be made for coverage, for scope, and for alignment with the NIPA framework and concepts.<sup>12</sup>

**Sector assignment.** Ownership of the R&D production is needed to properly assign investment and income flows to the business, NPISH, and general

12. Examples of the adjustments include (1) accounting for imported and exported R&D, (2) including R&D expenditures not captured in the NSF data in certain years—such as social science R&D—to align BEA’s measure of R&D with the SNA, (3) converting depreciation for structures and equipment used to produce R&D to an economic cost, rather than historical cost, basis, (4) reconciling NSF data with data from the Census Bureau’s economic censuses, (5) removing expenditures on software R&D that BEA already includes in NIPA estimates of investment in software, and (6) in certain cases, converting measures for purchased R&D from a cost-basis to a purchase-basis.

**Table 2. Private Fixed Investment in Intellectual Property Products**

NIPA series	Start date
Private fixed investment in intellectual property products.....	1929
Software.....	1959
Prepackaged.....	1985
Custom.....	1985
Own account.....	1985
Research and development.....	1929
Business.....	1959
Manufacturing.....	1959
Pharmaceutical and medicine manufacturing.....	1959
Chemical manufacturing, excluding pharmaceutical and medicine.....	1959
Semiconductor and other electronic component manufacturing.....	1959
Other computer and electronic product manufacturing.....	1959
Motor vehicles, bodies and trailers, and parts manufacturing.....	1959
Aerospace products and parts manufacturing.....	1959
Other manufacturing.....	1959
Nonmanufacturing.....	1959
Scientific research and development services.....	1987
All other nonmanufacturing.....	1987
Nonprofit institutions serving households.....	1959
Universities and colleges.....	1959
Other nonprofit institutions.....	1959
Entertainment, literary, and artistic originals.....	1929
Theatrical movies.....	1929
Long-lived television programs.....	1949
Books.....	1929
Music.....	1929
Other.....	1929

8. BEA first published an R&D satellite account that examined the impact of R&D expenditures on the U.S. economy in 1994; a revised satellite account was introduced in 2006, and updates to that account were published in 2007 and 2010. For the most recent update, see Jennifer Lee and Andrew G. Schmidt, “Research and Development Satellite Account Update: Estimates for 1959–2007” SURVEY 90 (December 2010): 16–27. The R&D satellite accounts were produced with valuable support from the National Science Foundation, which continues to cooperate with BEA in the development of R&D source data for estimating investment in the core economic accounts.

9. *SNA 2008*, 108, paragraphs 10.103–10.108.

10. Spillovers will not be included in the valuation of R&D, consistent with recommendations of the *SNA (SNA 2008, 206, paragraph 10.102)*.

11. This treatment is consistent with recommendations of the *SNA (SNA 2008, 122, paragraph 6.230, 206, paragraph 10.103)*.

government sectors in the NIPAs.<sup>13</sup> BEA will classify the funder of the R&D, as reported in the NSF surveys, as the owner of the R&D. This decision was made for two primary reasons: (1) funders typically reserve some rights to the outcome of the R&D and receive economic benefits from the R&D; and (2) the allocation of ownership between the funder and the performer cannot otherwise be distinguished in the existing R&D survey data. In many cases, the ownership of federally funded R&D may be less clear than for business-funded R&D. Federally funded R&D is supported through two primary mechanisms—purchases and grants. The ownership of purchased R&D is usually straightforward, because the federal government normally retains ownership of the outcome of the purchased R&D activity. For grant-based R&D, however, the ultimate beneficiary is difficult to ascertain because both the federal government and the performer can benefit from the transaction. NSF surveys do not collect information on the allocation of the ownership of federally funded R&D. Thus, due to lack of direct information on ownership, federal purchases and grants of R&D will both be treated as investment by the federal sector because the federal government is assumed to receive the primary economic benefit.

**R&D asset types.** The application of produced R&D is generally unobservable, so BEA will classify R&D assets by the industry or sector that is funding the R&D, as reported by NSF, in its presentations of private investment, capital stock, and CFC.<sup>14</sup> Table 3 shows the source data for the R&D asset types that will be published in the new intellectual property products NIPA table mentioned above.

13. For government enterprises, BEA will assume no investment in R&D.

14. For example, BEA will record NSF-reported pharmaceutical industry spending on R&D as investment in a pharmaceutical R&D asset.

**Depreciation of newly recognized assets.** The depreciation of R&D fixed assets will be included in consumption of fixed capital, which is the economic charge for the decline in value of fixed assets as they age. R&D depreciation rates are critical for calculating the rates of return to R&D investments and capital service costs. As with measuring R&D production, measuring R&D depreciation rates is difficult because market values are generally unobservable.

For business depreciation of R&D, unlike tangible assets that depreciate over time from physical decay or wear and tear, R&D depreciation reflects its declining contribution to a firm's profit as R&D assets become less valuable or obsolete. Based on this understanding, BEA analyzed the relationship between investment in R&D and future profits using firm-level data and establishment-level data. Using this forward-looking profits model, in which each period's R&D investment contributes to the profits in later periods but at a geometrically declining rate, BEA derived R&D depreciation rates for certain R&D intensive industries.<sup>15</sup> NPISH R&D depreciation will be based on estimates of business depreciation.

For general government R&D, a contribution to profits is out of scope, but like business R&D, depreciation reflects obsolescence over time. Based on this concept, BEA observed a progression of R&D investments by function that led to observable outcomes, such as investments in stealth technology that resulted in the development of particular military aircraft. As innovations give way to newer technologies, the original R&D becomes less valuable or obsolete, thus bringing an end to the effective service life of the R&D.

15. Wendy C.Y. Li, "Depreciation of Business R&D Capital," Bureau of Economic Analysis and National Science Foundation R&D Satellite Account Paper (October 2012); [www.bea.gov](http://www.bea.gov).

**Table 3. National Science Foundation (NSF) Performer Surveys That Will Underlie the R&D Estimates**

Sector	Description	Frequency
<b>Within private investment:</b>		
Business	Business Research and Development and Innovation Survey <sup>1</sup>	Annual
Nonprofit institutions serving households		
Private nonprofit universities	Higher Education Research and Development Survey <sup>2</sup>	Annual
Other	Surveys of nonacademic nonprofit institutions <sup>3</sup>	Sporadic
<b>Within government investment:</b>		
Government		
Federal	Survey of Federal Funds for Research and Development	Annual
State and local		
Public universities	Higher Education Research and Development Survey <sup>2</sup>	Annual
Other	Surveys of State Research and Development Expenditures <sup>4</sup>	Sporadic

NOTE. For periods before NSF surveys are available, estimates will be primarily based on research from *The Formation and Stocks of Total Capital* by John Kendrick and *Research and Development: Its Growth and Composition* by Nestor Terleckyj and on estimates from BEA's 1994 R&D satellite account.

1. Survey data will be used for estimates for 2008 forward. Estimates for 1953–2007 will be based on data from NSF's annual Survey of Industrial Research and Development.

2. Survey data will be used for estimates for 2010 forward. Estimates for 1953–2009 will be

based on versions of annual NSF surveys of universities and colleges.

3. NSF survey data for nonprofit institutions are available for 1964, 1966, 1969, 1973, 1996, and 1997. When survey data are not available, estimates will be based primarily on data from the Census Bureau.

4. NSF survey data for state and local governments are available for 1964–1969, 1972, 1973, 1977, 1987, 1988, 1995, 2006, 2007, and 2009. When survey data are not available, various estimation methods will be used.



Using this approach, BEA derived service lives for four federal government functions: defense, health, space, and energy.

**Quarterly estimates.** Prior to 1991, quarterly estimates of private business R&D investment will be interpolated using an aggregate wage series. For 1991–2007, a composite indicator series, constructed using weighted industry-specific wage and employment information from the Quarterly Census of Employment and Wages (QCEW), will be used to interpolate business R&D investment. For 2008 forward, the pattern of quarterly R&D business investment will reflect a tabulation of R&D expenditures reported by publicly held firms in their quarterly financial statements.<sup>16</sup> Quarterly estimates of federal R&D largely will be interpolated using the pattern of R&D spending implied in the currently published estimates of intermediate R&D services. Quarterly estimates of NPISH and of state and local government R&D will be interpolated without an indicator.

**Prices.** BEA will measure R&D price changes using an input-cost approach with a productivity adjustment.<sup>17</sup> For R&D that is produced for internal use by, or purchased from, businesses, NPISH, and state and local governments, BEA will construct an aggregate R&D composite input-price index based on input cost weights derived from spending category data from the NSF surveys. These categories include labor, material inputs, overhead, and depreciation. For recent time periods, BEA will primarily use existing price data from its GDP by Industry KLEMS program and average wages derived from the QCEW to construct the aggregate price index. BEA will then apply a productivity adjustment to the input-cost price.<sup>18</sup> R&D produced for internal use by, or purchased from, higher education academic institutions will also reflect a similar input-cost approach that is adapted to measure R&D costs incurred by academic institutions. The academic R&D price index will also be adjusted to account for productivity gains. For government R&D performed on own-account, BEA will derive prices using input costs for compensation of government employees and for intermediate goods and services purchased, with an

adjustment for productivity gains.

### Effects on the accounts

The recognition of R&D as investment will affect estimates of gross private domestic investment, personal consumption expenditures (PCE), and government consumption expenditures and gross investment. Gross private domestic investment will be boosted by the amount of business and NPISH R&D expenditures. PCE will be reduced, as the impact of reclassifying NPISH R&D expenditures to private investment more than offsets the additional consumption of fixed capital (CFC) associated with the expenditures. Government consumption expenditures and gross investment will be boosted by the CFC associated with the R&D investment—in government consumption expenditures and gross investment, R&D spending will be reclassified from consumption expenditures to gross investment, and the additional CFC will be recorded in consumption expenditures. As a result, GDP will be boosted by the amount of business R&D investment and by the CFC associated with R&D investment by NPISH and by general governments. Based on preliminary estimates for 2007, this change will boost the level of GDP by about 2 percent, or about \$300 billion, with about two-thirds coming from private fixed investment and the remainder primarily coming from government consumption expenditures.<sup>19</sup>

On the income side of the accounts, the new treatment will increase GDI by the same amount as GDP. CFC will increase by the amount of depreciation on the newly recognized R&D assets held by business, NPISH, and general government. The net operating surplus will increase by the difference between business R&D investment and business CFC for R&D assets (that is, the “net R&D investment”).

In the private enterprise income account, corporate profits and proprietors’ income will increase by the net effect of removing spending on R&D from current production expenses and adding the CFC on the R&D assets to current production expenses. In other words, corporate profits will be boosted by the net R&D investment of corporate business and proprietors’ income by the net R&D investment of noncorporate business. These changes will also be reflected by an equal increase in the net operating surplus of private enterprises.

In the personal income and outlay account, the increase in proprietors’ income will boost personal income. The boost in personal income combined with the reduction in PCE will boost both personal saving

16. For advance estimates, R&D investment will be based on trend or employment and wage extrapolation that will be replaced in the second or third estimates as the R&D data from company financial reports become available.

17. Although the input-cost method is useful for estimating the impact of inflation on R&D inputs, it is less appropriate for R&D output because it does not account for productivity growth; it assumes that real output grows at the same rate as real inputs. An adjustment will be made to the input-cost price indexes to account for productivity gains that some would argue are perpetually inherent in R&D production, particularly given increases in computing power and other scientific advances.

18. The productivity adjustments will be based on nonfarm business multifactor productivity estimates produced by the Bureau of Labor Statistics.

19. The impact on GDP from the additional CFC associated with NPISH R&D expenditures will be minor.

and the personal saving rate.

In the government current receipts and expenditures account, government consumption expenditures will be reduced, as the R&D investment removed from consumption expenditures will be greater than the additional CFC, resulting in an increase to government saving.

In the foreign transactions account, BEA will attempt to separately identify the sales and purchases of R&D assets, such as patents, and reclassify them as exports and imports of R&D services. Currently, these transactions are included in exports and imports of royalties and license fees. Royalties and license fees will continue to include transactions related to the use of R&D assets. The reclassification will not affect overall exports and imports or the trade and current account balances.<sup>20</sup>

In the saving and investment account, the increases in personal saving, corporate profits, and government saving combined with the increase in CFC results in an increase in gross saving that is equal to the combined value of private and government R&D investment.

### Capitalization of entertainment, literary, and other artistic originals

Some entertainment, literary, and other artistic originals are designed to generate mass reproductions for sale to the general public and to have a useful lifespan of more than one year. For 1929 forward, BEA will capitalize these items, which include theatrical movies, long-lived television programs, books, music, and “other” miscellaneous entertainment.<sup>21</sup> This change will expand BEA’s measures of intangible assets in the

20. BEA is continuing to investigate how to fully implement the new treatment of R&D in the international transaction accounts (ITAs). Transactions reflecting the sales and purchases of R&D assets are commingled with royalties and license fees in BEA’s source data. BEA is researching how to separately identify these transactions and to reclassify them as R&D services. In addition, multinational corporations are important producers of R&D, and capitalizing R&D will impact direct investment receipts and payments. BEA’s surveys of multinational companies have been used to develop experimental estimates of the impact of capitalizing R&D on direct investment income for the BEA R&D satellite account; because both direct investment income receipts and payments will be raised by the new treatment, the impact on the direct investment income surplus is expected to be small. For a detailed discussion of the difficulties of identifying R&D in the ITAs and a detailed description of the methodology used to construct the international component of the R&D satellite account, see Carol A. Robbins and Carol E. Moylan, “Research and Development Satellite Account Update,” SURVEY 87 (October 2007): 49–64. Daniel R. Yorgason contributed the portion on international R&D estimates.

21. Long-lived television programs include situation comedies and drama programs. Other types of television programs, including news programs, sporting events, game shows, soap operas, and reality programming have much shorter service lives and will not be capitalized. “Other” miscellaneous entertainment includes miscellaneous artwork including theatrical play scripts, greeting card designs, and commercial stock photography.

NIPAs and help better align the NIPAs with recommendations of the SNA.<sup>22</sup>

### Current treatment

The costs associated with the production of entertainment originals are currently classified as expenses that are consumed as part of the production of other goods and services. Therefore, expenditures for the production of entertainment originals do not enter into the calculation of GDP.

### New treatment

Under the new treatment, BEA will record the private expenditures associated with producing or purchasing entertainment originals as private fixed investment in the measure of GDP.<sup>23</sup>

The production of entertainment originals may span several years. Theoretically, these costs should be recorded as investment when accrued; however, due to practical constraints, BEA will record the value of the investment in the year the asset is released to the public.

Entertainment originals are rarely sold in an open market, so it is difficult to observe market prices for these original works. This is a common problem with measuring the value of intangible assets, and in such cases, other valuation methods must be utilized, such as the sum of the production costs (which is used for own-account software and R&D) or the estimated net present value (NPV).<sup>24</sup> Because adequate information on production costs is not available for most entertainment originals, BEA will estimate the value of these assets based on the NPV of expected future royalties or other revenue obtained from these assets, net of any associated sales costs. For investment in theatrical movies prior to 2007, the estimates will be derived using a production costs approach based on movie budget data.

For each type of entertainment originals asset, the expected net cash flow of the producing industry will be estimated using revenue and cost data from the Census Bureau’s economic censuses and surveys, numerous trade sources, and databases such as

22. This change was introduced in a SURVEY article by Rachel H. Soloveichik, “Artistic Originals as Capital Assets,” SURVEY 91 (June 2011): 43–51. See also SNA 2008, 207, paragraph 10.115 and “Entertainment, Literary, and Artistic Originals,” in the *Handbook on Deriving Capital Measures of Intellectual Property Products* (Organization for Economic Cooperation and Development (OECD): Paris, October 2010): 150–166.

23. BEA will not identify any investment in entertainment originals by governments.

24. The SNA discusses the use of NPV for estimating the value of assets (SNA 2008, 22, paragraph 2.60, 52, paragraph 3.137–138); see also the OECD *Handbook on Deriving Capital Measures of Intellectual Property Product*, 18, 158–159.

IMDb.com.<sup>25</sup> BEA will assume a 7 percent real discount rate for all asset types and will apply an NPV adjustment factor, a ratio that represents the average NPV-to-current period revenues from new works, to current-year revenues in order to derive an estimate of investment in entertainment originals for that year.

**Estimation methodology.** First, total current-period revenue from licensing fees, merchandise sales, ticket sales, and other revenue generating activities for the industries producing the assets will be estimated. Second, the value of sales costs—such as advertising, manufacturing of reproductions, and other marketing type costs—will be subtracted from the total current period revenues to derive net revenue values that capture only the revenues earned on the intangible assets held by the business. Third, these net revenue values will be adjusted further to only include the revenue from the release of new works (that is, the “originals”), using BEA-derived investment ratios.<sup>26</sup> Finally, the NPV adjustment factor will be applied to the net revenue value that has been adjusted by the investment ratio in order to derive the current-period investment value of the future revenue stream of these new works.

**Depreciation of newly recognized assets.** The depreciation of entertainment originals assets, like the depreciation of R&D assets, will be included in the NIPA measure of CFC. BEA will estimate service lives and depreciation rates for each type of entertainment originals asset based on its net present value over time as described above. The depreciation rates will follow a geometric pattern in which a constant percentage of the existing asset stock depreciates each year. The typical movie, for example, is released in theaters, followed by DVDs, premium television, regular cable networks, foreign television, and U.S. broadcast networks. Based on an analysis of the profits obtained from these successive releases, BEA estimates an annual depreciation rate of 3.8 percent. For television programs, which earn a substantial proportion of their long-term revenue in their first airing, the depreciation rate is 16.8 percent. For music, an even larger portion of profits is obtained in the first year of release, and so the estimated depreciation rate is 26.7 percent. The estimated depreciation rate is 12.1 percent for books and 10.9 percent for theatrical play scripts, greeting card de-

signs, and stock photography.

**Quarterly estimates.** For 2007 forward, quarterly estimates will be based on data from the Census Bureau’s quarterly services survey. For estimates prior to 2007, quarterly estimates for motion pictures investment will be based on data from trade sources, and estimates for other investment in entertainment originals will reflect trend extrapolation.

**Prices.** BEA will deflate each investment category separately. For theatrical movies and long-lived TV programs, an input cost index will be constructed based on a weighted average of BLS producer price indexes (PPIs) for video cameras and for electronic computer manufacturing and the consumer price index (CPI) for “admission to movies, theaters, and concerts” (which serves as a proxy for input costs associated with scripts, scenery, costumes, and actors). This composite input cost index will be adjusted to account for productivity growth in the movie industry by using total nonfarm business sector multifactor productivity (MFP). For literary, music, and miscellaneous entertainment originals, BEA will use a combination of PPIs and CPIs that correspond with measuring the value of the asset.

### Effects on the accounts

The recognition of entertainment originals as investment will boost the level of gross private domestic investment, which will in turn boost the level of GDP. Based on preliminary research, private investment in entertainment originals for 2007 is estimated at about \$70 billion. About one-third of the new investment is in theatrical movies, one-third in television programs, and the remaining one-third in the other entertainment original assets.

On the income side of the accounts, the new treatment will increase GDI by the same amount as GDP. CFC will increase by the amount of depreciation on the newly recognized entertainment originals assets held by private enterprises. Net operating surplus will increase by the difference between the entertainment originals investment and related CFC (that is, the “net entertainment originals investment”).

In the private enterprise income account, corporate profits and proprietors’ income will be affected by the net effect of removing spending on entertainment originals from current production expenses and adding the CFC on the entertainment originals assets to current production expenses. In other words, corporate profits will be affected by the net entertainment originals investment by corporate business, and proprietors’ income will be affected by the net entertainment originals investment of noncorporate business. These changes will balance with the increase in the net

25. BEA will benchmark its investment estimates to revenue data from the 2007 economic census.

26. Based on research using trade sources, studies, and survey and economic census data from the Census Bureau, BEA estimates the following investment ratios for the five categories of entertainment originals assets: 51 percent of industry revenue for theatrical movies, 50 percent of industry revenue for music, 37 percent of industry revenue for books, 30 percent of industry revenue for television, and 15 percent of industry revenue for miscellaneous artwork. The remaining revenue is spent on nonartwork costs such as advertising, stamping DVDs, or printing books. The NIPAs record these nonartwork costs as current production costs.

operating surplus of private enterprises.

In the personal income and outlays account, the effect on nonfarm proprietors' income will flow through to personal income and will impact personal saving and the personal saving rate.

In the saving and investment account, the impacts on personal saving and corporate profits combined with the increase in CFC will increase gross saving by the amount of the newly recognized investment.

### Capitalization of ownership transfer costs of residential fixed assets

"Ownership transfer costs" are the expenses associated with the acquisition and disposal of fixed assets. For residential fixed assets, these costs include brokers' commissions on the sale of new and used structures and the underlying land; title insurance; title, abstract, and attorney fees (that is, closing costs other than those associated with obtaining a mortgage); payments for state and local government documentary and stamp taxes; and payments for surveys and engineering services. Ownership transfer costs are a form of investment because, like other types of fixed investment, these costs are incurred in order to receive economic benefits over the entire period the asset is held.

Currently, only brokers' commissions on the sale of structures are capitalized. Under the new treatment, for 1929 forward, BEA will recognize *all* of the ownership transfer costs as capital investment and will record the depreciation of these costs over the typical holding period of the asset. This change will improve the NIPA estimates of residential fixed investment, rental income of persons, and consumption of fixed capital by clarifying the scope of residential investment and by better aligning the timing of the depreciation of residential investment with the housing services received by the purchaser. In addition, the change will better align the NIPAs with recommendations of the SNA.<sup>27</sup>

#### Current treatment

Currently, the NIPAs only capitalize brokers' commissions on the sale of residential structures; these commissions are recorded in the NIPA estimates of gross private residential fixed investment in structures. Other ownership transfer costs are recorded as current expenses in deriving estimates of rental income of persons, of nonfarm proprietors' income, and of corporate profits. In addition, the associated depreciation rates for brokers' commissions reflect the same service

27. For a discussion of the recommended treatment of these costs, see *SNA 2008*, 200–201, paragraphs 10.48–10.55 and 211–212, paragraph 10.158.

life as the dwelling, which for one-unit dwellings, is estimated at 80 years. As a result, BEA's estimates of residential fixed assets have been overstated (because the transfer costs from multiple owners remain embedded in the capital stock estimates), and CFC has been understated.

#### New treatment

Under the new treatment, BEA will recognize the non-financial ownership transfer costs (including both the acquisition and expected disposal costs) associated with the purchase of a residential asset as capital transactions and will record these transactions as gross investment in residential structures. Expenses associated with financing a purchase of a residential asset, such as loan origination fees, credit reports, and adjustment and collection expenses, will continue to be recorded as current expenses, because these expenses represent financial services and are not necessary to purchase a dwelling.<sup>28</sup>

In addition, consumption of fixed capital will reflect these capital expenditures, and will be based on the typical holding period of the asset—estimated to be 12 years—rather than the average life of the structure, estimated to be 80 years. For transfer costs paid at the time of the disposal of the asset, such as brokers' commissions paid by sellers, depreciation will begin prior to the incurrence of the cost in order to align the timing of the depreciation expenses with the economic benefits received by the owner; chart 1 compares the timing of the depreciation of disposal costs in the current treatment and the new treatment. As a result, brokers' commissions will depreciate much more rapidly than previously estimated.<sup>29</sup>

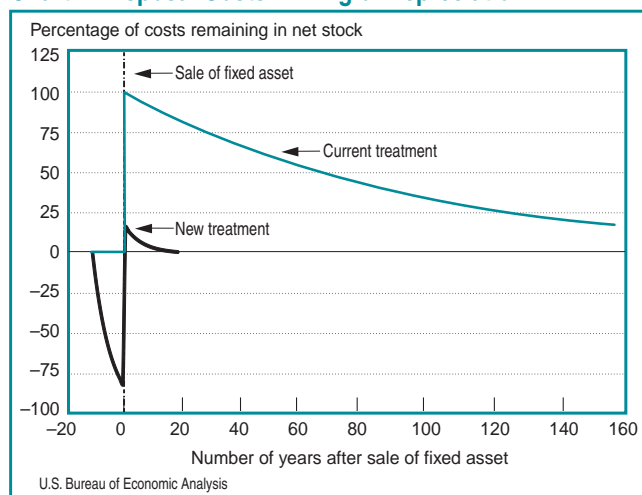
#### Effects on the accounts

As a result of this new treatment, both gross private residential fixed investment in structures and GDP will increase by the amount of the newly capitalized acquisition and disposal costs. For 2007, these costs will total approximately \$60 billion. Brokers' commissions on structures, which are already capitalized, total

28. The treatment of ownership transfer costs (for both acquisition and disposal costs) for nonresidential structures will not change; brokers' commissions on nonresidential structures will continue to be capitalized, and all other costs will remain current expenses.

29. Consistent with recommendations of the SNA, the new treatment will depreciate actual acquisition costs (beginning at the time of ownership transfer) and expected disposal costs (beginning at the time of purchase in anticipation of future disposal). Because the depreciation of expected disposal costs begins before the eventual sale of the dwelling by the purchaser, the current-cost net stock of ownership transfer costs (that is, the acquisition costs less the disposal costs) may be negative in some years. These net stocks will be shown in BEA's fixed asset accounts.



**Chart 1. Disposal Costs: Timing of Depreciation**

approximately \$85 billion. As a result, the total amount of ownership transfer costs for 2007 will be about \$145 billion.

On the income side of the accounts, the new treatment will result in a parallel increase in GDI through its net effects on two components: net operating surplus (specifically, the sum of rental income of persons, nonfarm proprietors' income, and corporate profits) and CFC. CFC will increase by the amount of the depreciation on the newly recognized capital costs as well as the faster depreciation rate of brokers' commissions on residential structures. Net operating surplus will decrease by the difference between the newly recognized capital costs and the related CFC (that is, the "net investment in ownership transfer costs.") As with GDP, GDI will be boosted by the amount of the newly capitalized costs; the statistical discrepancy will be unaffected.

In the private enterprise income account, the components of the net operating surplus, rental income of persons, proprietors' income, and corporate profits, will reflect the net effects described above.

In the personal income and outlay account, the reductions in rental income of persons and in proprietors' income will result in reductions to both personal income and saving.

In the gross saving and investment account, the reductions in personal saving and undistributed corporate profits will be more than offset by the additions to CFC. As a result, gross saving will increase by the same amount as gross investment.

### Measure transactions of defined benefit pension plans on an accrual basis

Employer-sponsored retirement plans are generally organized into two types: (1) defined contribution plans, which provide benefits during retirement based on the amount of money that has accumulated in an employee's account, and (2) defined benefit plans, which provide benefits during retirement based on a formula that typically depends on an employee's length of service and average pay among other factors. To fund promised benefits to retirees, defined benefit plans primarily rely on two major sources of income: (1) contributions from employers and employees and (2) interest and dividend income earned on the financial assets that the plans hold.<sup>30</sup>

BEA will change its recording of the transactions of defined benefit pension plans from a cash accounting basis to an accrual accounting basis as part of the comprehensive revision. In addition, BEA will separately identify a pension plan subsector in the NIPAs and, to the extent possible, provide estimates of the current receipts, current expenditures, and cash flow for the subsector. The introduction of a pension plan subsector will improve the consistency of the NIPAs with the Federal Reserve Board's flow of funds accounts and will more closely align the NIPAs with recommendations of the SNA.

Accrual accounting is the preferred method for compiling national accounts because it matches incomes earned from production with the corresponding productive activity and records both in the same period.<sup>31</sup> The recording of defined benefit pension plan transactions on an accrual basis will better align pension-related compensation with the timing of when employees earned the benefit entitlements and will avoid the volatility that arises if sporadic cash payments made by employers into defined benefit pension plans are used to measure compensation.<sup>32</sup> In cases when defined benefit pension plans are underfunded or overfunded, the employers' pension plan expenses

30. In addition, many plans hold assets that are expected to yield capital gains, which are treated as changes in the balance sheet rather than as current income in the NIPAs. If capital gains are realized as expected, the resulting increase in the value of the assets will provide additional resources for paying pension benefits.

31. For a variety of reasons, accrual accounting of all income flows is not always feasible. In these instances, BEA uses cash accounting and records the income flows in the period they are received or paid.

32. Preliminary research on accrual-based estimates of the transactions of the defined benefit pension sector was presented in Marshall B. Reinsdorf and David G. Lenze, "Defined Benefit Pensions and Household Income and Wealth," *SURVEY* (August 2009): 50–62.

also will be measured more accurately under the accrual approach. Additionally, measuring the transactions of defined benefit pension plans on an accrual basis will provide a more accurate measure of the profits of the employer and the income, saving, and wealth of households.

### Current treatment

The NIPAs treat the persons participating in a pension plan as the owners of the plan's assets, so most economic transactions conducted by pension plans are shown as part of personal income and outlays. Employers' cash contributions to pension plans are recorded in compensation of employees as part of "supplements to wages and salaries." In addition, the interest income and dividend income earned on pension plan assets are recognized as being paid to persons and are included in the estimates of personal interest income and personal dividend income. Noninsured pension plans are part of the business sector, but the only economic transactions conducted by pension plans that are shown in the business sector and not routed to the personal sector are the expenses associated with administering the plans. Within personal consumption expenditures, an imputation for the expenses of administering pension plans is recorded as part of "financial services furnished without payment."

### New treatment

For defined benefit plans, the cash accounting approach is inadequate because the value of the benefit entitlements that participants accrue during a year often fails to coincide with the plans' cash receipts.<sup>33</sup> For example, employers sometimes skip contributions when the plans have enjoyed unusually good investment returns, including holding gains. As a result, the cash accounting measure of employee compensation can show large swings that do not accurately reflect the growth in pension entitlements.<sup>34</sup> To measure pension entitlements when they are accrued, BEA will adopt the accrual accounting approach for measuring pension income, relying on actuarial estimates of pension costs.

33. For defined contribution pension plans, BEA's current treatment will not change, because these plans already record contributions on an accrual basis, and the plans' assets are directly linked to employees.

34. Under the cash accounting approach, an employer's decision to defer contributions to a later date also results in its operating surplus being overstated in the current period.

In implementing the accrual approach, BEA will treat defined benefit pension plans as "pass-through" entities that are effectively owned by the household sector and will classify these plans as financial corporations that receive contributions and property income on behalf of plan participants but do not have income or saving of their own. As a result, new tables showing the transactions of the defined benefit pension subsector will be presented; an example of the new presentation is shown in table 4.

An employer who offers a defined benefit pension plan promises that an employee will receive a specified amount of future benefits that usually increases with each year of service. "Claims to benefits accrued through service" (also referred to as "normal cost" by pension actuaries) represent the present value of the additional benefits that plan participants earn from employment during the accounting period. Normal cost provides a more accurate measure of the compensation of employees than the employers' cash contributions to the pension plans, which may have little relationship year-by-year with the benefits that

**Table 4. Example: Annual Transactions of Defined Benefit Pension Plans**

[Billions of dollars]

Line		Annual estimate
1	<b>Current receipts, accrual basis</b> .....	<b>350</b>
2	Output* .....	10
3	Contributions .....	225
4	Claims to benefits accrued through service to employers .....	110
5	Actual employer contributions .....	105
6	Imputed employer contributions* .....	14
7	Household actual contributions .....	1
8	Less: Pension service charges* .....	10
9	Household pension contribution supplements* .....	115
10	Income receipts on assets .....	115
11	Interest .....	75
12	Monetary interest .....	40
13	Imputed interest from employers for unfunded actuarial liability* .....	35
14	Dividends .....	40
15	<b>Current expenditures, accrual basis</b> .....	<b>350</b>
16	Administrative expenses .....	10
17	Imputed income payments on assets to persons* .....	115
18	Interest .....	75
19	Dividends .....	40
20	Benefit payments and withdrawals .....	165
21	Adjustment for the change in benefit entitlements* .....	60

\* Imputation

NOTE: The values shown in this table are for illustrative purposes only.

employees are accruing.<sup>35</sup>

Under the accrual approach, the compensation of employees consists of the value of the pension promises made by the employer. To enable the pension plan to pay the promised benefits, the employer will make actual and imputed contributions, based on normal cost. By definition, the sum of the actual and imputed contributions equals the value of the pension promises, so the NIPAs will show employers' actual and imputed contributions as part of compensation of employees.<sup>36</sup> The actual and imputed contributions will then be rerouted to the pension fund as an implicit contribution, or transfer, from the personal sector to the pension plan subsector. The interest and dividend income that the pension fund earns by investing in financial assets will be passed through to households as imputed payments of interest and dividend income, and the households will reinvest the same amount of income in the fund in the form of household pension contribution supplements.

In some cases, a pension plan may be underfunded or overfunded, implying that the fund does not have sufficient financial assets or that it has assets in excess of what are needed to earn the returns that are necessary to provide for promised future benefits. In these cases, the employer is usually liable to ensure the payment of the promised benefits, so the new treatment will show an imputed interest cost on the unfunded actuarial liability that is paid by the employer to the pension fund.<sup>37</sup>

35. How to account for benefits accrued by participants in defined benefit plans is discussed in *SNA 2008*, 361–363, paragraphs 17.144–17.186. BEA's treatment differs from the recommendations in these paragraphs in three respects. First, if a pension plan has an unfunded actuarial liability, the NIPAs will show an imputed interest expense for the employer responsible for making up the foregone investment earnings of the underfunded pension plan. The *SNA* guidelines do not currently recommend this imputation, though the issue is being discussed at international advisory groups and workshops. Second, the NIPAs assume that the imputed interest payable to households on benefit entitlements is equal to the sum of the actual property income and the imputed interest received by the plans. In contrast, the *SNA* recommends that the interest accrued on benefit entitlements be calculated from the actuarial assumptions alone. Third, the NIPAs consistently apply the accrual approach to pension income in measures of both disposable income and saving. In contrast, the *SNA* uses a split approach in which the disposable income measures are based on cash benefits, whereas measures of saving are based on accrued benefit entitlements.

36. The imputed employer contributions will be calculated as the normal cost, plus the administrative expenses, less the values of actual employer and household contributions.

37. In the case of an underfunded pension plan, the investment income that the plan foregoes because of the shortfall in its assets must be made up by the employer, so an estimate of the foregone income will be recorded as an imputed interest cost for the employer that reflects an implied loan from the pension fund to the employer. In the case of an overfunded pension plan, the extra investment income earned by the plan reduces the required amount of employer contributions, so the employer's imputed interest cost will be negative.

Because the accounts will show the pension funds' monetary and imputed interest and dividends as paid out in the form of imputed interest and dividends to persons, the pension plan subsector's net interest (interest paid less interest received) and net dividends (dividends paid less dividends received) will be zero.

A pension plan also distributes benefit payments and withdrawals of employee contributions to persons. These distributions reduce households' claims for future benefits; the net growth in claims on a pension plan for future payments of benefits is known in the *SNA* as the "adjustment for the change in benefit entitlements." Putting pension plans in a separate sector from households implies that the cash accounting measure of pension income of households equals the benefits payments and withdrawals less household contributions plus the administrative services that are provided in kind to households. In an accrual accounting framework, however, the net growth in the households' claims to future benefits also counts as income, so the adjustment for the change in benefit entitlements represents the difference between the cash accounting and accrual accounting measures of household income.

With this adjustment, distributions paid by the plan to households will equal contributions to the pension plan; contributions include the imputed employer contributions and the household contribution supplements. If employer contributions are viewed as income to households that households then contribute to the pension plan, then the contributions represent payments into the plan from households, and the distributions represent payments to households by the plan. The equality between adjusted distributions and contributions therefore implies that net transfers from the pension plan sector to the personal sector will be zero. The inclusion of pension plans in the corporate sector will not therefore give rise to net current business transfer payments. With all of these imputations, the corporate profits and undistributed profits of the pension plan subsector will be zero, because all accrued income will be passed through to persons.

**Transactions of the pensions sector.** As shown in table 4, the current receipts of the new pension plan subsector will consist of output, contributions, and income receipts on assets. Output will represent the implicit sale of the administrative expenses of the pension plan to households. Contributions will include amounts to cover claims to benefits accrued through service and household pension contribution supplements. Income on assets received by pension plans will

include monetary interest and dividends earned on the assets held by the plan as well as imputed interest earned on the unfunded actuarial liabilities.

The current expenditures of the pension plan subsector will consist of administrative expenses associated with running the plans, imputed income payments on assets to persons, benefit payments and withdrawals, and the adjustment for the change in pension entitlements.

**Sources and methods.** For both privately sponsored and state and local government sponsored plans, BEA will adopt an accumulated benefit obligation (ABO) method for estimating normal costs and interest costs.<sup>38</sup> In the case of private plans, the ABO method aligns with the source data that BEA will use and with legal standards for private pension plan funding. For federal government plans, BEA will use a projected benefit obligation (PBO) method in order to maintain consistency with the main sets of published actuarial estimates of federal pension plans and with the methods used to determine the required contributions to federally funded pension plans.<sup>39</sup>

For privately sponsored plans, estimates of normal costs for 2000 forward will be based on ABO measures reported in actuarial schedules of the Internal Revenue Service (IRS) form 5500. The discount rate assumption will be based on the AAA corporate bond rate published by the Federal Reserve Board. Prior to 2000, IRS-reported tabulations of normal costs are not available. Thus, BEA will calculate current-period normal cost by applying a normal cost rate to covered payrolls for each period. The normal cost rate will be extrapolated using future benefits paid as an indicator.

Estimates of normal costs for state and local government sponsored plans will be drawn from a large sample of actuarial valuation reports for plans back to 2000. BEA will adjust these data to reflect an ABO actuarial cost method and the same discount rate series used for private plans. Before 2000, BEA's estimates of normal cost per employee will be extrapolated using actual estimates of covered employees from Census Bureau surveys, other agency surveys, and periodic surveys that describe the pension plans' characteristics.

For federal government sponsored plans, estimates of normal costs will be based on data published in the

38. The ABO method counts only benefits that have already been accrued as the pension wealth of the plan participants and excludes the effects of projected future events such as pay raises. In the private sector, employees cannot count on having the opportunity to gain from future pay raises, because employers often freeze or terminate the defined benefit plans that they sponsor. The effect of future events on the pension wealth of employees of state and local governments is also uncertain because their required contribution rates may rise and reductions in plan generosity, such as reduced cost of living adjustments, are no longer viewed as impossible.

39. For a more in-depth discussion of the differences between ABO and PBO actuarial accounting methods, please see Reinsdorf and Lenze.

annual actuarial reports on the major civilian and military employee retirement plans. For years when actuarial data are not available (before the mid-1980s), BEA will derive normal costs from payrolls by applying normal cost rates that will be extrapolated back to 1929, taking into account historical changes in benefit rules and prevailing interest and inflation rates. The normal costs for the civilian and military plans will be boosted slightly to account for smaller retirement plans such as those for employees of the Foreign Service and the Coast Guard.

For private and state and local government plans, BEA will measure imputed interest costs by multiplying the assumed interest rate by the difference between the market value of the plan's assets and its actuarial liability. For private plans, annual liabilities will be estimated by dividing annual asset values by annual funding ratios published by the Pension Benefit Guaranty Corporation (PBGC) and by the Pension Research Council.<sup>40</sup> BEA will then impute an interest cost of the difference between plan liabilities and plan assets assuming the same rate of return based on AAA corporate bond rates published by the Federal Reserve Board. For state and local sponsored plans, the actuarial liabilities will be based on the financial reports for a large sample of the plans back to 2000 and, as with normal costs, extrapolations back to 1929.

For federal plans, actuarial liabilities will be derived using estimates of normal cost, pension benefits paid, and a rate of return based on assumptions made by federal actuaries or on interest rates of federal debt securities. Imputed interest on the unfunded actuarial liability will be measured as the difference between the interest cost of the total actuarial liability at the assumed interest rate and the plans' actual interest receipts.

### Effects on the accounts

In the domestic income and product account, NIPA measures of compensation and net operating surplus will be affected.

In compensation, supplements to wages and salaries will reflect the addition of the imputed employer contributions. For state and local government sponsored plans, the revisions to compensation will generally be positive. For private and federal government

40. For 1979 forward, funding ratios for private plans will be derived from actuarial liabilities and assets reported on form 5500 and published by PBGC. Assets will be at market value, and liabilities will be adjusted by BEA with a discount factor based on the AAA corporate bond rate published by the Federal Reserve Board. Prior to 1979, BEA will estimate liabilities from funding ratios published by the Pension Research Council in Richard A. Ippolito, *Pensions, Economics and Public Policy* (Homewood, IL: Dow Jones-Irwin, 1986) and from assets published in Patrick W. Skolnik, "Private Pension Plans, 1950-1974," *Social Security Bulletin* 39 (June 1976): 3-17.



compensation, the direction of revisions will vary, depending on the period. For 1968–85 and for 2002 forward, private compensation will generally be revised down. For 1980 forward, federal government compensation will be revised down, reflecting the fact that the federal government has made large cash contributions to its pension funds as “catch up” payments. As a result, for these years, actual contributions exceed actuarial contributions, and BEA’s estimate of imputed contributions will be negative. Because BEA measures government consumption expenditures using input costs, the revisions to compensation of both federal and state and local government employees will flow through to GDP. For example, GDP for 2007 will be revised up about \$30 billion, reflecting an upward revision to state and local government spending of about \$80 billion that will be partly offset by a downward revision to federal government spending of about \$50 billion.

In the private enterprise income account, three components of the net operating surplus will be affected: income receipts on assets, income payments on assets, and corporate profits.<sup>41</sup> Within income payments on assets, interest paid by private enterprises will change, reflecting the imputed interest payments by employers for underfunded or overfunded actuarial liabilities. In addition, interest and dividend payments will also increase to reflect the imputed interest and dividend payments by pension plans to persons, passing through the interest and dividend receipts. Income receipts on assets will increase, reflecting the monetary interest and dividends received by pension plans as well as the imputed interest received by pension plans from employers for underfunded or overfunded actuarial liabilities. Corporate profits will change, reflecting the difference between cash-based and accrual-based compensation and the interest costs of any underfunded or overfunded actuarial liabilities. As a result, the revisions to corporate profits will range from a downward revision of about \$35 billion for 2001 to an upward revision of about \$45 billion for 1982.

In the personal income and outlay account, compensation of employees will reflect the switch from cash to accrual accounting. Income receipts on assets will increase, reflecting the pass-through of the newly recognized imputed interest cost for underfunded or overfunded actuarial liabilities. The composition of personal interest and dividend income will also reflect the reclassification of these flows from monetary to imputed interest as a result of the recognition of the new pension plan subsector. The combined effects of

41. BEA’s estimates do not currently identify defined benefit pension plans within the noncorporate business sector, so proprietors’ income is unaffected.

the revisions to compensation and to income receipts on assets will flow through to personal saving. Personal saving will be revised up for most years; for 2007, personal saving will be revised up about \$155 billion.

In the government current receipts and expenditures account, government consumption expenditures will be revised by the amount of the revision to government employee compensation. Interest paid will be revised up, reflecting imputed interest paid on the underfunded or overfunded actuarial liabilities. As a result, net government saving will be revised down; for 2007, net government saving will be revised down about \$140 billion.

In the domestic capital account, gross saving will be unaffected, as the revisions to personal saving, to corporate profits, and to government saving will offset.

### **Harmonize the treatment of wages and salaries**

The NIPAs currently present estimates of wages and salaries on both an accrual basis (within GDI and national income) and on a disbursement (or cash) basis (within personal income). With this comprehensive revision, estimates of wages and salaries that are a component of personal income will be presented on an accrual basis back to 1929. This change will better align transactions of the personal income and outlays account with those of the private enterprise income account (which are in general recorded on an accrual basis), simplify the presentation of wages and salaries within the accounts, and help bring the NIPAs in line with recommendations of the SNA.<sup>42</sup>

#### **Current treatment**

Three different compensation measures are currently presented in the NIPAs. Within personal income, “compensation of employees, received” reflects estimates of wage and salaries on a disbursement basis. Within both GDI and national income, the respective compensation measures, “compensation of employees, paid” and “compensation of employees,” reflect estimates of wages and salaries on an accrual basis.<sup>43</sup>

Wages and salaries throughout the NIPAs are converted from a disbursement basis to an accrual basis by applying a timing adjustment to the underlying data to account for variations in when wages were paid versus

42. For the recommendation for accrual accounting, see *SNA 2008*, 21, paragraphs 2.55–2.56.

43. Wages and salaries in GDI differ from those in national income. The difference reflects the recording of wage flows to and from the rest of the world. “GDI” wages include wage and salary payments to the rest of the world and exclude wage and salary receipts from the rest of the world. Conversely, “national income” wages include wage and salary receipts from the rest of the world and exclude wage and salary payments to the rest of the world.

when the productive activity occurred. Within GDI and national income, this timing adjustment is presented as a separate line item, “wage accruals less disbursements” (WALD). In practice, there is often little information on timing differences between accruals and disbursements. The estimated WALD may be zero if there is little evidence of a difference between accruals and disbursements, or an estimate may be prepared if one is deemed necessary.<sup>44</sup>

### New treatment

Within personal income, wages and salaries will be presented on an accrual basis and will be consistent with the estimate of compensation of employees in national income, thus eliminating the need for the WALD line item in the accounts. If any timing adjustments are needed to convert the primary source of information on annual wages and salaries—the BLS Quarterly Census of Employment and Wages—from a disbursement basis to an accrual basis, those adjustments will be recorded in the wage reconciliation, table 7.18.<sup>45</sup>

### Effects on the accounts

As a result of this change, the personal income wage and salary component presented in NIPA table 2.1 and the national income wage and salary component presented in NIPA table 1.12 will be identical. To the extent that the implementation of this change results in revisions to the timing adjustments that are made in preparing accrual-based estimates of wages and salaries, GDI and the statistical discrepancy will also be revised. In addition, to the extent that the revised accrual-based estimates differ from the previous disbursement-based estimates used in personal income, personal income and personal saving will be revised.

## Changes in Presentations

Several changes in presentations will be implemented, including the following:

- Table changes that reflect the new treatment of research and development and other intellectual property, including a new asset category “intellectual property products”

44. Historically, the methods by which BEA has derived the WALD have been inconsistent and subject to much judgment. More recently, even for circumstances where one could reasonably argue there is justification for a WALD (that is, to account for financial industry year-end bonus payments that typically occur between fourth and first quarters), the application of seasonal adjustment makes the task of applying timing adjustments much more difficult.

45. In practice, BEA expects to make timing adjustments only when reliable information is available on differences between accruals and disbursements. Because reliable source data are generally lacking on these differences, timing adjustments are expected to be infrequent.

- Table changes that reflect the new treatment of ownership transfer costs of residential assets
- New tables that display the transactions of defined benefit pension plans
- A change in the reference year from 2005 to 2009 for chain-type quantity and price indexes and for chained-dollar estimates

Detailed changes to the NIPA tables are presented in table 6, beginning on page 30. Most table changes that result from changes in definitions are described above or in table 6.

### Investment in intellectual property products

The recognition of the new intellectual property product types—research and development and entertainment, literary, and artistic originals—and the reclassification of investment in software as intellectual property products will affect the NIPA tables that present estimates of private or government fixed investment. In addition, a new set of NIPA tables, 5.6.1–5.6.6, will be added to the NIPA investment tables and will present estimates of private fixed investment in intellectual property products. Numerous other tables will be affected; these changes are itemized in table 6 at the end of this article.

### New treatment of ownership transfer costs of residential assets

As a result of the recognition of additional ownership transfer costs, the NIPA series residential “brokers’ commissions on sale of structures” in NIPA tables 5.4.1–5.4.6 will be renamed residential “brokers’ commissions and other ownership transfer costs.” Table 7.13, which shows the relation of consumption of fixed capital in the NIPAs to depreciation and amortization as published by the Internal Revenue Service, will reflect an additional adjustment for the capitalization of residential real estate disposal costs.<sup>46</sup>

### New treatment of defined benefit plans

To better identify and understand the transactions of the defined benefit pension plan sector, BEA will publish four new tables; a sample of detailed lines from the new tables is presented in table 4. In addition to what is shown in table 4, the new tables will present the cash flow of the pension sector and the effects of participation in defined benefit pension plans on personal income, saving, and wealth. The new NIPA table 7.20 will present the transactions of the defined benefit pension sector, and tables 7.21–7.23 will separately

46. The new treatment will also result in a small increase in the capital consumption allowance in recognition of ownership transfer costs incurred by sole proprietors and partnerships and by corporations.

present transactions for the defined benefit pension plans of the private, federal government, and state and local government sectors, respectively.<sup>47</sup>

47. The new tables will identify the costs and income flows associated with defined benefit pension plans only; BEA plans to expand the presentation to include defined contribution plans in a future annual revision.

### New treatment of wages and salaries

The removal of the WALD will impact the NIPA seven-account summary; the revised presentation is presented in table 5. In addition, numerous NIPA tables will be affected; changes to these tables are itemized in table 6 at the end of this article.

**Table 5. Summary National Income and Product Accounts—Continues**  
**Account 1. Domestic Income and Product Account**

Line		Line	
1	Compensation of employees, paid	15	Personal consumption expenditures
2	Wages and salaries	16	Goods
3	Domestic	17	Durable goods
4	Rest of the world	18	Nondurable goods
5	Supplements to wages and salaries	19	Services
6	Taxes on production and imports	20	Gross private domestic investment
7	Less: Subsidies	21	Fixed investment
8	Net operating surplus	22	Nonresidential
9	Private enterprises	23	Structures
10	Current surplus of government enterprises	24	Equipment
11	Consumption of fixed capital	25	Intellectual property products
		26	Residential
12	<b>Gross domestic income</b>	27	Change in private inventories
13	Statistical discrepancy	28	Net exports of goods and services
		29	Exports
		30	Imports
		31	Government consumption expenditures and gross investment
		32	Federal
		33	National defense
		34	Nondefense
		35	State and local
14	<b>GROSS DOMESTIC PRODUCT</b>	36	<b>GROSS DOMESTIC PRODUCT</b>

**Account 2. Private Enterprise Income Account**

Line		Line	
1	Income payments on assets	19	Net operating surplus, private enterprises
2	Interest and miscellaneous payments	20	Income receipts on assets
3	Dividend payments to the rest of the world	21	Interest
4	Reinvested earnings on foreign direct investment in the United States	22	Dividend receipts from the rest of the world
5	Business current transfer payments (net)	23	Reinvested earnings on U.S. direct investment abroad
6	To persons (net)		
7	To government (net)		
8	To the rest of the world (net)		
9	Proprietors' income with IVA and CCAAdj		
10	Rental income of persons with CCAAdj		
11	Corporate profits with IVA and CCAAdj		
12	Taxes on corporate income		
13	To government		
14	To the rest of the world		
15	Profits after tax with IVA and CCAAdj		
16	Net dividends		
17	Undistributed corporate profits with IVA and CCAAdj		
18	<b>USES OF PRIVATE ENTERPRISE INCOME</b>	24	<b>SOURCES OF PRIVATE ENTERPRISE INCOME</b>

**Account 3. Personal Income and Outlay Account**

Line		Line	
1	Personal current taxes	10	Compensation of employees
2	Personal outlays	11	Wages and salaries
3	Personal consumption expenditures	12	Domestic
4	Personal interest payments	13	Rest of the world
5	Personal current transfer payments	14	Supplements to wages and salaries
6	To government	15	Employer contributions for employee pension and insurance funds
7	To the rest of the world (net)	16	Employer contributions for government social insurance
8	Personal saving	17	Proprietors' income with IVA and CCAAdj
		18	Rental income of persons with CCAAdj
		19	Personal income receipts on assets
		20	Personal interest income
		21	Personal dividend income
		22	Personal current transfer receipts
		23	Government social benefits
		24	From business (net)
		25	Less: Contributions for government social insurance, domestic
9	<b>PERSONAL TAXES, OUTLAYS, AND SAVING</b>	26	<b>PERSONAL INCOME</b>

**Table 5. Summary National Income and Product Accounts—Table Ends**  
**Account 4. Government Receipts and Expenditures Account**

Line		Line	
1	Consumption expenditures	13	Current tax receipts
2	Current transfer payments	14	Personal current taxes
3	Government social benefits	15	Taxes on production and imports
4	To persons	16	Taxes on corporate income
5	To the rest of the world	17	Taxes from the rest of the world
6	Other current transfer payments to the rest of the world (net)	18	Contributions for government social insurance
7	Interest payments	19	Income receipts on assets
8	Subsidies	20	Interest and miscellaneous receipts
9	Net government saving	21	Dividends
10	Federal	22	Current transfer receipts
11	State and local	23	From business (net)
		24	From persons
		25	Current surplus of government enterprises
12	<b>GOVERNMENT CURRENT EXPENDITURES AND NET SAVING</b>	26	<b>GOVERNMENT CURRENT RECEIPTS</b>

**Account 5. Foreign Transactions Current Account**

Line		Line	
1	Exports of goods and services	9	Imports of goods and services
2	Income receipts from the rest of the world	10	Income payments to the rest of the world
3	Wage and salary receipts	11	Wage and salary payments
4	Income receipts on assets	12	Income payments on assets
5	Interest	13	Interest
6	Dividends	14	Dividends
7	Reinvested earnings on U.S. direct investment abroad	15	Reinvested earnings on foreign direct investment in the United States
		16	Current taxes and transfer payments to the rest of the world (net)
		17	From persons (net)
		18	From government (net)
		19	From business (net)
		20	Balance on current account, NIPAs
8	<b>CURRENT RECEIPTS FROM THE REST OF THE WORLD</b>	21	<b>CURRENT PAYMENTS TO THE REST OF THE WORLD AND BALANCE ON CURRENT ACCOUNT</b>

**Account 6. Domestic Capital Account**

Line		Line	
1	Gross domestic investment	10	Net saving
2	Private fixed investment	11	Personal saving
3	Government fixed investment	12	Undistributed corporate profits with IVA and CCAAdj
4	Change in private inventories	13	Net government saving
5	Capital account transactions (net)	14	Plus: Consumption of fixed capital
6	Transfer payments for catastrophic losses (net)	15	Private
7	Other capital account transactions	16	Government
8	Net lending or net borrowing (-), NIPAs	17	General government
		18	Government enterprises
		19	Equals: Gross saving
		20	Statistical discrepancy
9	<b>GROSS DOMESTIC INVESTMENT, CAPITAL ACCOUNT TRANSACTIONS (NET), AND NET LENDING</b>	21	<b>GROSS SAVING AND STATISTICAL DISCREPANCY</b>

**Account 7. Foreign Transactions Capital Account**

Line		Line	
		2	Capital account transactions (net)
		3	Transfer payments for catastrophic losses (net)
		4	Other capital account transactions
		5	Net lending or net borrowing (-), NIPAs
1	<b>BALANCE ON CURRENT ACCOUNT, NIPAs</b>	6	<b>CAPITAL ACCOUNT TRANSACTIONS (NET) AND NET LENDING, NIPAs</b>

CCAAdj Capital consumption adjustment  
IVA Inventory valuation adjustment  
NIPAs National income and product accounts



**Updated reference year**

For the upcoming comprehensive revision, BEA will feature output and price measures that use 2009 as the reference year; currently, 2005 is used as the reference year. Quantity and price indexes will be expressed as 2009 equal to 100. The estimates for most tables showing “real,” or chained-dollar, estimates will begin with 1999.<sup>48</sup>

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48. The reference years used in tables 1.1.6A, 1.1.6B, and 1.1.6C (1937, 1952, and 1972, respectively) will not be changed. Table 1.1.6D will present chained-dollar estimates for 1982–2002 using 1992 as the reference year.

Updating the reference year will not affect the percent changes in the price or quantity indexes (or chained-dollar estimates) because these changes are measured as chain-type indexes.<sup>49</sup> Revisions to the percent changes in NIPA aggregates will reflect the incorporation of newly available and revised source data as well as changes in definitions, classifications, and methodologies.

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49. See J. Steven Landefeld and Robert P. Parker, “[Preview of the Comprehensive Revision of the National Income and Product Accounts: BEA’s New Featured Measures of Output and Prices](#),” SURVEY 75 (July 1995): 31–38.

*Table 6 follows.*

**Table 6. Upcoming Changes to the NIPA Tables—Continues**

Table number		Table title	Major changes
New	Old		
<b>Summary Table</b>			
A	A	Summary National Income and Product Accounts	In account 1, "gross private domestic investment" includes the new series "intellectual property products," "equipment and software" renamed "equipment," and "wage and salary accruals" renamed "wages and salaries." In account 3, "compensation of employees, received" renamed "compensation of employees," and "wage and salary disbursements" renamed "wages and salaries." In accounts 1, 3, 4, and 5, "wage accruals less disbursements" removed from the accounts.
<b>Section 1. Domestic Product and Income</b>			
1.1.1*	1.1.1*	Percent Change From Preceding Period in Real Gross Domestic Product	"Gross private domestic investment" includes the new series "intellectual property products"; "equipment and software" renamed "equipment." See the text.
1.1.2*	1.1.2*	Contributions to Percent Change in Real Gross Domestic Product	See changes for table 1.1.1.
1.1.3*	1.1.3*	Real Gross Domestic Product, Quantity Indexes	See changes for table 1.1.1.
1.1.4*	1.1.4*	Price Indexes for Gross Domestic Product	See changes for table 1.1.1.
1.1.5*	1.1.5*	Gross Domestic Product	See changes for table 1.1.1.
1.1.6*	1.1.6*	Real Gross Domestic Product, Chained Dollars	See changes for table 1.1.1.
1.1.6A	1.1.6A	Real Gross Domestic Product, Chained (1937) Dollars	See changes for table 1.1.1.
1.1.6B	1.1.6B	Real Gross Domestic Product, Chained (1952) Dollars	See changes for table 1.1.1.
1.1.6C	1.1.6C	Real Gross Domestic Product, Chained (1972) Dollars	See changes for table 1.1.1.
1.1.6D	1.1.6D	Real Gross Domestic Product, Chained (1992) Dollars	Reference year changed to 1992. Presents estimates for 1982–2002. See changes for table 1.1.1.
1.1.7*	1.1.7*	Percent Change From Preceding Period in Prices for Gross Domestic Product	See changes for table 1.1.1.
1.1.8*	1.1.8*	Contributions to Percent Change in the Gross Domestic Product Price Index	See changes for table 1.1.1.
1.1.9*	1.1.9*	Implicit Price Deflators for Gross Domestic Product	See changes for table 1.1.1.
1.1.10*	1.1.10*	Percentage Shares of Gross Domestic Product	See changes for table 1.1.1.
1.1.11*	1.1.11*	Real Gross Domestic Product: Percent Change From Quarter One Year Ago	See changes for table 1.1.1.
1.2.1*	1.2.1*	Percent Change From Preceding Period in Real Gross Domestic Product by Major Type of Product	
1.2.2*	1.2.2*	Contributions to Percent Change in Real Gross Domestic Product by Major Type of Product	
1.2.3*	1.2.3*	Real Gross Domestic Product by Major Type of Product, Quantity Indexes	
1.2.4*	1.2.4*	Price Indexes for Gross Domestic Product by Major Type of Product	
1.2.5*	1.2.5*	Gross Domestic Product by Major Type of Product	
1.2.6*	1.2.6*	Real Gross Domestic Product by Major Type of Product, Chained Dollars	
1.3.1*	1.3.1*	Percent Change From Preceding Period in Real Gross Value Added by Sector	
1.3.3*	1.3.3*	Real Gross Value Added by Sector, Quantity Indexes	
1.3.4*	1.3.4*	Price Indexes for Gross Value Added by Sector	
1.3.5*	1.3.5*	Gross Value Added by Sector	
1.3.6*	1.3.6*	Real Gross Value Added by Sector, Chained Dollars	
1.4.1*	1.4.1*	Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers	
1.4.3*	1.4.3*	Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Quantity Indexes	
1.4.4*	1.4.4*	Price Indexes for Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers	
1.4.5*	1.4.5*	Relation of Gross Domestic Product, Gross Domestic Purchases, and Final Sales to Domestic Purchasers	
1.4.6*	1.4.6*	Relation of Real Gross Domestic Product, Real Gross Domestic Purchases, and Real Final Sales to Domestic Purchasers, Chained Dollars	

\* "Selected NIPA Tables" that are published monthly in the SURVEY OF CURRENT BUSINESS.

NOTE. Except for tables 1.1.6A, 1.1.6B, 1.1.6C, and 1.1.6D, the reference year for the quantity indexes, price indexes, and chained dollars will be updated from 2005 to 2009, and the lines in the table titles that

identify the units used to present the estimates will be changed from "index numbers, 2005=100" to "index numbers, 2009=100" or from "chained (2005) dollars" to "chained (2009) dollars."  
NIPAs National income and product accounts

Table 6. Upcoming Changes to the NIPA Tables—Continues

Table number		Table title	Major changes
New	Old		
1.5.1*	1.5.1*	Percent Change From Preceding Period in Real Gross Domestic Product, Expanded Detail	"Gross private domestic investment" includes the new series "intellectual property products" and the three components "software," "research and development," and "entertainment, literary, and artistic originals"; "equipment and software" renamed "equipment"; "information processing equipment and software" renamed "information processing equipment." See the text.
1.5.2*	1.5.2*	Contributions to Percent Change in Real Gross Domestic Product, Expanded Detail	See changes for table 1.5.1.
1.5.3*	1.5.3*	Real Gross Domestic Product, Expanded Detail, Quantity Indexes	See changes for table 1.5.1.
1.5.4*	1.5.4*	Price Indexes for Gross Domestic Product, Expanded Detail	See changes for table 1.5.1.
1.5.5*	1.5.5*	Gross Domestic Product, Expanded Detail	See changes for table 1.5.1.
1.5.6*	1.5.6*	Real Gross Domestic Product, Expanded Detail, Chained Dollars	See changes for table 1.5.1.
1.6.4*	1.6.4*	Price Indexes for Gross Domestic Purchases	See changes for table 1.5.1.
1.6.7*	1.6.7*	Percent Change From Preceding Period in Prices for Gross Domestic Purchases	See changes for table 1.5.1.
1.6.8*	1.6.8*	Contributions to Percent Change in the Gross Domestic Purchases Price Index	See changes for table 1.5.1.
1.7.1*	1.7.1*	Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross National Product, and Real Net National Product	
1.7.3*	1.7.3*	Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Quantity Indexes	
1.7.4*	1.7.4*	Price Indexes for Gross Domestic Product, Gross National Product, and Net National Product	
1.7.5*	1.7.5*	Relation of Gross Domestic Product, Gross National Product, Net National Product, National Income, and Personal Income	"Wage accruals less disbursements" removed from table. See the text.
1.7.6*	1.7.6*	Relation of Real Gross Domestic Product, Real Gross National Product, and Real Net National Product, Chained Dollars	
1.8.3*	1.8.3*	Command-Basis Real Gross National Product, Quantity Indexes	
1.8.6*	1.8.6*	Command-Basis Real Gross National Product, Chained Dollars	
1.9.3	1.9.3	Real Net Value Added by Sector, Quantity Indexes	
1.9.4	1.9.4	Price Indexes for Net Value Added by Sector	
1.9.5	1.9.5	Net Value Added by Sector	
1.9.6	1.9.6	Real Net Value Added by Sector, Chained Dollars	
1.10*	1.10*	Gross Domestic Income by Type of Income	"Wage and salary accruals" renamed "wages and salaries." "Disbursements" and "wage accruals less disbursements" removed from table. See the text.
1.11	1.11	Percentage Shares of Gross Domestic Income	See changes for table 1.10.
1.12*	1.12*	National Income by Type of Income	"Wage and salary accruals" renamed "wages and salaries." See the text.
1.13	1.13	National Income by Sector, Legal Form of Organization, and Type of Income	See changes for table 1.12.
1.14*	1.14*	Gross Value Added of Corporate Business in Current Dollars and Gross Value Added of Nonfinancial Corporate Business in Current and Chained Dollars	See changes for table 1.12.
1.15*	1.15*	Price, Costs, and Profit Per Unit of Real Gross Value Added of Nonfinancial Corporate Business	
1.16	1.16	Sources and Uses of Private Enterprise Income	
1.17.1*	1.17.1*	Percent Change From Preceding Period in Real Gross Domestic Product, Real Gross Domestic Income, and Other Major NIPA Aggregates	
1.17.5*	1.17.5*	Gross Domestic Product, Gross Domestic Income, and Other Major NIPA Aggregates	
1.17.6*	1.17.6*	Real Gross Domestic Product, Real Gross Domestic Income, and Other Major NIPA Aggregates, Chained Dollars	
<b>Section 2. Personal Income and Outlays</b>			
2.1*	2.1*	Personal Income and Its Disposition	"Compensation of employees, received" renamed "compensation of employees." "Wage and salary disbursements" renamed "wages and salaries." See the text.
2.2A	2.2A	Wages and Salaries by Industry	"Disbursements" dropped from table title. "Wage and salary disbursements" renamed "wages and salaries." See the text.

\* "Selected NIPA Tables" that are published monthly in the SURVEY OF CURRENT BUSINESS.

NOTE. Except for tables 1.1.6A, 1.1.6B, 1.1.6C, and 1.1.6D, the reference year for the quantity indexes, price indexes, and chained dollars will be updated from 2005 to 2009, and the lines in the table titles that

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**Table 6. Upcoming Changes to the NIPA Tables—Continues**

Table number		Table title	Major changes		
New	Old				
2.2B*	2.2B*	Wages and Salaries by Industry	See changes for table 2.2A.		
2.3.1*	2.3.1*	Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product			
2.3.2*	2.3.2*	Contributions to Percent Change in Real Personal Consumption Expenditures by Major Type of Product			
2.3.3*	2.3.3*	Real Personal Consumption Expenditures by Major Type of Product, Quantity Indexes			
2.3.4*	2.3.4*	Price Indexes for Personal Consumption Expenditures by Major Type of Product			
2.3.5*	2.3.5*	Personal Consumption Expenditures by Major Type of Product			
2.3.6*	2.3.6*	Real Personal Consumption Expenditures by Major Type of Product, Chained Dollars			
2.3.7*	2.3.7*	Percent Change from Preceding Period in Prices for Personal Consumption Expenditures by Major Type of Product			
2.4.3	2.4.3	Real Personal Consumption Expenditures by Type of Product, Quantity Indexes			
2.4.4	2.4.4	Price Indexes for Personal Consumption Expenditures by Type of Product			
2.4.5	2.4.5	Personal Consumption Expenditures by Type of Product			
2.4.6	2.4.6	Real Personal Consumption Expenditures by Type of Product, Chained Dollars			
2.5.3	2.5.3	Real Personal Consumption Expenditures by Type of Expenditure, Quantity Indexes			
2.5.4	2.5.4	Price Indexes for Personal Consumption Expenditures by Type of Expenditure			
2.5.5	2.5.5	Personal Consumption Expenditures by Type of Expenditure			
2.5.6	2.5.6	Real Personal Consumption Expenditures by Type of Expenditure, Chained Dollars			
2.6	2.6	Personal Income and Its Disposition, Monthly		See changes for table 2.1. See changes for table 2.2A. See changes for table 2.2A.	
2.7A	2.7A	Wage and Salaries by Industry, Monthly			
2.7B	2.7B	Wage and Salaries by Industry, Monthly			
2.8.1	2.8.1	Percent Change From Preceding Period in Real Personal Consumption Expenditures by Major Type of Product, Monthly			
2.8.3	2.8.3	Real Personal Consumption Expenditures by Major Type of Product, Monthly, Quantity Indexes			
2.8.4	2.8.4	Price Indexes for Personal Consumption Expenditures by Major Type of Product, Monthly			
2.8.5	2.8.5	Personal Consumption Expenditures by Major Type of Product, Monthly			
2.8.6	2.8.6	Real Personal Consumption Expenditures by Major Type of Product, Monthly, Chained Dollars			
2.8.7	2.8.7	Percent Change from Preceding Period in Prices for Personal Consumption Expenditures by Major Type of Product, Monthly			
2.9	2.9	Personal Income and Its Disposition by Households and by Nonprofit Institutions Serving Households			"Compensation of employees, received" renamed "compensation of employees."

**Section 3. Government Current Receipts and Expenditures**

3.1*	3.1*	Government Current Receipts and Expenditures	"Wage accruals less disbursements" removed from table. See the text.
3.2*	3.2*	Federal Government Current Receipts and Expenditures	See changes for table 3.1.
3.3*	3.3*	State and Local Government Current Receipts and Expenditures	See changes for table 3.1.
3.4	3.4	Personal Current Tax Receipts	
3.5	3.5	Taxes on Production and Imports	
3.6	3.6	Contributions for Government Social Insurance	
3.7	3.7	Government Current Transfer Receipts	
3.8	3.8	Current Surplus of Government Enterprises	
3.9.1*	3.9.1*	Percent Change From Preceding Period in Real Government Consumption Expenditures and Gross Investment	"Gross investment" includes the new series "intellectual property products" and the two components "software" and "research and development"; "equipment and software" renamed "equipment." See the text.
3.9.2*	3.9.2*	Contributions to Percent Change in Real Government Consumption Expenditures and Gross Investment	See changes for table 3.9.1.

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NOTE. Except for tables 1.1.6A, 1.1.6B, 1.1.6C, and 1.1.6D, the reference year for the quantity indexes, price indexes, and chained dollars will be updated from 2005 to 2009, and the lines in the table titles that

identify the units used to present the estimates will be changed from "index numbers, 2005=100" to "index numbers, 2009=100" or from "chained (2005) dollars" to "chained (2009) dollars."  
NIPAs National income and product accounts



Table 6. Upcoming Changes to the NIPA Tables—Continues

Table number		Table title	Major changes
New	Old		
3.9.3*	3.9.3*	Real Government Consumption Expenditures and Gross Investment, Quantity Indexes	See changes for table 3.9.1.
3.9.4*	3.9.4*	Price Indexes for Government Consumption Expenditures and Gross Investment	See changes for table 3.9.1.
3.9.5*	3.9.5*	Government Consumption Expenditures and Gross Investment	See changes for table 3.9.1.
3.9.6*	3.9.6*	Real Government Consumption Expenditures and Gross Investment, Chained Dollars	See changes for table 3.9.1.
3.10.1*	3.10.1*	Percent Change From Preceding Period in Real Government Consumption Expenditures and General Government Gross Output	
3.10.3*	3.10.3*	Real Government Consumption Expenditures and General Government Gross Output, Quantity Indexes	
3.10.4*	3.10.4*	Price Indexes for Government Consumption Expenditures and General Government Gross Output	
3.10.5*	3.10.5*	Government Consumption Expenditures and General Government Gross Output	
3.10.6*	3.10.6*	Real Government Consumption Expenditures and General Government Gross Output, Chained Dollars	
3.11.1*	3.11.1*	Percent Change From Preceding Period in Real National Defense Consumption Expenditures and Gross Investment by Type	"Gross investment" includes the new series "intellectual property products" and the two components "software" and "research and development," which is removed from "intermediate goods and services purchased"; "equipment and software" renamed "equipment"; "electronics and software" renamed "electronics." See the text.
3.11.3*	3.11.3*	Real National Defense Consumption Expenditures and Gross Investment by Type, Quantity Indexes	See changes for table 3.11.1.
3.11.4*	3.11.4*	Price Indexes for National Defense Consumption Expenditures and Gross Investment by Type	See changes for table 3.11.1.
3.11.5*	3.11.5*	National Defense Consumption Expenditures and Gross Investment by Type	See changes for table 3.11.1.
3.11.6*	3.11.6*	Real National Defense Consumption Expenditures and Gross Investment by Type, Chained Dollars	See changes for table 3.11.1.
3.12	3.12	Government Social Benefits	
3.13	3.13	Subsidies	
3.14	3.14	Government Social Insurance Funds Current Receipts and Expenditures	
3.15.1	3.15.1	Percent Change From Preceding Period in Real Government Consumption Expenditures and Gross Investment by Function	Additional detail on "state and local" and "health" presented.
3.15.2	3.15.2	Contributions to Percent Change From Preceding Period in Real Government Consumption Expenditures and Gross Investment by Function	See changes for table 3.15.1.
3.15.3	3.15.3	Real Government Consumption Expenditures and Gross Investment by Function, Quantity Indexes	See changes for table 3.15.1.
3.15.4	3.15.4	Price Indexes for Government Consumption Expenditures and Gross Investment by Function	See changes for table 3.15.1.
3.15.5	3.15.5	Government Consumption Expenditures and Gross Investment by Function	See changes for table 3.15.1.
3.15.6	3.15.6	Real Government Consumption Expenditures and Gross Investment by Function, Chained Dollars	See changes for table 3.15.1.
3.16	3.16	Government Current Expenditures by Function	
3.17	3.17	Selected Government Current Expenditures by Function	
3.18A	3.18A	Relation of Federal Government Current Receipts and Expenditures in the National Income and Product Accounts to the Consolidated Cash Statement, Fiscal Years	
3.18B	3.18B	Relation of Federal Government Current Receipts and Expenditures in the National Income and Product Accounts to the Budget, Fiscal Years	Under "net purchases of nonproduced assets," "outer continental shelf" and "land and other" removed.
3.19	3.19	Relation of State and Local Government Current Receipts and Expenditures in the National Income and Product Accounts to Bureau of Census <i>Government Finances</i> Data, Fiscal Years	Additional reconciliation items for imputed transactions associated with defined benefit pension plans added.
3.20	3.20	State Government Current Receipts and Expenditures	See changes for table 3.1.
3.21	3.21	Local Government Current Receipts and Expenditures	See changes for table 3.1.

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NOTE. Except for tables 1.1.6A, 1.1.6B, 1.1.6C, and 1.1.6D, the reference year for the quantity indexes, price indexes, and chained dollars will be updated from 2005 to 2009, and the lines in the table titles that

identify the units used to present the estimates will be changed from "index numbers, 2005=100" to "index numbers, 2009=100" or from "chained (2005) dollars" to "chained (2009) dollars." NIPAs National income and product accounts

**Table 6. Upcoming Changes to the NIPA Tables—Continues**

Table number		Table title	Major changes	
New	Old			
3.22	3.22	Federal Government Current Receipts and Expenditures, Not Seasonally Adjusted	See changes for table 3.1.	
3.23	3.23	State and Local Government Current Receipts and Expenditures, Not Seasonally Adjusted	See changes for table 3.1.	
<b>Section 4. Foreign Transactions</b>				
4.1*	4.1*	Foreign Transactions in the National Income and Product Accounts		
4.2.1*	4.2.1*	Percent Change From Preceding Period in Real Exports and Imports of Goods and Services by Type of Product		
4.2.2*	4.2.2*	Contributions to Percent Change in Real Exports and in Real Imports of Goods and Services by Type of Product		
4.2.3*	4.2.3*	Real Exports and Imports of Goods and Services by Type of Product, Quantity Indexes		
4.2.4*	4.2.4*	Price Indexes for Exports and Imports of Goods and Services by Type of Product		
4.2.5*	4.2.5*	Exports and Imports of Goods and Services by Type of Product		
4.2.6*	4.2.6*	Real Exports and Imports of Goods and Services by Type of Product, Chained Dollars		
4.3A	4.3A	Relation of Foreign Transactions in the National Income and Product Accounts to the Corresponding Items in the International Transactions Accounts		
4.3B	4.3B	Relation of Foreign Transactions in the National Income and Product Accounts to the Corresponding Items in the International Transactions Accounts		
<b>Section 5. Saving and Investment</b>				
5.1*	5.1*	Saving and Investment		“Wage accruals less disbursements” removed from table. See the text.
5.2.3	5.2.3	Real Gross and Net Investment by Major Type, Quantity Indexes		For both private and government investment, “gross investment” includes the new series “intellectual property products” and lines for “consumption of fixed capital” and for “net investment”; “equipment and software” renamed “equipment.” See the text.
5.2.5	5.2.5	Gross and Net Investment by Major Type		See changes for table 5.2.3.
5.2.6	5.2.6	Real Gross and Net Investment by Major Type, Chained Dollars		See changes for table 5.2.3.
5.3.1*	5.3.1*	Percent Change From Preceding Period in Real Private Fixed Investment by Type	“Gross private domestic investment” includes the new series “intellectual property products” and the three components “software,” “research and development,” and “entertainment, literary, and artistic originals”; “equipment and software” renamed “equipment.” See the text.	
5.3.2*	5.3.2*	Contributions to Percent Change in Real Private Fixed Investment by Type	See changes for table 5.3.1.	
5.3.3*	5.3.3*	Real Private Fixed Investment by Type, Quantity Indexes	See changes for table 5.3.1.	
5.3.4*	5.3.4*	Price Indexes for Private Fixed Investment by Type	See changes for table 5.3.1.	
5.3.5*	5.3.5*	Private Fixed Investment by Type	See changes for table 5.3.1.	
5.3.6*	5.3.6*	Real Private Fixed Investment by Type, Chained Dollars	See comments for table 5.3.1.	
5.4.1	5.4.1	Percent Change From Preceding Period in Real Private Fixed Investment in Structures by Type	Residential “brokers’ commissions on sale of structures” renamed residential “brokers’ commissions and other ownership transfer costs.” See text.	
5.4.2	5.4.2	Contributions to Percent Change in Real Private Fixed Investment in Structures by Type	See changes for table 5.4.1.	
5.4.3	5.4.3	Real Private Fixed Investment in Structures by Type, Quantity Indexes	See changes for table 5.4.1.	
5.4.4	5.4.4	Price Indexes for Private Fixed Investment in Structures by Type	See changes for table 5.4.1.	
5.4.5	5.4.5	Private Fixed Investment in Structures by Type	See changes for table 5.4.1.	
5.4.6	5.4.6	Real Private Fixed Investment in Structures by Type, Chained Dollars	See changes for table 5.4.1.	
5.5.1	5.5.1	Percent Change From Preceding Period in Real Private Fixed Investment in Equipment by Type	“And Software” removed from table title. Table presents investment in equipment; investment in software presented in new tables 5.6.1–5.6.6. “Equipment and software” renamed “equipment.” See the text.	
5.5.2	5.5.2	Contributions to Percent Change in Real Private Fixed Investment in Equipment by Type	See changes for table 5.5.1.	
5.5.3	5.5.3	Real Private Fixed Investment in Equipment by Type, Quantity Indexes	See changes for table 5.5.1.	
5.5.4	5.5.4	Price Indexes for Private Fixed Investment in Equipment by Type	See changes for table 5.5.1.	

\* “Selected NIPA Tables” that are published monthly in the SURVEY OF CURRENT BUSINESS.

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identify the units used to present the estimates will be changed from “index numbers, 2005=100” to “index numbers, 2009=100” or from “chained (2005) dollars” to “chained (2009) dollars.”  
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**Table 6. Upcoming Changes to the NIPA Tables—Continues**

Table number		Table title	Major changes
New	Old		
5.5.5	5.5.5	Private Fixed Investment in Equipment by Type	See changes for table 5.5.1.
5.5.6	5.5.6	Real Private Fixed Investment in Equipment by Type, Chained Dollars	See changes for table 5.5.1.
5.6.1	.....	Percent Change From Preceding Period in Real Private Fixed Investment in Intellectual Property Products	New table presents the new series "private investment in intellectual property products" and the three components "software," "research and development," and "entertainment, literary, and artistic originals." See the text.
5.6.2	.....	Contributions to Percent Change in Real Private Fixed Investment in Intellectual Property Products	New table. See changes for table 5.6.1.
5.6.3	.....	Real Private Fixed Investment in Intellectual Property Products, Quantity Indexes	New table. See changes for table 5.6.1.
5.6.4	.....	Price Indexes for Private Fixed Investment in Intellectual Property Products	New table. See changes for table 5.6.1.
5.6.5	.....	Private Fixed Investment in Intellectual Property Products	New table. See changes for table 5.6.1.
5.6.6	.....	Real Private Fixed Investment in Intellectual Property Products, Chained Dollars	New table. See changes for table 5.6.1.
5.7.5A	5.6.5A	Change in Private Inventories by Industry	
5.7.5B*	5.6.5B*	Change in Private Inventories by Industry	
5.7.6A	5.6.6A	Real Change in Private Inventories by Industry, Chained Dollars	
5.7.6B*	5.6.6B*	Real Change in Private Inventories by Industry, Chained Dollars	
5.8.5A	5.7.5A	Private Inventories and Domestic Final Sales of Business by Industry	
5.8.5B*	5.7.5B*	Private Inventories and Domestic Final Sales by Industry	
5.8.6A	5.7.6A	Real Private Inventories and Real Domestic Final Sales of Business by Industry, Chained Dollars	
5.8.6B*	5.7.6B*	Real Private Inventories and Real Domestic Final Sales by Industry, Chained Dollars	
5.8.9A	5.7.9A	Implicit Price Deflators for Private Inventories by Industry	
5.8.9B*	5.7.9B*	Implicit Price Deflators for Private Inventories by Industry	
5.9.3A	5.8.3A	Real Gross Government Fixed Investment by Type, Quantity Indexes	"Gross investment" includes the new series "intellectual property products" and the two components "software" and "research and development"; "equipment and software" renamed "equipment." See the text.
5.9.3B	5.8.3B	Real Gross Government Fixed Investment by Type, Quantity Indexes	See changes for table 5.9.3A.
5.9.4A	5.8.4A	Price Indexes for Gross Government Fixed Investment by Type	See changes for table 5.9.3A.
5.9.4B	5.8.4B	Price Indexes for Gross Government Fixed Investment by Type	See changes for table 5.9.3A.
5.9.5A	5.8.5A	Gross Government Fixed Investment by Type	See changes for table 5.9.3A.
5.9.5B	5.8.5B	Gross Government Fixed Investment by Type	See changes for table 5.9.3A.
5.9.6A	5.8.6A	Real Gross Government Fixed Investment by Type, Chained Dollars	See changes for table 5.9.3A.
5.9.6B	5.8.6B	Real Gross Government Fixed Investment by Type, Chained Dollars	See changes for table 5.9.3A.
5.10	5.9	Changes in Net Stock of Produced Assets (Fixed Assets and Inventories)	"Gross investment," "consumption of fixed capital," and "other changes in volume of assets" include the new series "intellectual property products"; "equipment and software" renamed "equipment." Under "stock reconciliation adjustments," lines from the addenda have been added. See the text.
5.11	5.10	Capital Transfers (Net)	

**Section 6. Income and Employment by Industry**

6.1B	6.1B	National Income Without Capital Consumption Adjustment by Industry	
6.1C	6.1C	National Income Without Capital Consumption Adjustment by Industry	
6.1D*	6.1D*	National Income Without Capital Consumption Adjustment by Industry	
6.2A	6.2A	Compensation of Employees by Industry	
6.2B	6.2B	Compensation of Employees by Industry	
6.2C	6.2C	Compensation of Employees by Industry	
6.2D	6.2D	Compensation of Employees by Industry	
6.3A	6.3A	Wages and Salaries by Industry	"Accruals" dropped from the table title. "Wage and salary accruals" renamed "wages and salaries." See the text.
6.3B	6.3B	Wages and Salaries by Industry	See changes for table 6.3A.
6.3C	6.3C	Wages and Salaries by Industry	See changes for table 6.3A.
6.3D	6.3D	Wages and Salaries by Industry	See changes for table 6.3A.

\* "Selected NIPA Tables" that are published monthly in the SURVEY OF CURRENT BUSINESS.

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Table 6. Upcoming Changes to the NIPA Tables—Continues

Table number		Table title	Major changes
New	Old		
6.4A	6.4A	Full-Time and Part-Time Employees by Industry	
6.4B	6.4B	Full-Time and Part-Time Employees by Industry	
6.4C	6.4C	Full-Time and Part-Time Employees by Industry	
6.4D	6.4D	Full-Time and Part-Time Employees by Industry	
6.5A	6.5A	Full-Time Equivalent Employees by Industry	
6.5B	6.5B	Full-Time Equivalent Employees by Industry	
6.5C	6.5C	Full-Time Equivalent Employees by Industry	
6.5D	6.5D	Full-Time Equivalent Employees by Industry	
6.6A	6.6A	Wages and Salaries Per Full-Time Equivalent Employee by Industry	See changes for table 6.3A.
6.6B	6.6B	Wages and Salaries Per Full-Time Equivalent Employee by Industry	See changes for table 6.6A.
6.6C	6.6C	Wages and Salaries Per Full-Time Equivalent Employee by Industry	See changes for table 6.6A.
6.6D	6.6D	Wages and Salaries Per Full-Time Equivalent Employee by Industry	See changes for table 6.6A.
6.7A	6.7A	Self-Employed Persons by Industry	
6.7B	6.7B	Self-Employed Persons by Industry	
6.7C	6.7C	Self-Employed Persons by Industry	
6.7D	6.7D	Self-Employed Persons by Industry	
6.8A	6.8A	Persons Engaged in Production by Industry	
6.8B	6.8B	Persons Engaged in Production by Industry	
6.8C	6.8C	Persons Engaged in Production by Industry	
6.8D	6.8D	Persons Engaged in Production by Industry	
6.9B	6.9B	Hours Worked by Full-Time and Part-Time Employees by Industry	
6.9C	6.9C	Hours Worked by Full-Time and Part-Time Employees by Industry	
6.9D	6.9D	Hours Worked by Full-Time and Part-Time Employees by Industry	
6.10B	6.10B	Employer Contributions for Government Social Insurance by Industry	
6.10C	6.10C	Employer Contributions for Government Social Insurance by Industry	
6.10D	6.10D	Employer Contributions for Government Social Insurance by Industry	
6.11A	6.11A	Employer Contributions for Employee Pension and Insurance Funds by Industry and by Type	Under "employer contributions for employee pension and insurance funds" by type, line 21 renamed "pension plans," line 22 renamed "private pension plans," line 23 renamed "defined benefit," line 24 renamed "defined contribution"; "publicly administered government employee retirement plans" renamed "government employee pension plans," and "federal civilian" and "federal military" combined and renamed "federal"; new line "publicly administered government employee insurance plans" added. The addenda removed. Details removed from this table will be presented in the new tables 7.20–23.
6.11B	6.11B	Employer Contributions for Employee Pension and Insurance Funds by Industry and by Type	Under "employer contributions for employee pension and insurance funds" by type, line 21 renamed "pension plans," line 22 renamed "private pension plans," line 23 renamed "defined benefit," line 24 renamed "defined contribution"; "publicly administered government employee retirement plans" renamed "government employee pension plans," and "federal civilian" and "federal military" combined and renamed "federal"; new line "publicly administered government employee insurance plans" added. Under "benefits paid by pension and insurance funds," lines 36–41 combined and renamed "pension plans"; lines 48–50 "employee contributions for publicly administered government employee retirement plans" removed; new line "publicly administered government employee insurance plans" added. Details removed from this table will be presented in the new tables 7.20–23.
6.11C	6.11C	Employer Contributions for Employee Pension and Insurance Funds by Industry and by Type	See changes for table 6.11B.

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Table 6. Upcoming Changes to the NIPA Tables—Continues

Table number		Table title	Major changes
New	Old		
6.11D	6.11D	Employer Contributions for Employee Pension and Insurance Funds by Industry and by Type	Under "employer contributions for employee pension and insurance funds" by type, line 23 renamed "pension plans," line 24 renamed "private pension plans," line 25 renamed "defined benefit," line 26 renamed "defined contribution"; "publicly administered government employee retirement plans" renamed "government employee pension plans;" and "federal civilian" and "federal military" combined and renamed "federal"; new line "publicly administered government employee insurance plans" added. Under "benefits paid by pension and insurance funds," lines 38–43 combined and renamed "pension plans"; lines 50–52 "employee contributions for publicly administered government employee retirement plans" removed; new line "publicly administered government employee insurance plans" added. Details removed from this table will be presented in the new tables 7.20–23.
6.12A	6.12A	Nonfarm Proprietors Income by Industry	
6.12B	6.12B	Nonfarm Proprietors Income by Industry	
6.12C	6.12C	Nonfarm Proprietors Income by Industry	
6.12D	6.12D	Nonfarm Proprietors Income by Industry	
6.13A	6.13A	Noncorporate Capital Consumption Allowances by Industry	
6.13B	6.13B	Noncorporate Capital Consumption Allowances by Industry	
6.13C	6.13C	Noncorporate Capital Consumption Allowances by Industry	
6.13D	6.13D	Noncorporate Capital Consumption Allowances by Industry	
6.14A	6.14A	Inventory Valuation Adjustment to Nonfarm Incomes by Legal Form of Organization and by Industry	
6.14B	6.14B	Inventory Valuation Adjustment to Nonfarm Incomes by Legal Form of Organization and by Industry	
6.14C	6.14C	Inventory Valuation Adjustment to Nonfarm Incomes by Legal Form of Organization and by Industry	
6.14D	6.14D	Inventory Valuation Adjustment to Nonfarm Incomes by Legal Form of Organization and by Industry	
6.15A	6.15A	Net Interest by Industry	
6.15B	6.15B	Net Interest by Industry	
6.15C	6.15C	Net Interest by Industry	
6.15D	6.15D	Net Interest by Industry	
6.16A	6.16A	Corporate Profits by Industry	
6.16B	6.16B	Corporate Profits by Industry	
6.16C	6.16C	Corporate Profits by Industry	
6.16D*	6.16D*	Corporate Profits by Industry	
6.17A	6.17A	Corporate Profits Before Tax by Industry	
6.17B	6.17B	Corporate Profits Before Tax by Industry	
6.17C	6.17C	Corporate Profits Before Tax by Industry	
6.17D	6.17D	Corporate Profits Before Tax by Industry	
6.18A	6.18A	Taxes on Corporate Income by Industry	
6.18B	6.18B	Taxes on Corporate Income by Industry	
6.18C	6.18C	Taxes on Corporate Income by Industry	
6.18D	6.18D	Taxes on Corporate Income by Industry	
6.19A	6.19A	Corporate Profits After Tax by Industry	
6.19B	6.19B	Corporate Profits After Tax by Industry	
6.19C	6.19C	Corporate Profits After Tax by Industry	
6.19D	6.19D	Corporate Profits After Tax by Industry	
6.20A	6.20A	Net Corporate Dividend Payments by Industry	
6.20B	6.20B	Net Corporate Dividend Payments by Industry	
6.20C	6.20C	Net Corporate Dividend Payments by Industry	
6.20D	6.20C	Net Corporate Dividend Payments by Industry	
6.21A	6.21A	Undistributed Corporate Profits by Industry	
6.21B	6.21B	Undistributed Corporate Profits by Industry	
6.21C	6.21C	Undistributed Corporate Profits by Industry	
6.21D	6.21D	Undistributed Corporate Profits by Industry	

\* Selected NIPA Tables\* that are published monthly in the SURVEY OF CURRENT BUSINESS.

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identify the units used to present the estimates will be changed from "index numbers, 2005=100" to "index numbers, 2009=100" or from "chained (2005) dollars" to "chained (2009) dollars."  
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**Table 6. Upcoming Changes to the NIPA Tables—Continues**

Table number		Table title	Major changes
New	Old		
6.22A	6.22A	Corporate Capital Consumption Allowances by Industry	
6.22B	6.22B	Corporate Capital Consumption Allowances by Industry	
6.22C	6.22C	Corporate Capital Consumption Allowances by Industry	
6.22D	6.22D	Corporate Capital Consumption Allowances by Industry	
<b>Section 7. Supplemental Tables</b>			
7.1*	7.1*	Selected Per Capita Product and Income Series in Current and Chained Dollars	
7.2.1A	7.2.1A	Percent Change from Preceding Period in Real Auto Output	
7.2.1B*	7.2.1B*	Percent Change from Preceding Period in Real Motor Vehicle Output	
7.2.3A	7.2.3A	Real Auto Output, Quantity Indexes	
7.2.3B*	7.2.3B*	Real Motor Vehicle Output, Quantity Indexes	
7.2.4A	7.2.4A	Price Indexes for Auto Output	
7.2.4B*	7.2.4B*	Price Indexes for Motor Vehicle Output	
7.2.5A	7.2.5A	Auto Output	
7.2.5B*	7.2.5B*	Motor Vehicle Output	
7.2.6B*	7.2.6B*	Real Motor Vehicle Output, Chained Dollars	
7.3.3	7.3.3	Real Farm Sector Output, Real Gross Value Added, and Real Net Value Added, Quantity Indexes	
7.3.4	7.3.4	Price Indexes for Farm Sector Output, Gross Value Added, and Net Value Added	
7.3.5	7.3.5	Farm Sector Output, Gross Value Added, and Net Value Added	"Wage and salary accruals" renamed "wages and salaries."
7.3.6	7.3.6	Real Farm Sector Output, Real Gross Value Added, and Real Net Value Added, Chained Dollars	
7.4.3	7.4.3	Real Housing Sector Output, Real Gross Value Added, and Real Net Value Added, Quantity Indexes	
7.4.4	7.4.4	Price Indexes for Housing Sector Output, Gross Value Added, and Net Value Added, Chained Dollars	
7.4.5	7.4.5	Housing Sector Output, Gross Value Added, and Net Value Added	
7.4.6	7.4.6	Real Housing Sector Output, Real Gross Value Added, and Real Net Value Added, Chained Dollars	
7.5*	7.5*	Consumption of Fixed Capital by Legal Form of Organization and Type of Income	
7.6	7.6	Capital Consumption Adjustment by Legal Form of Organization and Type of Adjustment	
7.7	7.7	Current Business Transfer Payments by Type	"Medical malpractice insurance" renamed "Medical liability insurance."
7.8	7.8	Supplements to Wages and Salaries by Type	Under "health," "publicly administered government employee insurance funds" added.
7.9	7.9	Rental Income of Persons by Legal Form of Organization and by Type of Income	
7.10	7.10	Dividends Paid and Received by Sector	New lines for the imputed dividends paid by defined benefit pension plans (as financial corporations) and received by persons. Under "monetary interest received by persons," removed "publicly administered government employee retirement plans" and "other."
7.11	7.11	Interest Paid and Received by Sector and Legal Form of Organization	New lines for imputed interest receipts and payments associated with defined benefit pension plans. See the text.
7.12	7.12	Imputations in the National Income and Product Accounts	New lines for imputed contributions, interest, and dividends of defined benefit pension plans.
7.13	7.13	Relation of Consumption of Fixed Capital in the National Income and Product Accounts to Depreciation and Amortization as Published by the Internal Revenue Service	New adjustments for depreciation associated with investment in intellectual property products not found in IRS depreciation and for capitalization of residential real estate disposal costs.
7.14	7.14	Relation of Nonfarm Proprietors Income in the National Income and Product Accounts to Corresponding Measures as Published by the Internal Revenue Service	New adjustment for depreciation associated with investment in intellectual property products.

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identify the units used to present the estimates will be changed from "index numbers, 2005=100" to "index numbers, 2009=100" or from "chained (2005) dollars" to "chained (2009) dollars." NIPAs National income and product accounts

**Table 6. Upcoming Changes to the NIPA Tables—Table Ends**

Table number		Table title	Major changes
New	Old		
7.15	7.15	Relation of Net Farm Income in the National Income and Product Accounts to Net Farm Income as Published by the U.S. Department of Agriculture	
7.16	7.16	Relation of Corporate Profits, Taxes, and Dividends in the National Income and Product Accounts to Corresponding Measures as Published by the Internal Revenue Service	New adjustments for depreciation associated with investment in intellectual property products and for the excess of employer expenses over actual contributions for defined benefit pension plans.
7.17	7.17	Relation of Monetary Interest Paid and Received in the National Income and Product Accounts to Corresponding Measures as Published by the Internal Revenue Service	
7.18	7.18	Relation of Wages and Salaries in the National Income and Product Accounts to Wages and Salaries as Published by the Bureau of Labor Statistics	Adjustment lines modified as a result of the harmonization of the presentation of wages and salaries estimates.
7.19	7.20	Comparison of Receipts and Outlays of Nonprofit Institutions Serving Households with Receipts and Expenses as Published by the Internal Revenue Service	New adjustments for investment in "research and development" and in "entertainment, literary, and artistic originals" by nonprofit institutions serving households.
7.20	.....	Transactions of Defined Benefit Pension Plans	New table. Includes transactions associated with defined benefit pension plans. See the text.
7.21	.....	Transactions of Private Defined Benefit Pension Plans	New table. See changes for table 7.20.
7.22	.....	Transactions of Federal Government Defined Benefit Plans	New table. See changes for table 7.20.
7.23	.....	Transactions of State and Local Government Defined Benefit Pension Plans	New table. See changes for table 7.20.

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identify the units used to present the estimates will be changed from "index numbers, 2005=100" to "index numbers, 2009=100" or from "chained (2005) dollars" to "chained (2009) dollars." NIPAs National income and product accounts