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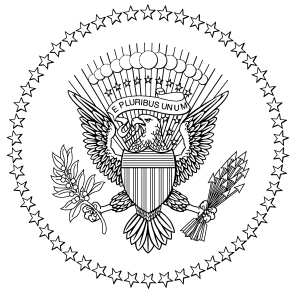
Economic Report of the President



Transmitted to the Congress
February 2007

together with
THE ANNUAL REPORT
of the
COUNCIL OF ECONOMIC ADVISERS

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CONTENTS

	Page
ECONOMIC REPORT OF THE PRESIDENT	1
ANNUAL REPORT OF THE COUNCIL OF ECONOMIC ADVISERS*	7
CHAPTER 1. THE YEAR IN REVIEW AND THE YEARS AHEAD	23
CHAPTER 2. PRODUCTIVITY GROWTH	45
CHAPTER 3. PRO-GROWTH TAX POLICY	63
CHAPTER 4. THE FISCAL CHALLENGES FACING MEDICARE	85
CHAPTER 5. CATASTROPHE RISK INSURANCE	105
CHAPTER 6. THE TRANSPORTATION SECTOR: ENERGY AND INFRASTRUCTURE USE	125
CHAPTER 7. CURRENCY MARKETS AND EXCHANGE RATES	149
CHAPTER 8. INTERNATIONAL TRADE AND INVESTMENT	167
CHAPTER 9. IMMIGRATION	189
APPENDIX A. REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 2006	207
APPENDIX B. STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION	221

* *For a detailed table of contents of the Council's Report, see page 11*

ECONOMIC REPORT OF THE PRESIDENT

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

Economic growth in the United States has been above the historic average and faster than any other major industrialized economy in the world. January was the 41st month of uninterrupted job growth produced by this economy, in an expansion that has thus far added more than 7.4 million new jobs. Unemployment is low, inflation is moderate, and real wages are rising. Our economy is on the move and we can keep it that way by continuing to pursue sound economic policy based on free-market principles.

Sound economic policy begins with low taxes. We should work together to spend the taxpayers' money wisely and to tackle unfunded liabilities inherent in entitlement programs such as Social Security, Medicare, and Medicaid. I have laid out a detailed plan in my budget to restrain spending, cut earmarks in half by the end of this session, and balance the budget by 2012 without raising taxes. The tax relief of the past few years has been a key ingredient in growing our economy, and it should be made permanent.

Our growing economy is dynamic. The rise of new technologies, new competition, and new markets abroad is changing how we do business. We need to take action in four key areas to keep America's economy flexible and dynamic.

First, we must break down barriers to trade so our workers can sell more goods and services to the 95 percent of the world's customers who live outside of our borders. Global trade talks like the Doha Round at the World Trade Organization have the potential to level the playing field so that we can compete on fair terms in foreign markets, while helping lift millions of people out of poverty around the world.

The only way we can complete the Doha Round and make headway on other trade agreements is to extend Trade Promotion Authority, which is set to expire on July 1st. This authority is essential to completing good trade agreements. The Congress must renew it if we are to improve our competitiveness in the global economy.

Second, we must work to make private health insurance more affordable and to give patients more choices and control over their health care. One of the most promising ways to do this is by reforming the tax code. We must end the unfair bias against individuals who buy insurance on their own. I propose creating a standard deduction for every American who buys health insurance, whether they get it through their jobs or on their own. In a changing economy, we need a health care system that is flexible and consumer-oriented. With this reform, more than 100 million Americans who are now covered by employer-provided insurance will benefit from lower tax bills. Those who now purchase health insurance on their own would save money on their taxes. Millions of others who now have no health insurance at all would find basic private coverage within their reach. My proposal also taps the innovation of States in making basic, affordable insurance available to all by creating Affordable Choices grants to help ensure the poor and the sick have access to private health insurance.

Third, we must continue to diversify our energy supply to benefit our economy, national security, and environment. In my State of the Union Message, I set an ambitious goal of reducing gasoline usage in the United States by 20 percent over the next 10 years. Meeting this goal will require significant changes in supply and demand, but we should let the market decide the best mix of technologies and fuels to most efficiently attain it. On the supply side, I propose a higher and reformed fuel standard that would include renewable and other alternative fuels. We should also allow environmentally friendly exploration of oil and natural gas. On the demand side, I propose enhancing Corporate Average Fuel Economy standards for cars and extending the current rule for light trucks, so that we can reduce the amount of gasoline that our passenger vehicles consume, and do so in a more efficient way.

Fourth, a strong and vibrant education system is vital to maintaining our Nation's competitive edge in the world and extending economic opportunity to every citizen here at home. Five years ago, we rose above partisan differences to enact the No Child Left Behind Act, preserving local control, raising standards, holding schools accountable for results, and providing more choice. This year, we must reauthorize and strengthen this good law while preserving its core principles.

Strong productivity growth underlies much of the good economic news from the past few years and the policies discussed above. Productivity growth helps to increase our standards of living and improve our international competitiveness. To maintain this progress, we must pursue a variety of pro-growth policies, including those contained in the American Competitiveness Initiative and comprehensive immigration reform.

These and other issues are discussed in the 2007 *Annual Report of the Council of Economic Advisers.* The Council has prepared this *Report* to put into broader context the economic issues that underlie my Administration's policy decisions. I commend it to you.

THE WHITE HOUSE
FEBRUARY 2007

THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

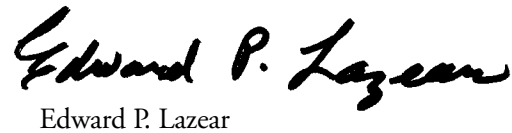
LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS
Washington, D.C., February 13, 2007

MR. PRESIDENT:

The Council of Economic Advisers herewith submits its 2007 Annual Report in accordance with the provisions of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,



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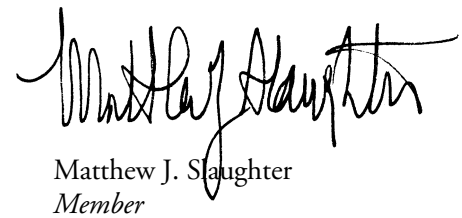


Matthew J. Slaughter
Member

CONTENTS

	Page
OVERVIEW	17
CHAPTER 1. THE YEAR IN REVIEW AND THE YEARS AHEAD	23
Developments in 2006 and the Near-Term Outlook	24
Consumer Spending and Saving	24
Housing Prices	27
Residential Investment	28
Business Fixed Investment	30
Business Inventories	31
Government Purchases	31
Exports and Imports	32
Employment	33
Productivity	34
Prices and Wages	35
Financial Markets	38
The Long-Term Outlook Through 2012	38
The Composition of Income Over the Long Term	43
Conclusion	44
CHAPTER 2. PRODUCTIVITY GROWTH	45
The Basics of Productivity Growth: Framework and Recent Facts	47
Factors That Increase Labor Productivity	47
Productivity Growth in Recent Years	49
Productivity Growth and Worker Earnings	51
Productivity and Average Earnings	51
Productivity and Income Differences	52
Understanding the Acceleration in U.S. Productivity: Industry Analysis	54
Why Has Productivity Growth Accelerated in the U.S. While Slowing in Other Countries?	58
International Openness	59
Flexible Labor Markets	60
Low Costs of Starting a Business	61
Policy Implications	61
Conclusion	62

CHAPTER 3. PRO-GROWTH TAX POLICY 63
Rationale for Pro-Growth Tax Policy 64
Defining the Tax Base 64
Choosing the Tax Rates 65
The U.S. Tax System – Previous Distortions and Recent Reforms ... 66
Tax Treatment of Physical Capital Investment 66
Tax Treatment of Human Capital Investment 71
Pro-Growth Changes Since 2001 72
Incremental Approaches to a More Pro-Growth Tax System 76
Expensing of Investment 77
Reducing Statutory Tax Rates 81
Comparison of Effects of Different Pro-Growth Policies 82
Conclusion 84

CHAPTER 4. THE FISCAL CHALLENGES FACING MEDICARE 85
Entitlement Spending and Medicare 85
The Basics of Medicare 88
Increases in Medicare Spending Over Time 92
Projections of Future Medicare Spending and Revenue 92
Reasons for the Changes in Medicare Spending Over Time 96
Increases in the Number of Medicare Beneficiaries 96
Increases in Spending Per Beneficiary 97
Improving the Efficient Allocation of Resources in Medicare 98
Inefficient Health Care Spending 98
Better Incentives for Health Care Providers and Insurers 100
Better Incentives for Medicare Beneficiaries 102
Conclusion 104

CHAPTER 5. CATASTROPHE RISK INSURANCE 105
The Economics of Catastrophe Risk Insurance 105
Effective Underwriting Reduces Information Problems 107
Catastrophe Losses Are Difficult to Forecast 108
Managing Catastrophe Losses 110
Federal Catastrophe Insurance Programs 113
The National Flood Insurance Program 113
Terrorism and War-Risk Insurance Programs 116
State Property Insurance Markets 118
Conclusion 122

CHAPTER 6. THE TRANSPORTATION SECTOR: ENERGY AND INFRASTRUCTURE USE 125
Fuel Markets and the Transportation Sector 126
Responding to Changes in the Price of Oil 127
External Costs of Oil Use 129
Transportation Fuel Supply 129
Alternative Fuels and Advanced Technologies 130
Demand for Transportation Fuel 132
Improving Fuel Economy 134
Transportation Infrastructure and Management of Existing Traffic Flow 137
The Cost of Congestion 140
Building More Roads 141
Pricing Road Space 142
Conclusion 147

CHAPTER 7. CURRENCY MARKETS AND EXCHANGE RATES 149
Currency Markets Are Large 150
What Determines Currency Values 154
Interest Rate Parity 155
Purchasing Power Parity 158
Fixed versus Floating Exchange Rates 159
Floating Exchange-Rate Regimes 159
Fixed Exchange-Rate Regimes 161
The Links Between Monetary and Exchange-Rate Policies 162
Conclusion 166

CHAPTER 8. INTERNATIONAL TRADE AND INVESTMENT 167
Trade Liberalization: A Key Contributor to the Strength of the U.S. Economy 167
Firms That Engage in International Trade Are Strong Performers 168
The Effects of Nontariff Barriers on International Trade 169
International Trade in Services 171
U.S. Competitive Advantage in Services 171
Looking Ahead to Larger Gains from Trade Liberalization 174
Foreign Direct Investment 175
Contributions of Inward FDI to the U.S. Economy 176
The Contributions of Outward FDI to the U.S. Economy 181
Conclusion 188

CHAPTER 9. IMMIGRATION 189
The Economics of Immigration 190
The Migration Decision and the Volume of International Migration 190
Lessons from American Immigration History 193
Foreign-Born Workers in the U.S. Labor Force 195
The Foreign-Born Skill Mix and the Labor Market Impact 197
Comprehensive Immigration Policy Reform 202
A Legal Bridge between Employer Demand and Migrant Supply 203
The Pitfalls of Partial Policy Reforms 204
Conclusion 206

APPENDIXES

A. Report to the President on the Activities of the Council of Economic Advisers During 2006 207
B. Statistical Tables Relating to Income, Employment, and Production 221

LIST OF TABLES

1-1. Administration Forecast 39
1-2. Supply-Side Components of Real GDP Growth, 1953–2012 40
2-1. Implied Doubling Rates for the Level of Productivity Using Historical Growth Rates 46
3-1. Effective Marginal Tax Rates on Capital Income of Corporations by Asset Type 68
3-2. Effective Marginal Tax Rates on Investment 83
6-1. Cost of Congestion in Wasted Time and Fuel in the largest Urban Areas 141
8-1. U.S. International Trade in Private Services, 2005 173
9-1. Ten Most Common Occupations for Foreign-Born Workers, 2005 196
9-2. Ten Occupations with the Highest Proportion of Foreign-Born Workers, 2005 196

LIST OF CHARTS

1-1. Consumption and Net Worth (Relative to Disposable Personal Income) 25
1-2. Residential Investment and House Prices 27
1-3. Consumer Price Inflation 35
2-1. Sources of Labor Productivity Growth 50

2-2. Productivity and Real Compensation Grow Together 51
2-3. Efficiency Growth Highest in Sectors that Made Large IT Investments in 1990s 55
2-4. Average Annual Productivity Growth Has Fallen for Most G7 Nations since 1990 59
3-1. Effective Marginal Tax Rates on New Investment 70
3-2. Effective Marginal Tax Rates on New Business Investment 70
3-3. Real Private Nonresidential Fixed Investment 73
3-4. Dividends per Share 74
3-5. Percent of Firms in the S&P 500 Paying Dividends 74
4-1. 2006 Government Outlays 86
4-2. Total Healthcare Spending by Medicare Beneficiaries, 1966-2050 93
5-1. Annual Accident Rate for U.S. Passenger Cars 109
5-2. Annual Claim Rate for Properties Covered by the National Flood Insurance Program 109
5-3. National Flood Insurance Program Annual Premiums and Losses 116
6-1. Historical and Projected U.S. Oil Consumption and Production 127
6-2. The Real Price of Imported Crude Oil 128
6-3. Projected Sales of Alternative Technology Cars and Light Trucks by Fuel Type 131
6-4. Share of Vehicle Miles Traveled 133
6-5. Main Sources of Congestion 138
6-6 Travel Time and Hour of Day on I-90 from Bellevue to Seattle .. 139
7-1. Interest Rates on U.S. and German Long-Term Bonds 156
7-2. Exchange Rate Policy Has Moved Away from Fixed Rates 161
8-1. Percent of Private U.S. Workforce by Sector, 1800-2005 172
8-2. Trade Balance by Sector, 1970-2005 172
8-3. Economic Activities of U.S. Affiliates of Foreign Companies (2004) 177
8-4. Foreign Investment Position in the U.S. by Asset Type (2005) 179
8-5. U.S. Multinational Goods Sales through Foreign Affiliates and Exports (2004) 184
8-6. Economic Activities of U.S. Multinational Companies (2004) 187
9-1. Educational Attainment Among Foreign-Born U.S. Residents, 2005 200
9-2. Foreign-Born Proportion of U.S. Workers by Education Level, 2005 200

LIST OF BOXES

1-1. Indirect Effects of the Housing Sector 29
1-2. Long-Term Prospects for Labor Force Participation 41
2-1. Intangible Capital and IT Investment 56
2-2. Information Technology, the Supply Chain, and Productivity Growth in Retail Trade 57
3-1. Investment Returns Under Different Tax Systems: A Numerical Example 78
3-2. Who Bears the Burden of Corporate Taxes? 82
4-1. The President's Proposal to Improve the Tax Treatment of Private Health Insurance 87
4-2. The Medicare Advantage Program 89
4-3. Long-Term Care 94
4-4. Medicare Part D Prescription Drug Benefit 101
5-1. Catastrophe Bonds and Sidecars- Accessing Financial Markets to Better Manage Catastrophe Risks 111
5-2. Gulf Coast Property Insurance Markets After Hurricanes Katrina, Rita, and Wilma 120
6-1. The President's New Energy Initiatives 136
6-2. Cordon Pricing Experiences in London and Stockholm 143
6-3. Airport Pricing to Decrease Congestion 146
7-1. Types of Currency Market Transactions 152
7-2. Hedging Against Foreign-Exchange Rate Fluctuations 154
7-3. A Description of the IMF Classification of Exchange-Rate Regimes 160
7-4. The Impossible Trinity 165
8-1. Nontariff Barriers Restrict Trade 170
8-2. Multinationals Bring New Products and Processes to the Host Country 179
8-3. U.S. Multinational Companies and U.S. Jobs 185
9-1. The Number and Characteristics of Unauthorized Migrants 198

Overview

The U.S. economy continues to exhibit robust growth, with a strong labor market and moderate inflation (see Chapter 1). These accomplishments are supported by rapid productivity growth that makes our economy one of the most dynamic and resilient in the world. Productivity growth is a common thread that ties nearly all positive economic news together and plays a central role in our international competitiveness.

Much of this *Report* explores the role of productivity and productivity-related issues in the continuing expansion of the U.S. economy. Policymakers face a challenge: productivity growth is important for economic growth and many of the underlying issues that they are trying to solve, but there is no single cause of productivity and no single policy to spur its growth (see Chapter 2). Tax policy can be structured to encourage productivity growth (see Chapter 3). Entitlement programs, on the other hand, may indirectly weigh on productivity growth if not reformed (see Chapter 4). Open commerce and financial markets allow productivity to flourish (see Chapters 7-9). Economists discuss productivity growth using macroeconomic data, but its result is most importantly seen in increases in individual Americans' standards of living.

Chapter 1: The Year in Review and the Years Ahead

The economic expansion continued for the fifth consecutive year in 2006. This economic growth comes despite numerous headwinds, and results from inherent U.S. economic strengths and pro-growth policies. Chapter 1 reviews the past year and discusses the Administration's forecast for the years ahead. The key points are:

- Real GDP posted above-average 3.4 percent growth in 2006. The composition of growth changed, with more coming from exports and business structures investment, while residential investment flipped from contributing to GDP growth in 2005 to subtracting from it in 2006. Consumer spending remained strong.
- Labor markets continued to strengthen, with the unemployment rate dropping to 4.6 percent and payroll job growth averaging 187,000 per month. Real average hourly earnings accelerated to a 1.7 percent increase during the 12 months of 2006.
- Energy prices rose sharply in the first half of the year, but then declined just as sharply in the second half.

Chapter 2: Productivity Growth

Productivity growth rarely makes the headlines, but is important to the Nation because higher productivity growth improves the outlook for economic issues such as standards of living, inflation, international competitiveness, and long-run demographic challenges. Chapter 2 reviews the sources of the recent strength in productivity growth, highlighting the role that flexible markets and entrepreneurship play in explaining cross-country differences. It also explains the benefits of productivity growth and discusses how policymakers can further promote it. The key points are:

- Recent productivity growth has been primarily driven by efficiency growth (growth in how well labor and capital inputs are used) and by capital deepening (growth in the amount of capital that workers have available for use).
- Openness to international trade and investment, and improvements in the education and training of the U.S. workforce, will continue to be important to long-run productivity growth.
- Policies that encourage capital accumulation, research and development, and increases in the quality of our education system can boost productivity growth.

Chapter 3: Pro-Growth Tax Policy

Chapter 3 discusses the advantages of adopting a more pro-growth tax system. It reviews recent changes that have reduced tax distortions on capital investment decisions, and evaluates options to reduce such distortions further. The key points are:

- The goal of pro-growth tax policy is to reduce tax distortions that hamper economic growth. Most economists agree that lower taxes on capital income stimulate greater investment, resulting in greater economic growth, greater international competitiveness, and higher standards of living.
- The tax code contains provisions that discourage investment and create distortions that affect the level, distribution, and financing of capital investment.
- Estimates from research suggest that removing these tax distortions to investment decisions could increase real gross domestic product (GDP) by as much as 8 percent in the long run.
- Since 2001, temporary changes in the tax code have reduced the tax on investment. These pro-growth policies have stimulated short-run investment and economic growth. However, the temporary nature of the provisions eliminates desirable long-run economic stimulus.

Chapter 4: The Fiscal Challenges Facing Medicare

Social Security, Medicare, and Medicaid are three entitlement programs in the United States that provide people with important economic security against financial risk. However, the projected long-term growth in entitlement spending is unsustainable because of the pressure it puts on future Federal budgets. It is crucial that reforms to these programs preserve the protection against financial risk that these programs provide without having negative effects on economic growth. Chapter 4 focuses on Medicare by examining the main reasons for its projected financial pressures and by discussing ways to improve the efficiency of the program and thus slow the growth of Medicare spending. The key points are:

- Medicare spending is growing quickly, primarily because of the demographic shift to an older society and the increases in per-beneficiary medical spending driven largely by new technologies.
- Rewarding providers for supplying higher-quality care and improving incentives for patients to choose higher-value care can both increase the efficiency and slow the growth of Medicare spending.

Chapter 5: Catastrophe Risk Insurance

Insuring economic losses arising from large-scale natural and manmade catastrophes such as earthquakes, hurricanes, and terrorist attacks poses challenges for the insurance industry and for Federal and State governments. Chapter 5 examines the economics of catastrophe risk insurance. The key points are:

- In insurance markets, as in other markets, prices affect how people weigh costs and benefits. Artificially low insurance prices can discourage people from adequately protecting against future losses. For example, subsidized property insurance prices may stimulate excessive building in high-risk areas, potentially driving up future government disaster relief spending.
- Government intervention in insurance markets can have unintended consequences, such as limiting the availability of insurance offered by private firms.
- Insurers manage catastrophe losses by being selective about which risks to insure, designing insurance contracts to provide incentives for risk-reducing behavior, and charging prices that are high enough to enable them to diversify risk over time or transfer risk to third parties. By managing and pricing risk more effectively, government insurance programs can reduce the burden they impose on taxpayers and minimize negative effects on private insurance markets.

Chapter 6: The Transportation Sector: Energy and Infrastructure Use

The transportation sector accounts for the majority of the petroleum consumed in the United States and—whether plane, train, ship, or automobile—almost all transportation is powered by petroleum. Understanding the petroleum market, and the ways in which consumers and firms respond to changes in world oil prices, is key to understanding the transportation sector. In addition to petroleum, the transportation sector also relies heavily on infrastructure. The key points of Chapter 6 are:

- Recent increases in the price of oil and the external costs of oil have led to renewed interest by markets and governments in the development of new alternatives. Government can play a role in ensuring that external costs are taken into account by markets, but ultimately markets are best suited to decide how to respond.
- Cars and light trucks are the largest users of petroleum. As a result, the fuel economy of the vehicles purchased and the number of miles that they are driven have a large effect on oil consumption.
- Congestion is a growing problem in American urban areas. Cities and States have shown a growing interest in and capacity for setting prices for road use during peak periods to reduce the full economic costs of congestion.

Chapter 7: Currency Markets

The need for international transactions provides the impetus for a huge, well-functioning market that facilitates currency conversions and allows global economic integration and trade to occur smoothly and quickly at low cost. Both by volume of trade and ease of making transactions, currency markets today are the world's deepest, most liquid markets. Currency markets range from common markets where parties simply exchange one currency for another to sophisticated markets where parties buy and sell currencies far into the future. The key points of Chapter 7 are:

- Foreign-exchange markets allow firms to trade goods and services across borders, and to manage the risks they face from fluctuations in the price of their domestic currency.
- As with any other good, the exchange value of a currency is determined by its supply, as well as the demand for the country's assets, goods, and services.
- Over much of the 20th century, countries tended to favor fixed exchange rates, but in recent decades there has been a shift toward freely floating exchange rates.
- Monetary and exchange-rate policies are tightly linked. A nation's government must decide between controlling its exchange rate and controlling its domestic inflation rate.

Chapter 8: International Trade and Investment

The United States derives substantial benefits from open trade and investment flows. Over many decades, increased trade and investment liberalization has been an important catalyst for greater productivity growth and rising average living standards in the United States. The key points of Chapter 8 are:

- Looking ahead, international trade liberalization in services presents significant opportunities for U.S. workers, firms, and consumers.
- Foreign direct investment (FDI) flows into the United States benefit the U.S. economy by stimulating growth, creating jobs, promoting research and development that spurs innovation, and financing the current account deficit.
- U.S. direct investment abroad is an important channel of global market access for U.S. firms. U.S. multinational companies have contributed to productivity growth, job creation, and rising average living standards in the United States.

Chapter 9: Immigration

The United States is a nation of immigrants and a nation of laws, and we value both historical legacies. Immigrants continue to make positive contributions to our Nation and our economy, yet our current immigration laws have proven difficult to enforce and are not fully serving the needs of the American economy. The key points of Chapter 9 are:

- International differences in economic opportunities and standards of living create strong incentives for labor migration. Once established, migration flows from a certain region tend to be self-perpetuating.
- Foreign-born workers make significant contributions to the American economy, but not all Americans gain economically from immigration. Foreign-born workers tend to be concentrated at the low end and the high end of the educational spectrum relative to native-born workers.
- Immigration policy plays a key role in determining the volume and composition of the foreign-born workforce. Comprehensive immigration reform can help ensure an orderly, lawful flow of foreign-born workers whose presence continues to benefit the American economy.

CHAPTER 1

The Year in Review and the Years Ahead

The expansion of the U.S economy continued for the fifth consecutive year in 2006. Economic growth was strong, with real gross domestic product (GDP) growing at 3.4 percent during the four quarters of 2006. This strong economic growth comes in the face of numerous headwinds and resulted from the inherent strengths of the U.S. economy and pro-growth policies such as tax relief, regulatory restraint, and opening foreign markets to U.S. goods and services. Growth in the first quarter rebounded from the effects of the 2005 hurricanes, including a recovery in consumer confidence and consumer spending, and the rebuilding of oil and natural gas infrastructure in the Gulf of Mexico. Although growth slowed in the middle two quarters of the year, the overall pace of real activity was strong in the face of near-record inflation-adjusted prices of crude oil and a sharp decline in home construction. On the inflation front, energy prices fell substantially towards the end of the year, allowing overall consumer price inflation to moderate in 2006; however, price inflation increased for goods and services other than food and energy. In response to these output and inflation developments, the Federal Reserve continued raising the federal funds rate through June, and then held it constant for the rest of the year. The Administration forecast calls for the economic expansion to continue in 2007, but we must continue to pursue pro-growth policies such as those designed to keep tax relief in place, restrain government spending, slow the rate of health care inflation, enhance national energy security, and expand free and fair trade.

This chapter reviews the economic developments of 2006 and discusses the Administration's forecast for the years ahead. The key points of this chapter are:

- Real GDP posted strong 3.4 percent growth in 2006, up from the 3.1 percent 2005 pace. The composition of aggregate demand changed from preceding years. More growth came from exports and business structures investment, while residential investment flipped from contributing to GDP growth in 2005 to subtracting from it in 2006.
- Labor markets continued to strengthen, with the unemployment rate descending to 4½ percent in the fourth quarter , and payroll job growth averaging 187,000 per month.
- Energy prices, which rose through August and then declined, dominated the movement of overall inflation in the consumer price index. Core inflation (which excludes food and energy inflation) moved up from 2.2 percent during the 12 months of 2005 to 2.6 percent in 2006, with much of this upward trend due to an acceleration in the amount that

renters pay for apartments and other rental properties and the estimated rent on owner-occupied housing. Energy prices fell sharply from September through October, and core inflation fell toward the end of the year.

- Real average hourly earnings accelerated to a 1.7 percent increase during the 12 months of 2006, reflecting solid labor markets combined with tamer energy prices.
- The Administration's forecast calls for the economic expansion to continue in 2007 and beyond, although the pace of expansion is projected to slow somewhat from the stronger growth of recent years. The unemployment rate is projected to edge up slightly in 2007, while remaining below 5 percent. Real GDP growth is projected to continue at around 3 percent in 2008 and thereafter, while the unemployment rate is projected to remain stable and below 5 percent.

Developments in 2006 and the Near-Term Outlook

The economy went through a period of rebalancing during 2006, with faster growth in business structures investment and exports partially offsetting pronounced declines in homebuilding. At the same time, consumer spending continued to grow.

Consumer Spending and Saving

Consumer spending sustained its strong growth during the four quarters of 2006 (rising 3.7 percent in real terms), continuing its 15-year pattern of rising faster than disposable income. Several factors helped to keep spending elevated, and as a result, kept saving down (according to the official definition in the national income and product accounts (NIPA)). These factors included rising energy costs (through the third quarter), rising wealth, and falling unemployment rates. As a result, the personal saving rate fell to a negative 1.0 percent for the year as a whole—its lowest annual level during the post-World War II era. Despite the negative saving rate, Americans continue to build wealth in the form of *capital gains* (the rise in asset prices), which are not included in the definition of saving in the NIPAs. The declining saving rate continues a long-term trend which began in the 1980s.

Energy Expenditures

World demand for crude oil increased from 79.74 million barrels per day in 2003 to 84.18 million barrels per day during the first three quarters of 2006. The United States accounted for about one-eighth (0.5 million barrels per day) of this higher (4.4 million barrel per day) pace of crude oil consumption. Most

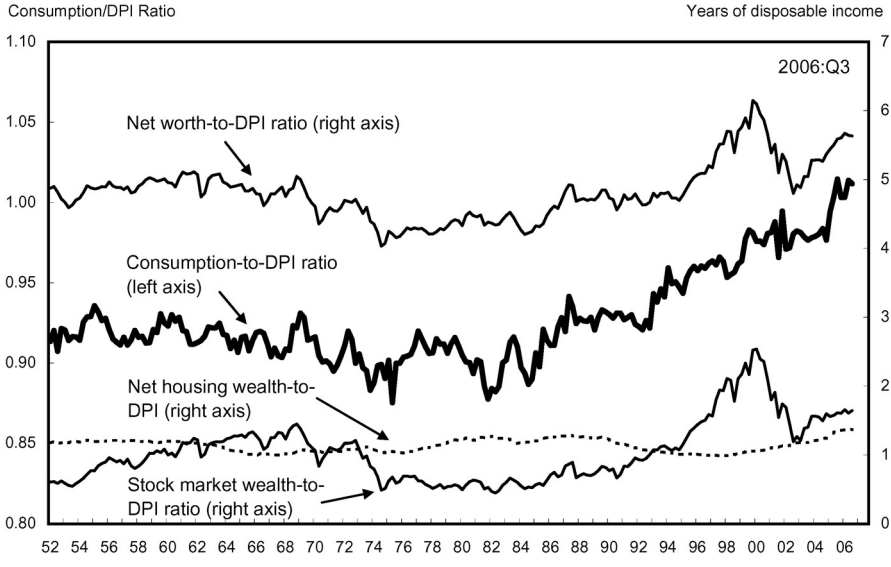
of this increase in world demand was accounted for by non-OECD countries (up 4.1 million barrels per day). Consumption of the non-U.S. OECD countries fell 0.2 million barrels per day. In the face of this increase in world oil demand, the supply available to U.S. consumers was restrained, and consumers paid higher prices to maintain their consumption.

With the rise in energy prices, nominal energy purchases rose sharply. That consumers altered their spending patterns only slightly contributed to the fall in the saving rate. Consumer energy prices increased 29 percent relative to nonenergy prices (according to the NIPA price indexes) from the fourth quarter of 2003 to the fourth quarter of 2006, while real consumption of energy per household fell only slightly, by 2.1 percent. Between 2004 and 2006, consumers appear to have maintained both energy and nonenergy consumption by reducing their saving. Consumers' response to persistently high energy prices is likely to emerge gradually, as consumers economize on energy consumption and possibly on nonenergy consumption.

Wealth Effects on Consumption and Saving

The rise in household wealth has also played a role in the decline of the saving rate. During the late 1990s and again during the past 3 years, a strong rise in household net worth coincided with a sizeable increase in consumer spending relative to disposable personal income (see Chart 1-1).

Chart 1-1 **Consumption and Net Worth (Relative to Disposable Personal Income)**
Consumption gains from 2004 to 2006 were partly supported by an increase in net worth (wealth), with rises in housing and stock market wealth accounting for most of this increase.



Sources: Department of Commerce (Bureau of Economic Analysis), Federal Reserve Board, and Council of Economic Advisers.

Despite the negative saving rate during 2006, Americans continued to build wealth because of capital gains. During the four quarters ending in the third quarter of 2006, the household wealth-to-income ratio increased 0.04 years, to 5.63 years of income. (The units of the wealth-to-income ratio are years because wealth is measured in dollars while income is measured in dollars per year. That is, total household wealth in the third quarter of 2006 represents the equivalent of 5.63 years of accumulated income.) More than half of the increase during these four quarters was accounted for by an increase in stock market wealth. Housing wealth (net of mortgage debt) also edged up relative to income over these four quarters, but by much less than its increases during the preceding 2 years. By the third quarter of 2006, the overall wealth-to-income ratio was well above the ratio over most of the past 50 years.

Personal and National Saving

Consumer responses to the rise in energy prices and increases in the wealth-to-income ratio lowered the personal saving rate to negative 1.0 percent in 2006. The *personal saving rate,* the rate at which households save, has been declining since the mid-1980s.

Corporate net saving takes the form of retained earnings which are not paid out to shareholders. (*Net* saving excludes funds used to replace worn out capital goods.) Retained earnings add to the wealth of corporate shareholders and supply funds for new investment. Corporate net saving rose to 3.8 percent of gross domestic income (GDI) during the first three quarters of 2006, its highest level since the 1960s. (GDI is the economy-wide sum of all sources of income and differs from GDP only by measurement error.) But even with these high levels of net corporate saving, *net private saving* (the sum of personal and corporate saving) was only 3.1 percent of GDI during the first three quarters of 2006, near its lowest level in the post-war period.

A still broader measure of net saving—*net national saving*—is the sum of government and private (personal plus corporate) net saving. When the Federal government runs a deficit (spends more than it collects in tax revenue), Federal saving is negative, as it was in 2006. Because the Federal deficit declined substantially in 2006, and because corporate saving rose, net national saving (which was negligible in 2005) rose to 2.0 percent of GDI during the first three quarters of 2006, its highest level since early 2002. *Gross* national saving, which includes funds for replacing worn out capital goods, is higher than net saving (13.8 percent versus 2.0 percent during the first three quarters of 2006), but shows similar historical fluctuations.

Projected Consumer Spending

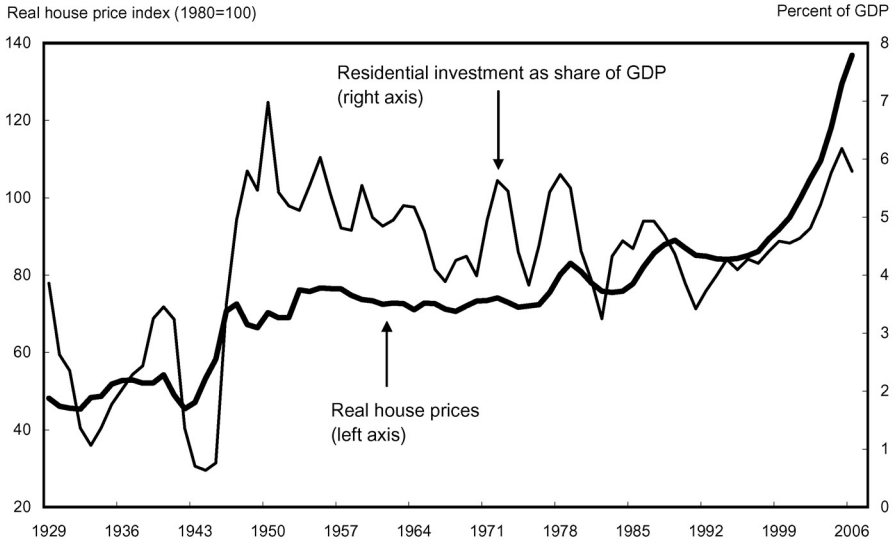
Looking ahead, real consumer spending during the four quarters of 2007 is expected to grow less than 3 percent, down from an average of 3.5 percent during the past 3 years. This projected rate is slightly less than the projected

2007 growth of *real disposable personal income* (household income less taxes, adjusted for inflation), and so the saving rate is forecasted to edge up. During the longer term, real consumption is projected to increase at about the same pace as real GDP and real income.

Housing Prices

Nationally, housing prices increased less in 2006 than in 2005. An inflation-adjusted version of the housing price index (the nominal version of which is compiled by the Office of Federal Housing Enterprise Oversight from new home sales and appraisals during refinancing) increased at an average annual rate of 6.4 percent from 2000 to 2005, and then slowed to a 2.6 percent annual rate of increase in the first three quarters of 2006. (These inflation-adjusted prices are deflated by the consumer price index.) Looking back, the cumulative increase in inflation-adjusted housing prices during the 6 years from 1999 to 2005 is one of the largest on record, exceeded only by the period immediately following the Second World War. Since 1929, periods of rising real prices have been linked to increases in the share of the gross national product allocated to home construction (see Chart 1-2). The 6.4 percent annual rate of increase in the relative price of housing from 2000 to 2005 was associated with an increase in the residential construction share of GDP from 4.6 percent to 6.2 percent.

Chart 1-2 **Residential Investment and House Prices**
Real house price increases in 1944-46, 1977-79, and 1999-2005 led to rises in the share of GDP devoted to residential investment.



Source: Bureau of Economic Analysis; real house prices from 1929-1975 are courtesy of Robert Shiller; real house prices 1975-2006 are from the Office of Federal Housing Enterprise Oversight (OFHEO) and are deflated by the CPI-U-RS from the Bureau of Labor Statistics; 2006 real house price is the average of the 2nd and 3rd quarters.

Although relative housing prices (that is relative to the consumer price index (CPI)) increased in almost all metropolitan areas during the 5 years from 2000 to 2005, the increases were concentrated in a few high-profile markets; increases in most areas were only modest. For example, real prices in Los Angeles increased at a 14.3 percent annual rate, but real price increases in 71 percent of metropolitan areas were less than the 6.4 percent national average. Most house price changes reflect local conditions (such as local economic and population growth, tastes, and geographic and zoning limitations on construction). In areas with restricted supply, small changes in demand may translate into large price changes.

Although house-price increases during these 5 years were concentrated in a few markets, the decline in mortgage rates from 2000 to 2005 was one common factor that may have helped raise home prices across the nation. Because of the drop in mortgage rates, prices could increase 4.4 percent per year during this period without raising the monthly mortgage payment.

Residential Investment

Every major measure of housing activity dropped sharply during 2006, and the drop in real residential construction was steeper than anticipated in last year's *Report*. New home sales fell 27 percent from a peak in October 2005 through July 2006, a period when rates on conventional mortgages moved up about 70 basis points. (A basis point is one one-hundredth of a percentage point.) Sales then edged up during the 5 months from August through December, when mortgage rates dipped lower. Builders reacted sharply to the early-2006 drop in sales so that housing starts, which peaked at an annual rate of 2.27 million units in the beginning of the year, fell to slightly more than 1.6 million units by the end of the year. The drop in home construction activity subtracted roughly 0.7 percentage point from the annual rate of real GDP growth in the second quarter, and 1.2 percentage points in the second half of the year. Furthermore, even if housing starts level off at their current pace, normal lags between the beginning and completion of a construction project imply that residential investment will subtract from GDP growth during the first half of 2007.

During 2006, employment in residential construction fell, as did production of construction materials and products associated with new home sales (such as furniture, large appliances, and carpeting). Yet despite these housing sector declines, the overall economy continued to expand (see Box 1-1).

Box 1-1: Indirect Effects of the Housing Sector

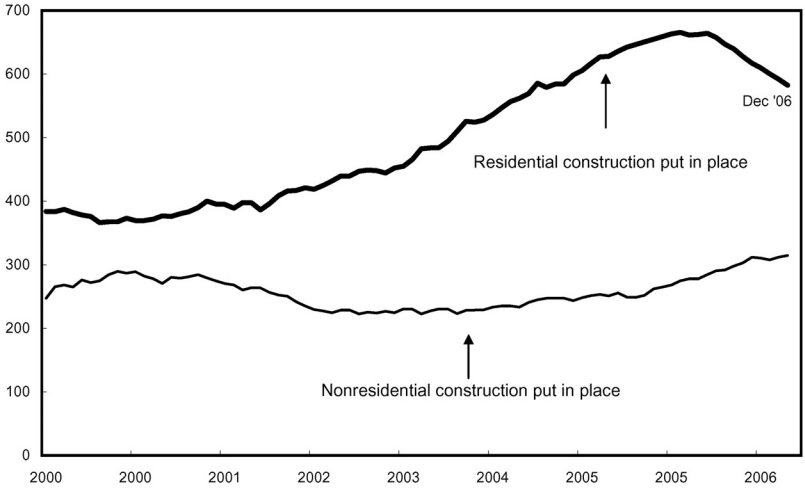
Thus far, the sharp drop in homebuilding has had few consequences for the rest of the economy. Employment fell in sectors related to new home construction and housing sales. Despite these repercussions, overall payroll employment continued to increase, the unemployment rate continued to fall, and real consumer spending continued to move upward through the end of 2006.

Although residential investment fell sharply, real GDP growth during 2006 was sustained by increases in other forms of investment. As can be seen in the chart below, private nominal nonresidential construction (that is, business construction of office buildings, shopping centers, factories, and other business structures) grew rapidly in the first three quarters of the year and moved up a bit further in the fourth quarter. Nonresidential construction draws from some of the same resources (such as construction labor and materials) as the residential construction sector. The high level of residential investment during the past couple of years may have limited the growth of investment in nonresidential structures. While the case for housing crowding out other sectors is strongest for nonresidential investment, residential investment competes with all other sectors of production in credit and labor markets. A drop in the share of the economy engaged in housing could provide some room for other sectors to grow.

Private Construction

Although residential construction has fallen sharply from its peak, nonresidential investment continues to grow and absorb some of the resources formerly used in the residential sector.

Dollars (billions), seasonally adjusted at an annual rate



Source: Census Bureau.

continued on the next page

Box 1-1 — *continued*

The housing market could also affect the rest of the economy through the wealth channel. That is, declines in housing prices could reduce household net worth and thereby reduce consumption. The increase in housing prices during 2000–2005 contributed noticeably to the gain in the ratio of household wealth to income (shown earlier in chart 1-1) and supported growth in consumer spending. Some of this support may have been facilitated by homeowners taking out larger mortgages after their homes appreciated in value. In contrast, housing wealth decelerated in the second and third quarters of 2006, while the stock market accounted for most of the gain in the wealth-to-income ratio. Thus far, national measures of housing prices have not declined, and negative effects through the wealth channel have not occurred.

In addition to incomes and mortgage rates, the number of homes built is underpinned by demographics. Homebuilding during 2004 and 2005 averaged about 2.0 million units per year, in excess of the roughly 1.8-to-1.9-million unit annual pace of starts that is consistent with the pace of household formation implied by demographic models. As a result, the pace of homebuilding will tend to be drawn below this level for long enough so that the above-trend production of 2004 and 2005 will be offset by below-trend production. The construction of new homes has fallen rapidly, however, and this offset may well be complete sometime during 2007. Looking further ahead, the residential sector is not expected to make noticeable positive contributions to real GDP growth until 2008 and beyond.

Business Fixed Investment

During 2006, real business investment in equipment and software grew 5 percent, slower than the 7 percent average pace during the 3 previous years. Its fastest-growing components included computers, as well as machinery in the agricultural and service sectors. Investment in mining and oil field machinery was also strong, likely in response to elevated crude oil prices, and to the need to replace Gulf of Mexico facilities damaged by the 2005 hurricanes. Investment in heavy trucks has been solid throughout 2006 as trucking firms have been buying in advance of new environmental regulations (on particulate matter emissions issued in 2000 that became effective in 2007), which will raise heavy truck prices in 2007. Aircraft investment, however, declined sharply for the second consecutive year. Software investment posted a strong 7.9 percent gain in 2006, but since 2000, it has grown at only a 3.7 percent annual rate, a noticeable deceleration from the roughly 16 percent annual rate of growth during the 1990s.

The turnaround in investment in business structures (that is, nonresidential construction) during 2006 has been dramatic, with growth at 12 percent, up from an anemic 2 percent gain during 2005. Growth in 2006 was strongest for office buildings, multi-merchandise centers, lodging facilities, and recreational structures. Investment in petroleum and natural gas structures also grew rapidly, reflecting high petroleum and natural gas prices and the reconstruction of the Gulf of Mexico capacity. Investment continued to fall, however, in air transportation structures and medical buildings.

Business investment growth is projected to remain strong in 2007, somewhere in the neighborhood of the 9 percent annual rate of growth during the first three quarters of 2006. Continued growth in output combined with a tight labor market are expected to maintain strong demand for new capital equipment at the same time as corporations are flush with funds for these investments. The financial environment for these investments is favorable. *Cash flow* (the internally generated funds that are available for corporate investment) was at a record 10.3 percent average share of GDP in the first three quarters of 2006, while nonresidential investment (at 10.5 percent of GDP) was close to its historical average. In the longer run, business investment is projected to grow only slightly above the growth rate of real GDP.

Business Inventories

Inventory investment was fairly steady during 2006, and had only a minor influence on quarter-to-quarter fluctuations. Real nonfarm inventories grew at an average $44 billion annual pace during 2006, a 3.0 percent rate of growth that is roughly in line with the pace of real GDP growth over the same period. Coming off a long-term decline, the inventory-to-sales ratio for manufacturing and trade (in current dollars) remained relatively flat during the first half of the year, but began to pick up in August.

Inventory investment is projected to be approximately stable during the next several years, as is generally the case for periods of stable growth. The overall inventory-to-sales ratio is expected to continue trending lower.

Government Purchases

Real Federal consumption and gross investment grew 2.4 percent during 2006. This was the third consecutive year of growth at roughly 2 percent. Defense spending accounted for all of the increase during the four-quarter period, while nondefense purchases fell. The quarterly pattern of these Federal purchases has been volatile with sizeable increases in the first and fourth quarters of the year. Most of the first-quarter surge was in defense components.

Federal outlays (which include purchases, investment, and transfers such as Social Security) were boosted by a $111 billion appropriation in fiscal year

(FY) 2006 for reconstruction and relief efforts arising from the 2005 hurricanes. In addition, the supplemental defense spending package for ongoing operations in Afghanistan and Iraq was $70 billion for FY 2006 and was passed in mid-June. An additional $70 billion emergency funding was provided in the regular defense appropriation act passed at the end of September 2006. Another supplemental appropriation for defense is likely for FY 2007.

Nominal Federal revenues grew 15 percent in FY 2005 and 12 percent in FY 2006. These rapid growth rates exceeded growth in outlays and GDP as a whole, and the U.S. fiscal deficit as a share of GDP shrank from 3.6 percent in FY 2004 to 2.6 percent in FY 2005 to 1.9 percent in FY 2006.

State and local government purchases rose 3 percent during 2006, up noticeably from rates below 1 percent during each of the 3 previous years. In the wake of the 2001 recession, this sector fell sharply into deficit in 2002. Revenues began to recover in 2003, and by the first half of 2006 the sector was out of deficit, allowing for an increase in state and local consumption and investment. This pattern of delayed response to downturns resembles the past several business-cycle recoveries.

Exports and Imports

Real exports of goods and services grew 9.2 percent during 2006, up from the 6.7 percent export growth over the four quarters of 2005. This acceleration reflects rapid growth among our trading partners. Real GDP among our OECD trading partners grew 2.9 percent during the four quarters of 2005, and is estimated to have grown at the same pace in 2006. In addition, the economies of some of our major non-OECD trading partners such as China, Singapore, and India are growing at rates of 7 to 10 percent per year, although these countries comprise only about 7 percent of our exports.

The fastest growth in U.S. goods and services exports was to India, but exports to China, Africa, and Latin America also grew rapidly. Despite the rapid export growth to these emerging economies, the European Union (EU) remains the major export destination, consuming nearly 25 percent of our exports. Within the EU, Great Britain's imports of American goods and services grew at a notable 18 percent annual rate during the first three quarters of 2006.

Real imports grew 3.1 percent in 2006, a slower pace than the 5.2 percent increase over the four quarters of 2005. Petroleum imports, which grew strongly in the fourth quarter of 2005 to replace production losses after the hurricanes, declined 10 percent during the four quarters of 2006. Real imports of nonpetroleum goods grew 5.3 percent over the same period, down slightly from the year-earlier pace.

The *current account deficit* (the excess of imports and income flows to foreigners over exports and foreign income of Americans) jumped to 7.0 percent of GDP in the fourth quarter of 2005, partly due to petroleum imports that replaced lost Gulf of Mexico production. The current account deficit then retraced some of its earlier increase in the first three quarters of 2006, when oil imports declined. It appears to have fallen further in the fourth quarter, reflecting the drop in prices of imported crude oil. Current account deficits mean that domestic investment continues to exceed domestic saving, with foreigners financing the gap between the two.

Employment

Nonfarm payroll employment increased 2.2 million during the 12 months of 2006, an average pace of about 187,000 jobs per month. The unemployment rate declined by 0.4 percentage point during the 12 months of the year to 4.5 percent. The average unemployment rate in 2006 (4.6 percent) was below the averages of the 1970s, the 1980s, and the 1990s.

Job gains were spread broadly across major sectors in 2006, with the natural resource and mining sector (which includes oil and natural gas extraction) experiencing the fastest growth rate (8.1 percent), likely due to increased demand for energy products. The service-providing sector accounted for 95 percent of job growth during the 12 months of 2006, a slightly larger contribution than would be suggested by its 83-percent share of overall employment. Within the service-providing sector, 24 percent of job growth was in professional and business service jobs. As noted, the service-providing sector accounted for almost all of the 2006 job gains. The goods-producing sector accounted for the remaining 5 percent of the gains (notably weaker than its 17-percent share of overall employment), a continuation of the long-term trend under which the goods-producing share of total employment has fallen in each of the past five decades. Within the goods-producing sector, employment growth during 2006 was concentrated in mining and construction, while manufacturing employment decreased for the ninth consecutive year.

Jobless rates fell among most major demographic segments of the population during the 12 months of 2006. The unemployment rate dropped for each of the four educational-attainment groups (less than high school, high school, some college, and college graduates). For the second consecutive year, the drop in the unemployment rate was most pronounced among those without a high school degree. After falling 0.8 percentage point during 2005 (when the overall rate fell 0.5 percentage point), the jobless rate in this group fell another 0.7 percentage point during the 12 months of 2006 (when the overall unemployment rate fell 0.4 percentage point). By race and ethnicity, the unemployment rate fell the

most during 2006 among Asians, Hispanics and blacks (1.4, 1.1 and 0.9 percentage points), in contrast to 0.2 percentage point for whites. By age, the jobless rate fell most among workers 25 to 34 years old. By sex, the jobless rate fell more among adult women than adult men.

Furthermore, the median duration of unemployment, an indicator that typically follows the business cycle with a substantial lag, declined from its December 2005 level of 8.5 weeks to a December 2006 level of 7.3 weeks, close to its historical average. The number of long-term unemployed (those out of work for more than 26 weeks) fell by 263,000 during the year.

The Administration projects that employment will increase at a pace of 129,000 jobs per month on average during the four quarters of 2007. In the long run the pace of employment growth will slow, reflecting the aging of the population and the diminishing rates of labor force growth. The Administration also projects the unemployment rate will average 4.6 percent over 2007, before edging up to 4.8 percent in 2008 and beyond.

Productivity

Labor productivity growth usually increases during the early stage of a business-cycle recovery but then falls somewhat as the cycle matures. Early in this most recent expansion, productivity grew at a remarkable 3.9 percent annual rate for the years 2002 and 2003 and then slowed to a 2.6 percent annual rate for the years 2004 and 2005. Overall productivity has grown at a vigorous 3.1 percent annual rate from the business-cycle peak in the first quarter of 2001 until the third quarter of 2006.

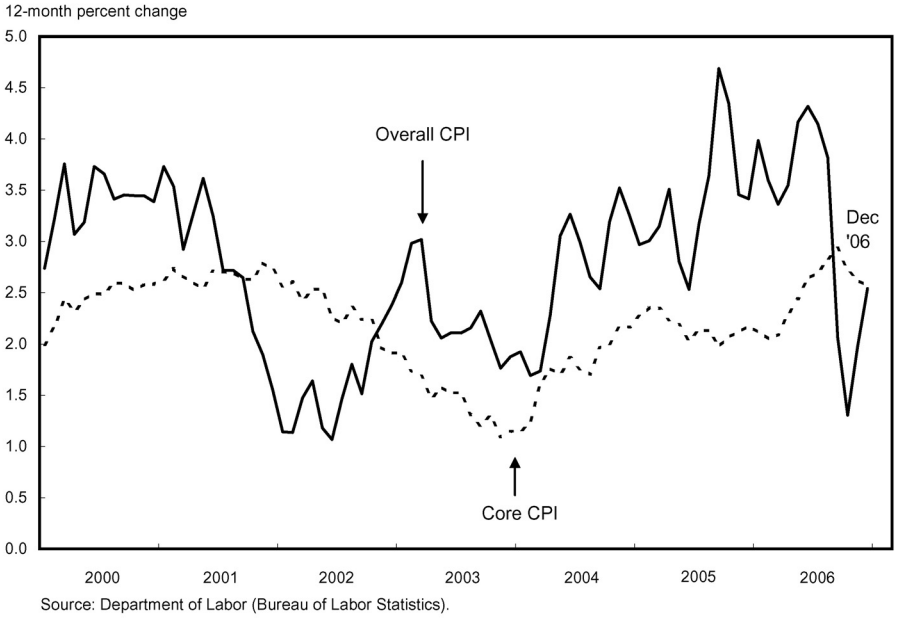
Although 1995 has been regarded as a watershed year for productivity because of the acceleration of productivity from a 1.5 percent to a 2.4 percent annual rate of growth, the further acceleration to a 3.1 percent annual rate of growth during 2001 to 2006 is striking, especially given a flat or diminished contribution from *capital deepening* (the increase in capital services per hour worked). (The time periods referred to are those shown in Table 1-2 later in this chapter.) The 1995–2001 acceleration may be plausibly accounted for by a pickup in capital deepening and by increases in organizational capital, the investments businesses make to reorganize and restructure themselves, in this instance in response to newly installed information technology. In contrast, capital deepening does not explain any of the post-2001 increase in productivity growth. The post-2001 acceleration in productivity therefore appears to be accounted for by factors that are more difficult to measure than the quantity of capital, such as continuing improvements in technology and business practices. (See *Chapter 2, Productivity Growth* for an extended discussion of this.)

Rather than assuming that the recent remarkable pace of productivity growth will continue, the Administration believes it is prudent to build a budget based on a forecast somewhat lower that the 3.1-percent pace of productivity growth since 2001. Productivity growth is projected to average 2.6 percent per year during the 6-year span of the budget projection—roughly equal to the average annual pace during the past decade.

Prices and Wages

As measured by the consumer price index (CPI), overall inflation fell from 3.4 percent during the 12 months of 2005 to 2.5 percent during 2006 (Chart 1-3). The drop in overall CPI inflation was almost entirely due to the deceleration of energy prices from a 17.1-percent increase in 2005 to a 2.9-percent increase in 2006. Food prices increased 2.1 percent during 2006, similar to the pace of the previous year. Core CPI prices (that is, excluding food and energy) increased 2.6 percent during 2006, up from a 2.2-percent increase a year earlier.

Chart 1-3 **Consumer Price Inflation**
Core CPI inflation moved up during the first 9 months of 2006, but then edged down. Energy inflation added to overall inflation through August, and pulled it down through November.



Source: Department of Labor (Bureau of Labor Statistics).

After rising sharply during 2004 and 2005, prices of petroleum products slowed to a 6.1 percent increase during the 12 months of 2006, as the sharp rise through August was reversed later in the year. Prices of natural gas, which had risen sharply during 2005, fell 14 percent during 2006. As of mid-January 2007, prices in futures markets suggested that crude oil prices will rise modestly during 2007, while natural gas prices will increase substantially.

The 0.4 percentage point acceleration of core CPI prices was accounted for primarily by rent of shelter (which consists primarily of rent paid by renters and by the rent on owner-occupied dwellings), which accelerated to a 4.3 percent rate of increase during the 12 months of 2006 from 2.7 percent in 2005. Some of the acceleration in core CPI prices may also have been a delayed reaction to the rapid increase in energy prices from mid-2003 to mid-2006, as the higher energy prices were absorbed into the prices of every service and commodity that requires inputs of energy or transportation. Econometric estimates (although imprecise) suggest that perhaps a quarter of a percentage point of the increases in the core CPI during the past year may be attributable to the past increases of these energy inputs. The Administration projects that the CPI will increase at a 2.6 percent annual rate during 2007 and 2008, about the same as the 2006 pace of the core CPI.

Hourly compensation (which is about 61 percent of nonfarm business output) has increased a bit faster in 2006 than in 2005. Nominal hourly compensation for workers in private industry increased 3.2 percent in 2006, up from 2.9 percent during the 12 months of 2005 according to the Employment Cost Index (ECI). All of this increase was from growth in wages and salaries (3.2 percent in 2006 versus 2.5 percent during 2005) while hourly benefits grew more slowly (3.1 percent versus 4.0 percent).

Another measure of hourly compensation published by the Department of Labor and derived from the National Income and Product Accounts has increased somewhat faster (at 4.3 percent) than the 3 percent increase in the ECI during the four quarters through the third quarter of 2006.

Unit labor costs have put little—if any—upward pressure on inflation thus far, and it appears unlikely that they will over the next year. Unit labor costs have increased at the same pace as the GDP price index, a 2.9 percent rate during the four quarters through the third quarter of 2006. The Administration expects the growth rate of hourly compensation to increase during 2007, as this nation's rapid productivity gains are shared by workers. But even with this acceleration in compensation, the expected strong pace of productivity growth will likely keep unit labor costs from putting upward pressure on inflation during 2007.

Moderate growth of hourly compensation and solid growth of productivity together with strong aggregate demand has driven the profit share of gross domestic income to its highest level since 1966.

Non-supervisory production-worker wages (which cover 82 percent of the private workforce) increased 4.2 percent (in nominal terms) during the

12 months through December 2006—an acceleration of 1.1 percentage points from the pace a year earlier. Real hourly wages of production workers increased 1.7 percent, a 2.1-percentage point acceleration from the pace a year earlier. The acceleration in real earnings reflects both the 1.1-percentage point increase in nominal wages and a 1 percentage point deceleration in consumer prices.

Among the many available measures of inflation, the Administration forecast focuses on two: the CPI and the price index for the GDP. The CPI measures prices for a fixed basket of consumer goods and services. It is widely reported in the press, and is used to index Social Security, the individual income tax, Federal pensions, and many private-sector contracts. The GDP price index covers prices of goods and services produced in the United States including consumption, investment, and government purchases. In contrast to the CPI, its weights are not fixed but move to reflect changes in spending patterns. Of the two indexes, the CPI tends to increase more rapidly in part because it measures a fixed basket of goods; the GDP price index increases less rapidly because it allows for households and businesses to shift their purchases away from items with increasing relative prices and toward items with decreasing relative prices. Among the differences, the GDP price index (which includes investment goods) places a larger weight on computers, which tend to decline in price (on a quality-adjusted basis). In contrast, the CPI places a much larger weight on rent and energy.

The "wedge," or difference between the CPI and the GDP measures of inflation, has implications for Federal budget projections. A larger wedge (with the CPI rising faster than the GDP price index) raises the Federal budget deficit because Social Security and Federal pensions rise with the CPI, while Federal revenue tends to increase with the GDP price index. For a given level of nominal income, increases in the CPI also cut Federal revenue because they raise the brackets at which higher income tax rates apply and affect other inflation-indexed features of the tax code.

During the 25 years from 1981 to 2005, the wedge between inflation in the CPI-U-RS (a historical CPI series designed to be consistent with current CPI methods) and the rate of change in the GDP price index averaged 0.32 percent per year. The wedge was particularly high during 2005 when the CPI increased 0.6 percentage point faster than the GDP price index. The wedge during 2005 reflected the 35 percent increase in crude oil prices, which have a larger weight in consumer prices (via their effect on refined-petroleum products) than in GDP as a whole. Because domestic production accounts for only about 35 percent of U.S. oil consumption, the weight of oil prices in GDP is roughly one-third of its weight in consumption. This effect unwound during the fourth quarter of 2006 when oil prices declined, causing the wedge to fall to -0.6 percentage point during the four quarters of 2006. From 2008 forward, the wedge is projected to average 0.3 percentage point.

Financial Markets

The Wilshire 5000 (a broad stock market index) increased 13.9 percent during 2006, while the Standard and Poor 500 (an index of the 500 largest corporations) increased 13.6 percent. This was the fourth consecutive year of stock market gains following 3 years of declines. The market has now recovered most of its losses since the March 2000 peak, at least in nominal terms.

Despite increases in short-term rates, yields on 10-year notes remained low, increasing only 9 basis points during the 12 months of 2006. The low level of long-term interest rates was due in part to low and stable long-run inflation expectations.

The Administration forecast of short term interest rates is roughly based on financial market data as well as a survey of economic forecasters. As of November 13, 2006, the date that the economic forecast was finalized, trading in financial futures suggested that market participants expected short-term rates to fall over the next several years, and the Administration's interest rate projections reflect those views. The Administration projects the rate on 91-day Treasury bills (5.1 percent on November 13) to remain flat in 2007 before edging down in 2008 and 2009. The short-term rate is projected to fall to 4.1 percent by 2012. At that level, the real rate on 91-day Treasury bills would be close to its historical average.

The yield on 10-year Treasury notes on November 13 was 4.61 percent, 48 basis points below the discount rate on the 91-day Treasury bills—a noticeable reversal of the usual pattern which shows higher rates for long-term yields. The Administration expects the 10-year rate to increase above the 91-day rate during 2007, eventually reaching a more normal spread of about 1.2 percentage points by 2010. An increase of a similar magnitude appears to be expected by market participants (as evidenced by higher rates on 20- and 30-year Treasury notes than on notes with 10-year maturities). As a result, yields on 10-year notes are expected to increase somewhat further, reaching a plateau at 5.3 percent from 2010 onward.

The Long-Term Outlook Through 2012

Coming off a fifth year of expansion, the U.S. economy is settling into a period of steady growth. Having reached a high level of resource utilization by year-end 2006, growth is likely to slow in 2007 and then will expand through 2012 at around 3.0 percent. Inflation will remain low and is expected to edge a bit lower, and the labor market will remain firm (Table 1-1). The forecast is based on conservative economic assumptions that are close to the consensus of professional forecasters. These assumptions provide a sound basis for the Administration's budget projections.

TABLE 1-1.—*Administration Forecast*[1]

Year	Nominal GDP	Real GDP (chain-type)	GDP price index (chain-type)	Consumer price index (CPI-U)	Unemployment rate (percent)	Interest rate, 91-day Treasury bills[2] (percent)	Interest rate, 10-year Treasury notes (percent)	Nonfarm payroll employment (millions)	Nonfarm payroll employment (average monthly change, Q4-to-Q4 thousands)[3]
	Percent change, Q4-to-Q4				Level, calendar year				
2005 (actual)	6.4	3.1	3.1	3.7	5.1	3.1	4.3	133.5	160
2006	5.9	3.1	2.7	2.3	4.6	4.7	4.8	135.3	151
2007	5.5	2.9	2.5	2.6	4.6	4.7	5.0	137.0	129
2008	5.5	3.1	2.3	2.6	4.8	4.6	5.1	138.6	139
2009	5.3	3.1	2.2	2.5	4.8	4.4	5.2	140.2	126
2010	5.2	3.0	2.1	2.4	4.8	4.2	5.3	141.5	113
2011	5.0	3.0	2.0	2.3	4.8	4.1	5.3	143.0	118
2012	5.0	2.9	2.0	2.3	4.8	4.1	5.3	144.3	107

[1] Based on data available as of November 13, 2006.

[2] Discount basis.

[3] If the effect of the BLS benchmark adjustment were included, monthly job growth would average 202 and 191 thousand in 2005 and 2006 respectively. The level of payroll employment would be 133.7 and 136.2 million in these 2 years.

Sources: Council of Economic Advisers, Department of Commerce (Bureau of Economic Analysis and Economics and Statistics Administration), Department of Labor (Bureau of Labor Statistics), Department of the Treasury, and Office of Management and Budget.

Growth in GDP over the Long Term

The Administration projects that, following a slight pickup of growth from 2007 to 2008, real GDP will increase at a slowly diminishing rate from 2008 through 2012. Indeed, real GDP is projected to decelerate from a 3.1 percent rate of growth during the four quarters of 2008 to 2.9 percent by 2012. The average growth rate during this interval is roughly in line with the consensus of private forecasters for those years. After 2007, the year-by-year pace is close to the estimated growth rate of potential real GDP, a measure of the rate of growth of productive capacity. (An economy is said to be growing at its potential rate when all of its resources are utilized and inflation is stable. The supply-side components of potential GDP growth are presented in Table 1-2 and are discussed below). The unemployment rate is projected to edge up in 2007 (from its 4.5 percent level in the fourth quarter of 2006) and to plateau at 4.8 percent in 2008. As discussed below, potential GDP growth is expected to slow in the near term as productivity growth reverts toward its long-run trend (about 2.6 percent per year), and to slow further during the 2007-to-2011 period as labor force growth declines due to the retirement of the baby-boom generation.

The growth rate of the economy over the long run is determined by its supply-side components, which include population, labor force participation,

the ratio of nonfarm business employment to household employment, the length of the workweek, and labor productivity. The Administration's forecast for the contribution of the growth rates of different supply-side factors to real GDP growth is shown in Table 1-2.

TABLE 1-2.— *Supply-Side Components of Real GDP Growth, 1953–2012*

[Average annual percent change]

Item	1953 Q2 to 1973 Q4	1973 Q4 to 1995 Q2	1995 Q2 to 2001 Q1	2001 Q1 to 2006 Q3	2006 Q3 to 2012 Q4
1) Civilian noninstitutional population aged 16+ [1]	1.6	1.4	1.2	1.2	1.0
2) Plus: Civilian labor force participation rate	0.2	0.4	0.1	-0.3	-0.2
3) Equals: Civilian labor force [2]	1.8	1.8	1.4	1.0	0.8
4) Plus: Civilian employment rate	-0.1	0.0	0.3	-0.1	0.0
5) Equals: Civilian employment [2]	1.7	1.8	1.7	0.9	0.8
6) Plus: Nonfarm business employment as a share of civilian employment [2 3]	-0.1	0.1	0.4	-0.7	0.1
7) Equals: Nonfarm business employment	1.6	1.9	2.0	0.2	0.8
8) Plus: Average weekly hours (nonfarm business)	-0.3	-0.3	-0.1	-0.2	0.0
9) Equals: Hours of all persons (nonfarm business)	1.3	1.6	1.9	0.0	0.8
10) Plus: Output per hour (productivity, nonfarm business)	2.5	1.5	2.4	3.1	2.6
11) Equals: Nonfarm business output	3.8	3.1	4.3	3.0	3.4
12) Plus: Ratio of real GDP to nonfarm business output [4]	-0.2	-0.2	-0.5	-0.3	-0.4
13) Equals: Real GDP	3.6	2.8	3.8	2.7	3.0

[1] Adjusted by CEA to smooth discontinuities in the population series since 1990.

[2] BLS research series adjusted to smooth irregularities in the population series since 1990.

[3] Line 6 translates the civilian employment growth rate into the nonfarm business employment growth rate.

[4] Line 12 translates nonfarm business output back into output for all sectors (GDP), which includes the output of farms and general government.

Note: 1953 Q2, 1973 Q4, and 2001 Q1 are NBER business-cycle peaks. Detail may not add to total because of rounding.

Sources: Council of Economic Advisers, Department of Commerce (Bureau of Economic Analysis), and Department of Labor (Bureau of Labor Statistics).

As can be seen in the fourth column of the table, the mix of supply-side factors determining real GDP growth has been unusual since the business-cycle peak at the beginning of 2001. The high rate of productivity growth (3.1 percent at an annual rate, shown in line 10) has been partially offset by the decline in the participation rate (line 2) and the workweek (line 8). Also notable is the large and puzzling decline in the ratio of nonfarm business employment to household employment (line 6). This unusual decline reflects the slow growth of employment as measured by the payroll survey (which asks employers to report the number of jobs) relative to the more rapid growth of employment as measured by the household survey (which estimates the number of employed persons through a sample of households). This disparity

has been reduced somewhat by the just-issued benchmark revision to payroll employment, but has yet to be satisfactorily explained.

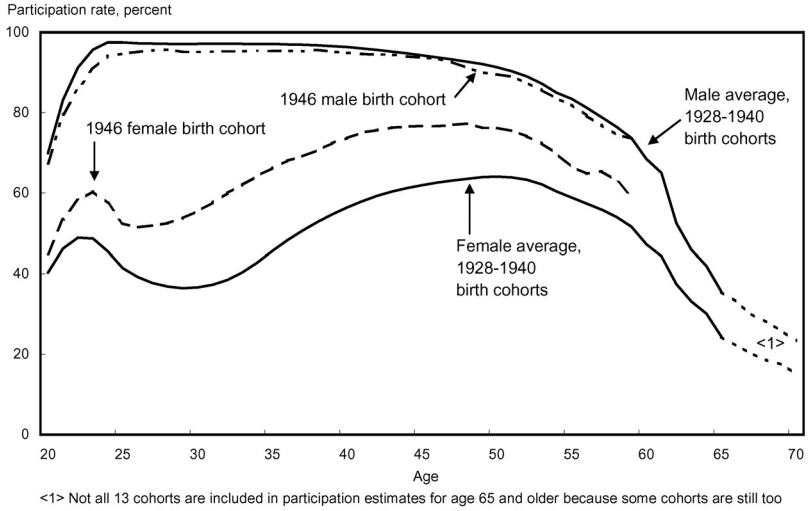
The participation rate fell, on net, from 2001 to 2006 (although it ticked up in 2006), and is projected to trend lower through 2012. The recent behavior stands in contrast to the long period of increase from 1960 through 1996. Looking ahead, the participation rate is projected to decline, reflecting the aging of the baby-boom cohorts, leading to more retirements and a likely increase in the share of people on disability pensions (see Box 1-2).

Box 1-2: Long-Term Prospects for Labor Force Participation

The overall rate of labor force participation is projected to decline as the baby-boom cohorts advance into age brackets with much lower participation rates. Participation in the labor force (by working or by looking for a job) declines as people age through their 50s and 60s, as can be seen in the following chart.

Labor Force Participation Rates By Age

This age-participation profile follows the same birth cohorts as they get older. Participation rates for men and women edge down during their 50's and fall sharply during their 60's.



<1> Not all 13 cohorts are included in participation estimates for age 65 and older because some cohorts are still too young. These participation rates have been adjusted to account for the reduced number of cohorts.

Source: Department of Labor (Bureau of Labor Statistics) with interpolations by Council of Economic Advisers.

This chart shows the estimated average lifetime age-participation profile for the 13 cohorts born from 1928 to 1940. Men's participation is high (exceeding 90 percent) from age 24 through age 50, but then declines thereafter, dropping to 83 percent by age 55 and 36 percent by age 65. The rate of labor force exit is particularly rapid around 62, the

continued on the next page

Box 1-2 — *continued*

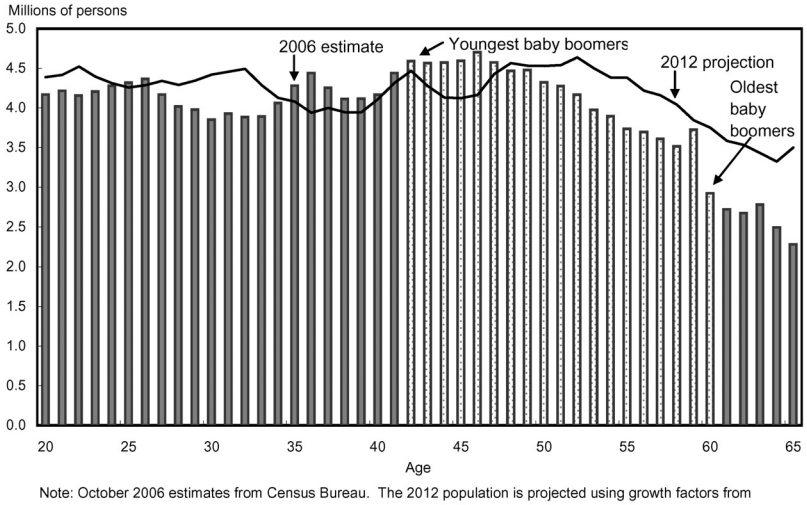
age at which one becomes eligible for early Social Security retirement benefits. In fact, about 40 percent of those eligible elect to begin collecting Social Security annuities at age 62, although this does not necessarily mean that they exit the workforce.

The difference between the age-participation profile of this 1946 cohort (the dotted lines) and those of its elders illustrates how participation rates have evolved over time. Female participation rates have moved sharply upward—in a roughly parallel shift. In contrast, male participation rates have changed little over time, moving down only slightly.

The current age distribution of the U.S. population is shown by the bars in the following chart, and the black line shows an estimate of the age distribution of the population in 2012. The large baby-boom cohorts (who were born between 1946 and 1964) are now 42 to 60 years old, and their aging will shift a sizeable fraction of the population into age brackets with lower participation rates, thus decreasing the share of the population in the high-participation ages.

U.S. Population By Age

Because of the aging of the baby-boom generation, the U.S. population in 2012 will have many more people of ages 55-65, and fewer of ages 35-45.



Note: October 2006 estimates from Census Bureau. The 2012 population is projected using growth factors from Census Bureau's 2004 Interim Projections applied to 2006 population estimates.

Sources: Department of Commerce (Census Bureau) and Council of Economic Advisers.

An extrapolation that moves the participation rate of each cohort along a path that parallels the 1928–1940 reference cohort and projects how the aging of the population translates into participation rates suggests an average participation rate decline of roughly 0.3 percent per year. A decline of this magnitude would alter a wide range of labor-market behaviors. In response to the emerging shortage of experienced workers, real wages are likely to increase and workweeks are likely to lengthen. Labor productivity is likely to increase as employers invest in labor-saving capital. And more immigrants may enter the U.S. labor force. The largest effect of the baby–boom retirements, however, is likely to be an endogenous effect on the labor force participation rate itself as developments in pay and pension arrangements evolve to induce higher participation rates among experienced workers than our extrapolation would suggest.

The Composition of Income over the Long Term

The Administration's economic forecast is used to estimate future government revenues, a purpose that requires a projection of the components of taxable income. The income-side projection is based on the historical stability of labor compensation as a share of gross domestic income (GDI). During the first half of 2006, the labor compensation share of GDI was 56.7 percent (according to the preliminary data available when the projection was finalized), slightly below its 1963–2005 average of 58.1 percent. From this jump-off point, the labor share is projected to slowly rise to 57.8 percent by 2012.

The labor compensation share of GDI consists of wages and salaries (which are taxable), non-wage compensation (employer contributions to employee pension and insurance funds—which are not taxable), and employer contributions for social insurance (which are not taxable). The Administration forecasts that the wage and salary share of compensation will be approximately flat between 2007 and 2012. Employer contributions to defined-benefit pension plans rose by almost 1 percentage point of total compensation between 2001 and 2002, boosting the growth of non-wage compensation. Contributions leveled off and then edged lower in subsequent years.

The capital share of GDI is expected to edge down from its currently high level before eventually reaching its historical average in 2012. Within the capital share, private depreciation is expected to increase (as a result of the strong growth of investment during the past 3 years). Profits during the first

three quarters of 2006 were about 12.2 percent of GDI, well above their post-1959 average of roughly 9 percent. Book profits (also known in the national income accounts as *profits before tax*) are expected to decline as a share of GDI.

The GDI share of other taxable income (rent, dividends, proprietors' income, and personal interest income) is projected to edge up slightly over the next 2 years.

Conclusion

With the rapid-growth period of the expansion fading into the past, the economy is currently going through a period of rebalancing, where higher growth of nonresidential investment and exports are offsetting the lower rates of housing investment. The economy is projected to settle into a steady state in which real GDP grows at about 3 percent per year, the unemployment rate creeps up towards a noninflationary level (of 4.8 percent) and inflation remains moderate and stable (about 2.2 to 2.6 percent on the CPI). Consumer spending is projected to grow in line with disposable income, and business investment and exports are projected to grow a bit faster than GDP as a whole. Economic forecasts are subject to error, and unforeseen positive and negative developments will affect the course of the economy over the next several years. Given the economy's fundamental strengths, however, prospects for continued growth in the years ahead remain good. Nonetheless, much work remains in making our economy as productive as possible. Later chapters of this *Report* explore how pro-growth policies such as tax reform, fiscal restraint, open commerce, and enhancing our energy security can enhance our economic performance.

CHAPTER 2

Productivity Growth

News about economic issues focuses on topics such as inflation, international competitiveness, standards of living, and long-run demographic challenges. Productivity growth rarely makes the headlines. Why is productivity growth important to the nation? Because higher productivity growth improves the outlook for all of these issues. It helps keep inflation in check, makes it easier for American businesses and workers to compete, raises standards of living, and reduces the difficulty of meeting long-run demographic challenges by increasing the total amount of resources available.

Over the past 10 years, gross domestic product (GDP) per capita has grown faster in the United States than in almost every other advanced industrialized country. The United States owes its recent strong per capita growth in large part to strong labor productivity growth. A continuation of this productivity growth is essential to increasing real wages and maintaining the high standard of living in the United States.

To remain competitive, U.S. businesses must hold costs down by getting the most out of the inputs they use—that is, they must increase labor productivity. Similarly, for U.S. workers to earn higher wages than workers in other countries while competing in a global economy, U.S. labor productivity must exceed that of lower-wage countries.

Labor productivity growth also holds the key to dealing with the economic and fiscal challenges of a rapidly aging population. The total amount of goods and services produced in a country, measured by GDP, can grow only if productivity or hours of work increase. As the baby boomers (those born between 1946 and 1964) reach retirement, growth in total hours of work across the U.S. economy will slow, and the United States will have to depend increasingly on productivity growth to drive increases in GDP. While labor force growth will slow, the elderly population will expand relatively quickly. Strong GDP growth must continue in order to maintain the standards of living for both the working age and the dependent populations.

The amount that U.S. workers produce has grown at remarkable rates in recent years. Since 1995, productivity growth has averaged over 2.5 percent per year, compared to an average growth rate of about 1.4 percent per year over the preceding 20 years. Most other major industrialized countries suffered a slowdown in productivity growth between 2000 and 2005, but in the United States, growth accelerated to about 3 percent, the fastest productivity growth of any G7 country—Canada, France, Germany, Italy, Japan, the

United Kingdom, and the United States—over that period. Given that the United States' productivity was already among the highest and that these countries have similar access to technological improvements and financial markets, the sudden increase in U.S. productivity growth relative to other developed countries is especially impressive.

Table 2-1 illustrates how small differences in productivity growth rates can, over time, have large effects on the level of productivity and hence on the standard of living. When productivity doubles, twice as much output can be produced using the same level of labor. The table lists four different productivity growth rates that correspond to averages for different U.S. historical time periods, along with the number of years it would take to double the standard of living at that rate of growth. If productivity continues to grow at the rate from the most recent period (3.1 percent), the U.S. standard of living will double in about 23 years; at the slower productivity growth rate experienced during the 1973–1995 period (1.4 percent), doubling would take more than twice as long.

TABLE 2-1.— *Implied Doubling Rates for the Level of Productivity Using Historical Growth Rates*

	Productivity growth rate	Doubling time (in years)
1950 to 1973	2.6%	27.0
1973 to 1995	1.4%	49.9
1995 to 2000	2.5%	28.1
2000 to 2005	3.1%	22.7

Source: Department Labor (Bureau of Labor Statistics), Council of Economic Advisers calculations.

This chapter reviews the sources of the recent strength in productivity growth, highlighting the role that flexible markets and entrepreneurship play in explaining cross-country differences. It also explains the benefits of productivity growth and discusses how policymakers can further promote it. Key points are:

- Recent productivity growth has been primarily driven by *efficiency growth* (growth in how well labor and capital inputs are used) and by *capital deepening* (growth in the amount of capital that workers have available for use).
- Efficiency growth comes from developing new methods of production and new products. Entrepreneurship and competition make key contributions to such innovation.
- Investment in information technology (IT) capital and innovative new ways of using it have been important sources of productivity growth in many industries with particularly high growth rates.

- Openness to international trade and investment is especially important for fostering competition and thus productivity growth.
- Increases in the education and training of the U.S. workforce have been and will continue to be important to long-run productivity growth.
- Policies that encourage capital accumulation, research and development, and increases in the quality of our educational system can boost productivity growth over the long run.

The Basics of Productivity Growth: Framework and Recent Facts

Labor productivity measures the goods and services produced per hour of work. In the United States, the most commonly used measure of labor productivity is that for the nonfarm business sector, which excludes all levels of government, nonprofit institutions, households, and farms. Because output from nonbusiness entities is particularly difficult to measure, nonfarm business labor productivity is thought to best measure how labor productivity varies over time. For international comparisons of productivity, total output per hour worked is often used because data on hours by sector are not always readily available.

Factors That Increase Labor Productivity

What increases labor productivity? Research on this question usually divides changes in labor productivity into three sources: capital deepening, increases in skill, and efficiency gains.

Capital Deepening

Capital deepening happens when businesses invest in more or better machinery, equipment, and structures, all of which make it possible for their employees to produce more. Matching employees with better capital increases the number of goods employees produce in each hour they work. Examples of capital deepening include the purchase of more sophisticated machine tools for workers in the manufacturing sector, or a faster computer system for a travel agent. A business may add capital when it increases its workforce—for example, a travel agency might buy additional computers when increasing the number of travel agents it employs—but that does not constitute capital deepening if the amount of capital available *per worker* does not increase.

Farming provides a classic example of the benefits of using more and better capital. In 1830, it took a farmer 250 to 300 hours of work to produce 100 bushels of wheat; in 1890, with the help of a horse-drawn machine, the

time dropped to between 40 and 50 hours; in 1975, with the use of large tractors and combines, the 100 bushels could be produced in just 3 to 4 hours. While it is most likely that farmers were more educated in 1975 than they were in the 1830s, the change in the farmers' skills alone could not be the source of this dramatic efficiency gain; an important source is the use of better capital. Changing from a hoe to the tractor would be categorized as capital deepening, and the resulting increase in output is capital deepening's contribution to productivity growth.

Increases in Skill

Just as a worker who is paired with a better machine can produce more goods, a worker who learns a skill needed for production can produce more output in less time. For example, a worker who takes a class on how to use a computer increases the skill with which she uses the computer; the computer is no faster, but the worker's increased skill increases her output per hour worked and hence boosts her productivity. Workers increase their skills through additional education, training, on-the-job experience, and so on.

Efficiency Gains

Businesses achieve efficiency gains—more output with the same amount of input—when they devise better ways of organizing and using the equipment they own and the people they employ. Efficiency gains include both *process innovations,* which increase productivity by reducing the capital or labor needed to produce a unit of output, and *product innovations,* which increase productivity by increasing the value of output. For example, when Henry Ford began mass-producing Model T's, the Model T itself was a product innovation, while the moving assembly line was a process innovation. The combination of improved process and product allowed the Ford Motor Company to reduce its production costs and become more competitive.

A more recent example of process improvements that led to direct efficiency gains may also be helpful in illustrating this concept. Managers at a 3M tape-manufacturing plant increased productivity by reorganizing part of their production process. By moving machines such as glue coaters and tape slitters closer to the packing equipment and robotic transporters, 3M substantially increased labor productivity at its plant. The reorganization reduced the need to move output around the plant, and cut the length of the production cycle. In addition, with all the packing supplies located in one place, managers could see when they had more than they needed and could cut costs by reducing excess inventories of supplies. This improvement is an efficiency gain because the plant produced more output without increasing capital or labor. This example is typical of the innovative process: companies purchase and install new machines—from computers to conveyor belts—but it takes time and further innovation to learn how to take full advantage of the new machines.

Entrepreneurship (developing new ways of doing business and making risky investments to implement them) and competition partially determine the degree to which innovation contributes to labor productivity. If a business comes up with a new product or a new way of organizing production and spends the resources to try it out, and if the new way improves on the old, the business ends up with a higher level of profit and an incentive to expand. Innovation by one business is likely to have little direct effect on a nation's productivity growth, but competition forces other businesses to either come up with innovations of their own or to cede market share. When this happens, capital investment and labor flow to businesses with better methods of production, and productivity increases as a result.

Entrepreneurship occurs on both small and large scales; many large multinationals spend large sums on research and development in order to innovate and expand, but individual entrepreneurs who operate on a small scale may also innovate. The entry and growth of new businesses, combined with the exit of older, less productive businesses, has been found to be responsible for a substantial share of efficiency growth.

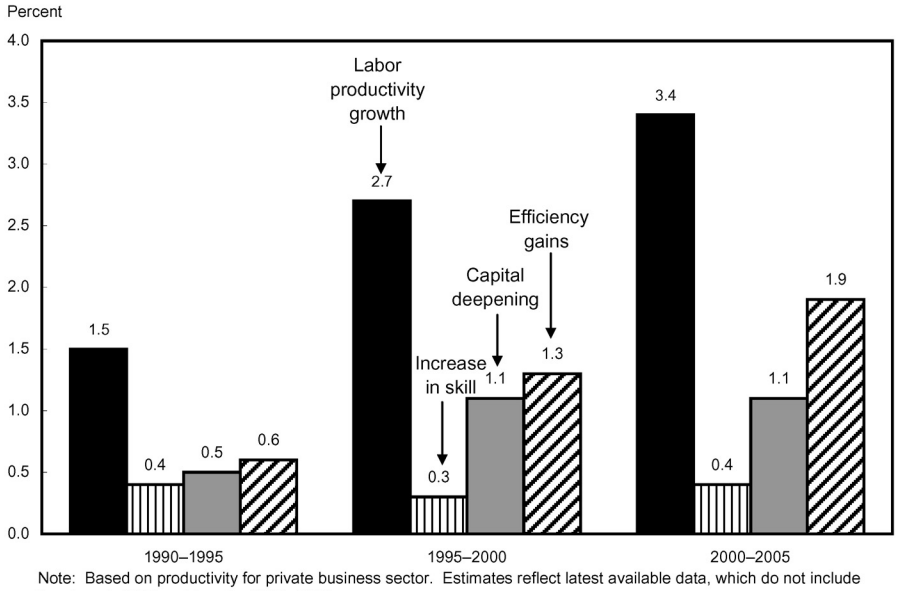
Productivity Growth in Recent Years

Chart 2-1 illustrates how increases in skill, capital deepening, and efficiency gains have contributed to productivity growth in recent years. It is important to note that the relative sizes of these contributions are only approximate and that some increases in the quality of labor and capital may be counted as efficiency gains. For example, economists can accurately measure education levels of the labor force, but on-the-job training is also commonplace and measuring the impact of this training on skill levels is difficult. Similar issues arise in adjusting for the quality of capital, particularly during periods of rapid technological changes. The net result is likely an understatement of skill increases and capital deepening, and a resulting overstatement of efficiency gains.

Chart 2-1 contrasts three periods, 1990–1995 (when U.S. productivity growth was relatively slow), 1995–2000 (when the pace of productivity growth quickened), and 2000–2005 (shows the most recent growth rate). Over these 15 years, skill increased at a fairly steady pace of about 0.3 percent to 0.4 percent per year. The sources of this increase are increased rates of college attendance and the increased experience of the workforce. Increases in skill have been an important source of long-run increases in labor productivity, and help explain why the United States has high income levels relative to other countries. Continuing a steady increase in skill is vital to maintaining solid productivity growth into the future, a topic discussed at more length in Chapter 2 of the 2006 Economic Report of the President.

But even when educational attainment among the young rises substantially, the skill level of the workforce as a whole evolves slowly. Because skill has

Chart 2-1 **Sources of Labor Productivity Growth**
Capital deepening and efficiency gains account for the increase in productivity growth since 1995.



Note: Based on productivity for private business sector. Estimates reflect latest available data, which do not include benchmark GDP revisions for 2003–2005.
Source: Department of Labor (Bureau of Labor Statistics).

increased at a relatively steady rate, it cannot be the source of the recent acceleration in productivity growth. Instead, capital deepening and efficiency gains have been the key productivity-raising factors. Between 1995 and 2005, increases in the quality and quantity of the U.S. capital stock accounted for 1.1 percent per year in productivity growth in the United States, more than doubling the contribution of capital to productivity growth relative to the 1990 to 1995 period. The surge in productivity in the late 1990s resulted not just from a rapid increase in the number of machines used in U.S. production, but also from large quality improvements to the capital stock. Many of these improvements came from the revolution in information technology, which is commonly accepted as the initiating force behind the acceleration. But investment in IT capital alone was not the whole story. Firms needed to develop processes that best used the new capital. In many ways, the first increase in productivity growth (the higher growth rate between 1995 and 2000) was due to increased capital, while the second boost (in the period between 2000 and 2005) occurred as firms became better and better at using the new technology.

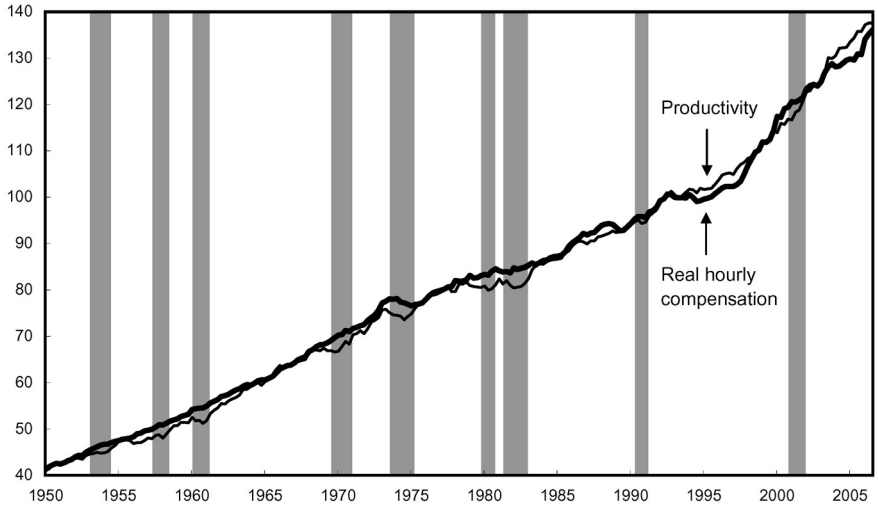
Productivity Growth and Worker Earnings

The previous section looked at the sources of recent productivity gains, but did not discuss what productivity gains mean for a worker's paycheck. This section examines how productivity growth affects average compensation and which groups have gained the most over time.

Productivity and Average Earnings

The economic gains from productivity growth reach workers directly through growth in employee compensation, where compensation includes wages and the contributions that employers make for benefits such as health insurance and for government programs such as unemployment insurance and Social Security. Chart 2-2 shows that over long periods of time, productivity and real compensation grow at about the same rate. Real wages have grown somewhat more slowly than compensation and thus productivity over the last 20 years. The reason for this difference is that non-wage compensation, particularly employer contributions for health insurance, has accounted for an increasing share of compensation over this time period.

Chart 2-2 **Productivity and Real Compensation Grow Together**
Productivity and compensation often diverge temporarily but grow together over the long run.
Index 1992 = 100



Note: These data cover all persons (including supervisory workers and proprietors) in the nonfarm business sector.
Real hourly compensation is hourly compensation deflated by the price deflator for nonfarm business output.
Shaded areas denote recessions.
Source: Department of Labor (Bureau of Labor Statistics).

Productivity growth is not a smooth process. Chart 2-2 shows that even in the recent time period, 1995 to 2005, when average productivity growth has been high, there are short periods of time where productivity growth appears to slow sharply or accelerate rapidly. Such changes in productivity growth are not uncommon. In addition, productivity sometimes grows faster than compensation, while sometimes compensation grows faster. Such short-term divergence in growth rates follows regular patterns and has been repeated many times. At times when productivity growth is particularly high, compensation growth tends to lag behind for a period of time before catching back up.

Why does compensation tend to lag behind productivity growth? When productivity growth is high, economic growth can happen without substantial employment growth. In other words, as productivity grows, businesses are able to expand output in response to increased demand without hiring more workers; the efficiency gains imply that each individual worker produces more output in the same amount of time. As the economy continues to expand, businesses once again begin to hire new employees, and the increased demand for workers begins to push up wages and compensation. Increased demand for workers leads to a period in which compensation growth exceeds productivity growth, and the two variables then converge for a while.

When productivity grows faster than compensation, businesses' profits tend to rise because the value of the goods and services they sell rises faster than their payroll costs. As a result, profits tend to rise during periods of rapid productivity growth. As tight labor markets bid up employee compensation, the increase in labor costs cuts into profits, and profits return to normal levels. In this process, profits vary more dramatically than employee compensation, falling much more sharply during recessions and then growing much more quickly in the early parts of the recovery. Because profits represent returns to earlier investments, very high profits in some years may not represent unusually large returns on investment because they may be offset by years of losses or unusually small profits.

Productivity and Income Differences

The productivity and compensation numbers used in this chapter describe averages, but over the last 30 years, the economic gains for some groups have not kept up with those averages, while the gains for other groups have been well above the average. These uneven gains have led to growing disparity (or inequality) in compensation and wages. The same competition for workers that makes average employee compensation track productivity growth over the long term will occur for particular groups of employees within the overall labor force. The compensation for groups whose productivity has increased relative to the rest of the labor force will increase relative to average compensation. A number of studies have shown that factors associated with higher

productivity—such as education and work experience—have also been increasingly associated with higher wages. This is consistent with the view that growing compensation disparity has been driven by faster growth in productivity for skilled workers than for the less skilled.

In the 1980s, the increase in disparity was seen both in falling wages at the bottom of the wage distribution and rising wages at the top. Since then, wages in the bottom half of the distribution have either been flat or have grown modestly while disparity has continued to increase in the upper part of the distribution. For example, between 1990 and 2005 the wage at the 10th percentile grew 13 percent while the median wage grew 10 percent, so the difference between them narrowed somewhat. The wage at the 90th percentile of the distribution grew 18 percent over that period, widening the gap between the upper tail of the distribution and the median.

Why have wage levels grown increasingly disparate? Changes in technology that increase the productivity advantages associated with skill—often termed skill-biased technical change—appear to be the most likely cause. That is, technological advances increased the productivity of skilled workers more than the productivity of the less skilled, leading employers to want to hire more skilled workers. In doing so, employers bid up the wages of skilled workers, widening the difference in pay associated with skill.

Why does skill-biased technical change appear to be the most reasonable explanation for this trend? The main reason is that the price that employers pay for skilled workers trended upward even while the supply of skilled workers continued to grow. For example, although the fraction of the workforce that is college educated has grown consistently over the past 30 years (an increase in supply), the additional wages needed for an employer to hire a college-educated worker have also grown (an increase in price). Absent a shift in demand, increases in supply should drive down prices, so a price increase implies that demand has shifted toward skilled workers as well.

Do improvements in the way goods and services are produced necessarily lead to greater disparity in pay? If changes in technology have increased disparity, does that mean that technological change is always bad for those who are in the lower portion of the wage distribution? There are two reasons to doubt that this is true. First, economists studying earlier periods have found that wage disparity actually narrowed in the first half of the 20th century, providing evidence that, in some periods, change has favored less skilled workers as opposed to skilled workers.

A second and more fundamental reason that productivity growth does not leave a whole class of workers behind in the long run is that if changes in technology raise the pay of relatively skilled workers, they also increase people's incentives to invest in acquiring skills. Many of the factors that increase an individual worker's productivity depend on the worker's decisions to invest in

developing new skills. When the rewards to gaining skills increase, workers have increased incentive to acquire additional skills. For example, over the past 30 years, there has been a substantial widening in the difference between pay for workers with a bachelor's degree and pay for those with only a high school diploma. For men, this difference grew from 50 percent in 1975 to 87 percent in 2004.

If this widening in pay differences represents an increase in the amount a worker gains by getting a college education, then it gives individuals a greater incentive to make such an investment in education. Over the last 10 years, there has been an increase in the percentage of people who choose to go to college rather than enter the workforce directly out of high school. In 1992, the size of the workforce with some college education was roughly the same as the size of the workforce with a high school diploma or less. By 2006, the workforce with at least some college had become 50 percent larger than the workforce with no college. Other levels of education, such as master's and doctoral degrees, have shown similar increases in the rewards for obtaining such a degree and in the number of people choosing to make that investment. From 1987 to 2003, wages for those with an advanced degree increased faster than for those of any other education group, and since the mid-1990s, the share of people age 30–39 with an advanced degree has increased by 38 percent. Thus increased demand for skilled workers has been followed by an increase in supply, which raises the average skill level in the economy and leads to higher average productivity.

Understanding the Acceleration in U.S. Productivity: Industry Analysis

Understanding why productivity growth in the United States has increased requires knowing what factors in the economy have changed. Chart 2-1 demonstrated that most of the recent increase came about through greater capital deepening and efficiency gains. What the chart did not tell us is why businesses increased their rates of capital investment to bring about capital deepening and why efficiency gains have been higher in the past decade than they were for much of the previous two decades.

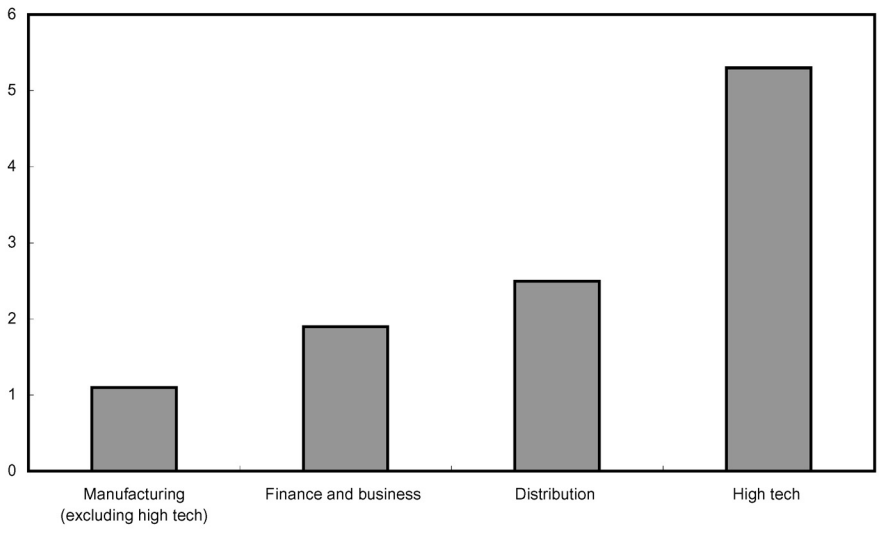
Productivity growth for the economy as a whole comes from investment and innovation in a wide variety of businesses. A lot can be learned about the sources of growth by looking at which kinds of investments have grown most quickly, as well as which industries have had the fastest productivity growth. The average rate of productivity growth hides substantial differences across industries. In particular, the surge in productivity in the late 1990s appears to be a story of growth in industries making and using IT capital. Chart 2-3

illustrates that efficiency growth since 2000 has been particularly strong in the high-tech sector, but that it has also been strong in the distribution sector, which includes retail and wholesale trade, transportation, and warehousing. Finance and business services also showed strong efficiency growth and hence strong productivity growth. Manufacturing, which has made small investments in IT capital compared to the other sectors shown, has had the slowest recent growth in efficiency.

The strong productivity growth in the distribution and financial services sectors highlights one of the most striking differences between the pre- and post-1995 periods. From the 1970s through 1995, productivity growth in goods-producing industries was generally greater than that in service-providing industries. However, since 1995, productivity growth in service-providing industries has exceeded the growth in goods-producing industries (such as manufacturing).

Given this difference, one of the most important insights into the recent period of productivity growth comes from understanding why service-sector productivity growth accelerated after a long period of slow growth. As discussed above, capital deepening and efficiency growth accounted for most of the acceleration of productivity growth for the U.S. economy as a whole over the last decade.

Chart 2-3 **Efficiency Growth Highest in Sectors That Made Large IT Investments in 1990s**
The finance and business and the distribution sector made large IT investments in the 1990s and had large efficiency gains in 2000–2004.



Source: Corrado et al, "*Modeling Aggregate Productivity at a Disaggregate Level: New Results for U.S. Sectors and Industries*," Federal Reserve Board, July, 2006.

In examining productivity growth rates over the recent period, researchers have found it useful to characterize investments by whether they involve a purchase of IT equipment, which is usually defined as computer hardware, software, and telecommunications equipment. Box 2-1 discusses some of the potential mechanisms, such as intangible capital accumulation, through which IT capital leads to productivity improvements.

Box 2-1: Intangible Capital and IT Investment

While information technology clearly accounts for a sizable share of productivity growth since 2000, the mechanisms through which it induced this growth are not as clear. The assumption has been that since efficiency growth has been the largest contributor to productivity in this recent period, IT gains are embedded in this growing efficiency. However, hidden within these increases in efficiency may also be capital growth not captured in official measures.

Standard measures of capital primarily count physical capital, but businesses expend resources on many other activities that aim to increase the value of future output. Some examples are research and development spending, revamping a business's organization, advertising aimed at improving consumers' perceptions of a business's brand, or developing a secret recipe. These kinds of activities are often called intangible investment because they build up assets that are valuable to firms but are not easily measured.

Conceptually, these activities qualify as capital investment, but they are not currently included in official capital measures because they are hard to measure. Why does this matter when discussing productivity? Expanding the definition of capital by including intangibles would change the shares of the factors contributing to labor productivity growth, increasing the share attributed to capital deepening and reducing the share attributed to efficiency gains. This shift would not only call into question the finding that IT investment contributed to productivity mainly through efficiency gains, but would also help explain why productivity did not accelerate with early waves of IT investments. Indeed, it is consistent with the hypothesis that for businesses to take full advantage of their IT investments, they needed to develop innovative business practices. Only when they made intangible investments to complement their IT investments did productivity growth really take off.

The industries that produce IT equipment had particularly rapid efficiency growth, resulting in falling prices accompanied by rapid increases in the speed and power of IT equipment. These industries directly brought up the average rate of productivity growth for the economy, but their advances also had significant indirect effects by driving a surge in IT equipment investment in other industries. The increase in capital deepening in the 1990s was led by large investments in IT equipment, but productivity gains from these investments did not immediately emerge.

In the 1995 to 2000 period, industries with above-average investment in IT equipment had significantly larger increases in their productivity growth rates than did other industries. For example, the retail trade and financial services industries had much higher productivity growth over the 1995 to 2000 period than in the preceding period, and had well-above-average investment in IT equipment. Box 2-2 indicates that much of the retail trade productivity gains occurred because of supply chain improvements made possible by information technology. Research estimating the contribution of IT-related forces—including both productivity growth in IT-producing industries and the share of productivity growth accounted for by IT investment in other industries—shows that information technology accounted for more than half of productivity growth from 1995 to 2000.

Box 2-2: Information Technology, the Supply Chain, and Productivity Growth in Retail Trade

The retail trade sector shows how IT investment, innovation, competition, and flexible markets interact to affect productivity growth. Retailers have made heavy investments in information technology and have had rapid productivity growth, but changes in the way that retailers use information technology—both in their stores and with their suppliers—were necessary to generate this surge in productivity growth. The focus here is on two types of innovations: changes in the organization of the supply chain of consumer goods and changes in the way retailers organize store operations.

Manufacturers and retailers of consumer goods have increased their use of electronic data interchange, allowing manufacturers to help retailers manage inventories and avoid stockpiling and shortfalls. Electronic data interchange also allows for automatic ordering, billing, and payment. Retailers benefit from lower costs of carrying inventory and reduced resources spent managing it, and manufacturers benefit

continued on the next page

Box 2-2 — *continued*

from being able to smooth out production. Because these changes have enabled retailers to more reliably stock a wide variety of goods, consumers have benefited from increased product variety. Making these changes required an investment in IT equipment by manufacturers and retailers, and required them to change the way they exchanged information and interacted.

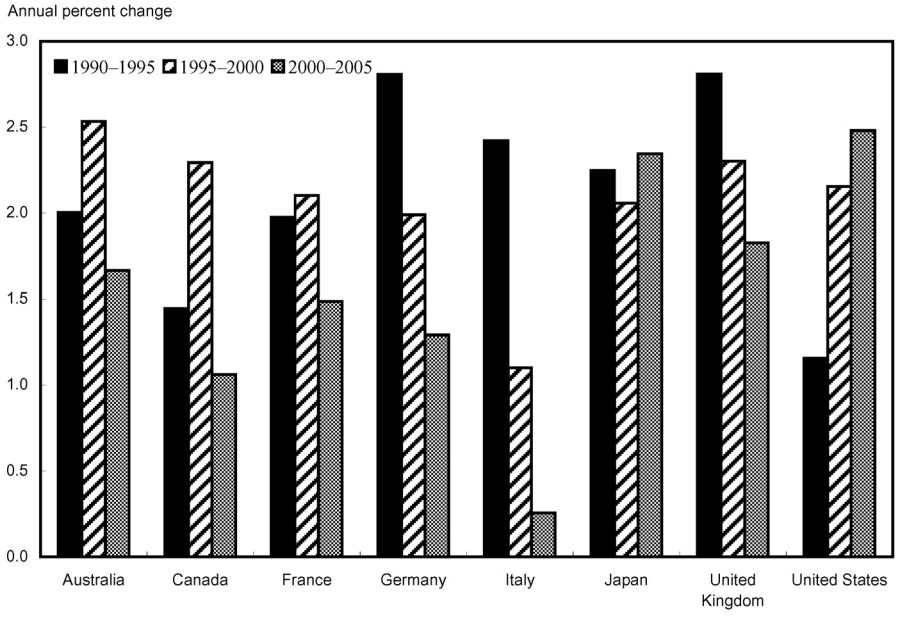
Large retailers also made internal changes that significantly increased productivity. One change was an increase in the scale of stores. Other important changes involved the use of information technology and improved management practices. Examples include an increased use of software to manage the flow of goods and staffing levels in stores, and more cross-training of employees to make better use of store labor. Rapid expansion of the largest firm put competitive pressure on other retailers, leading them to cut costs and, in many cases, to emulate the process improvements introduced by the industry leader.

Why Has Productivity Growth Accelerated in the U.S. While Slowing in Other Countries?

The United States has experienced the fastest acceleration of productivity growth among major industrialized countries since the early 1990s. Chart 2-4 shows that, after lagging behind most of the countries in the G7 between 1990 and 1995, the United States has been the country with the fastest growth in GDP per hour worked in the G7 between 2000 and 2005. Only the United States and Japan had faster productivity growth in the most recent period than they did in the early 1990s, and only the United States has shown consistent acceleration over this time period.

Since all of these countries have, in principle, approximately the same access to information and global markets, why have the other major industrialized countries not been able to post productivity gains as large as those in the United States and Japan? The major advances in this period appear to have come from opportunities that developed from the rapid advancement in information technology. While all developed countries had access to IT capital, the existing economic environment in the United States put it in position to quickly make the most of these opportunities. International openness to investment and trade combined with highly flexible and lightly regulated markets and an environment that fosters innovation appear to be at least part of the answer.

Chart 2-4 **Average Annual Productivity Growth Has Fallen for Most G7 Nations Since 1990**
Only the United States has shown consistent increase in productivity growth over this period.



Source: Organization for Economic Cooperation and Development.

International Openness

As discussed earlier, capital deepening has played a significant role in U.S. productivity growth. Over the past 10 years, the United States is second only to Canada in its annual growth rate of real private investment. Real investment in the United States over this period increased at an annual rate of 5.1 percent, nearly double the average rate of the other G7 countries (excluding Canada). The United States has been able to accomplish this level of investment because of its open and transparent investment environment.

While capital deepening played an important role in the productivity gains experienced in the late 1990s, so did advances in information technology. To benefit from the IT boom, firms had to invest large amounts in computers, software, and employee training. From 1995 through 1999, U.S. investment in information-processing equipment and software increased at an average rate of around 20 percent per year, and total investment grew faster than in any other country in the G7. To help fund these investments, the United States received substantial flows of financial capital from abroad during this period. While the United States might have invested in IT capital without access to international financial markets, and while Europe may not have invested more even if it was more open to international capital flows, it is

almost certain that the United States was able to use its open investment environment to finance the increase in IT capital.

Access to international financial markets tends to lower borrowing costs and enable a country to increase capital investment rates without increasing domestic savings. This outcome would not be possible if businesses had access only to domestic financing.

International openness has also contributed in other ways to recent efficiency gains in the United States. Since the early 1990s, the United States has increased its openness to international trade. From the North American Free Trade Agreement (NAFTA) (signed into law in 1993) to the Trade Act of 2002 and the renewal of Trade Promotion Authority in the same year, the United States has worked to break down trade barriers. Lower trade barriers have in turn increased the level of international competition in product markets. Some U.S. companies have suffered from the increased competition; some have benefited. The increased competition forces firms to seek new ways of doing business to remain competitive, and because of this, international trade may contribute to growth in innovation.

Flexible Labor Markets

Efficiency gains resulting from more flexible and competitive labor markets have been another important reason why the United States was able to benefit from recent shifts in technology. The United States ranks first among G7 countries in the World Bank's Rigidity of Employment Index, indicating very flexible labor markets relative to other G7 countries. Japan, for example, ranks fourth among G7 countries, while France ranks last. The index averages measures of the difficulty of hiring a new worker, restrictions on expanding or contracting the number of working hours, and the difficulty and expense of dismissing a worker. While other countries are tied with the United States on the latter two measures, the United States owes its first place rank to the ease with which American employers can hire new employees.

Flexible labor markets allow workers to flow to high-productivity and high-wage industries. Hiring and severance costs tend to increase unemployment by making firms reluctant to hire new workers. They encourage labor hoarding, a practice in which firms hold on to workers not currently needed for production in order to avoid the costs of hiring new workers when the firm's workforce needs to expand. Labor hoarding lowers the level of productivity and reduces the average growth rate of productivity, as firms find it more difficult to respond to innovations and shifts in demand.

Flexible labor markets improve productivity growth because they allow firms to more easily adjust the size and scope of their operations in response to economic developments. For example, after an increase in efficiency, a firm may become more competitive and decide to expand output and so need to

hire more workers. The firm may also wish to change the mix of workers it employs. Flexible labor markets allow these transitions to occur at a low cost.

Low Costs of Starting a Business

Low costs of business entry with relatively few administrative hurdles have also contributed to greater efficiency gains in the United States. A recent study by the World Bank shows that the United States, at 5 days, ranks behind only Canada and Australia in terms of the number of days required to start a business, and has the fourth lowest administrative costs to start a new business. New businesses provide both a ready supply of new ideas and a source of competition that forces larger businesses to innovate. Both of these factors have likely given the United States an edge in taking advantage of new opportunities made possible by IT advances. As with flexible labor markets, the ease of starting a new business helps with the level and the growth rate of productivity. Over long periods of time, starting new businesses keeps the economic environment competitive, which spurs innovation and helps push inefficient firms out of the market place.

Policy Implications

What can the United States do to promote further productivity growth? First, the most important way to encourage capital deepening is to maintain the smallest possible difference between the before-tax and the after-tax rates of return to investments. Capital deepening makes workers more productive and leads to higher wages in the long run. Making the tax cuts on capital gains and dividends permanent would help in this regard. Chapter 3 of this report discusses policy options affecting the taxation of capital.

Second, policies must encourage investment in skills. One way to do this is to keep the tax rates on wage income low. If individuals see little return to going to college, vocational school, or graduate school because of high tax rates on moderate- to high-wage earners, their incentives to invest in skill will be dampened. Chapter 3 further discusses how tax policy affects investment in skill. Strengthening K-12 education, reducing our dropout rates, and ensuring that all children receive high-quality education will increase the skills of our workforce and better prepare our citizens for further skill investment as adults. The President's efforts over the past several years to improve education and training with the No Child Left Behind Act, community college initiatives, and job training reforms will help. Furthermore, because learning begets learning, the returns should continue into the distant future.

Third, we must remain open to foreign investment. Openness to foreign capital has given the United States the flexibility it needs to deepen its capital

stock and improve its productivity without necessitating a corresponding increase in domestic savings. To maintain current growth rates we must keep pushing for freer trade, especially in the area of services, which has become a significant part of our economy. Chapter 8 of this report discusses policies to increase our international openness.

Fourth, we must encourage innovation and entrepreneurship. The President has outlined a competitiveness initiative that increases public investment in basic research—an important complement to private sector innovation—and strengthens math and science education to provide the skills needed for technological innovation.

Conclusion

Maintaining a solid productivity growth rate is of great importance to maintaining and increasing U.S. standards of living. The surge in productivity growth since about 1995 has come from heavy business investment in information technology, accompanied by large efficiency gains from innovation and competition. The United States has gained more from rapid advances in information technology than the other major industrialized countries because its culture of entrepreneurship and its flexible markets for products, capital, and labor have allowed American businesses to make the most of these changes.

CHAPTER 3

Pro-Growth Tax Policy

The word "investment" has different meanings to different people. In finance, investment means the purchase of financial products or other assets, such as mutual funds or gold, with an expectation of favorable future returns. For businesses, it can mean the purchase of a physical good, such as a durable machine or inventory, with the hope of improving future business. In economics, investment is defined as any use of resources intended to increase future production output or income. In particular, capital investment is money spent on physical capital such as buildings, equipment, or machinery, or on human capital such as education or job training. Because a larger capital stock makes labor more productive, investment is a primary driver of greater economic growth and higher standards of living.

If governments pursue policies that involve the least amount of government interference necessary for a well-functioning capital investment market, this will encourage an efficient amount of investment. One type of policy that is key to encouraging an efficient level of investment is *pro-growth tax policy.* One of the goals of pro-growth tax policy is to finance government services in a way that minimizes the effect of taxes on the capital investment decisions of households or businesses. By taxing investment returns too heavily or by providing tax advantages to certain types of investment, a tax system can discourage overall investment, as well as prevent capital from being used efficiently. A tax system that affects investment decisions in these ways is called "distortionary" because it creates incentives for people to base their saving and investment decisions on taxes, rather than making those decisions based solely on where they can use their resources most productively.

This chapter discusses the advantages of adopting a more pro-growth tax system. It reviews recent changes that have reduced tax distortions on capital investment decisions, and evaluates options to further reduce such distortions. It draws the following four main conclusions.

- The goal of pro-growth tax policy is to reduce tax distortions that hamper economic growth. Most economists agree that lower taxes on capital income stimulate greater investment, resulting in greater economic growth, greater international competitiveness, and higher standards of living.
- The current tax code contains provisions that discourage investment and create distortions that affect the level, structure, and financing of capital investment. These distortions dampen capital investment and contribute to an inefficient allocation of capital throughout the economy.

- Estimates from research suggest that removing these tax distortions to investment decisions could increase real gross domestic product (GDP) by as much as 8 percent in the long run.
- Since 2001, temporary changes in the tax code have reduced the tax on investment. These pro-growth policies have stimulated short-run investment and economic growth. However, the temporary nature of the provisions eliminates desirable long-run economic stimulus.

Rationale for Pro-Growth Tax Policy

All societies must decide on the amount of government services that best provides for the welfare of the citizenry. When deciding how to finance a given amount of government services, two features of the tax system must be determined—the appropriate tax base and the appropriate tax rate. The goal of pro-growth tax policy is to define a tax base and choose tax rates that finance government expenditures with the least distortionary effect on the economy. A tax system is distortionary when it creates incentives for people to make spending, saving, or investment decisions that are different from the decisions they would make in the absence of taxes. For example, by taxing the sale of apples and not oranges, a tax system would encourage people to consume more oranges and fewer apples than they otherwise would. Similarly, by taxing a family's out-of-pocket health spending but not employer-paid health insurance premiums, the tax system encourages inefficient consumption of health care by households. (See Box 4-1 in Chapter 4, The Fiscal Challenges Facing Medicare, for a discussion of the President's proposal to reform the tax treatment of health insurance.) By comparison, a tax system that taxes investment can create incentives that favor consumption over saving, investment in certain types of capital over others, or certain methods of financing capital investment. In the absence of distortionary taxes, people would have made those decisions based solely on the best and most productive use of those resources.

Defining the Tax Base

Most economists agree that the choice of the appropriate tax base is between taxing some measure of income or taxing some measure of consumption. Broadly defined, *income* is the increase in an individual's ability to consume during a period of time. Income can include labor earnings (both cash and benefits), interest payments, rents, royalties, dividends, increases in asset values, alimony, and pension payments. An important dimension of income taxation is that saving and investment are included in the tax base. Using income as the tax base is equivalent to taxing *potential* consumption. In effect,

this taxes all resources that people *put into* the economy. A tax system with an income base is distortionary because taxes affect decisions on when, how, and how much to save and invest. For example, in taxing household saving, future consumption (financed by saving) becomes relatively more expensive compared to current consumption. As a result, households tend to consume more and save less than they otherwise would if saving were not taxed.

By contrast, consumption is defined as the *actual* amount that people and businesses spend buying goods and services today. When a tax system has a consumption base, it only taxes what people *take out* of the economy. While there are several possible measures of a consumption tax base—retail sales, value-added, and consumed income, among others—all of these measures share the attribute of excluding saving and investment from the tax base. Such a tax system is considered "neutral" and efficient because it neither encourages nor discourages savings and investment decisions; it allows people to decide whether to consume now or to invest in the future based on market prices instead of on how to avoid paying taxes. Relative to an income tax, the consumption tax base results in a larger, more efficient stock of capital, which in turn makes workers more productive. Output and wages rise, resulting in higher standards of living. As a result, many economists feel that consumption is a better base for pro-growth tax policy.

Our current tax system has a hybrid tax base, with elements of both income and consumption tax bases. Some, but not all, of the return to saving and investment is excluded from the tax base through various provisions. For example, individual retirement accounts (IRAs), employer-sponsored retirement savings plans, lower tax rates on capital gains and dividends, and accelerated depreciation for certain types of investment are some of the provisions in the current tax code that provide at least a partial consumption tax base. Recent estimates suggest that about 65 percent of the return to household financial assets is taxed under an income tax base, with the remainder receiving consumption tax treatment.

Choosing the Tax Rates

A marginal tax rate tells how much tax is paid on an additional, or *marginal*, dollar of income. When assessing the effect of marginal tax rates on investment, it is the effective tax rate rather than the statutory tax rate that matters. A *statutory marginal tax rate* is a legal definition of the amount of extra income needed to pay taxes due from an additional dollar of taxable income in any year. By contrast, an *effective marginal tax rate* estimates the extra share of the total return from an investment needed to cover tax liabilities over an investment's useful life. A tax system with high effective tax rates on labor and capital income will dampen economic growth by reducing incentives to work and invest in capital formation.

Pro-growth tax policy, whether through adopting a consumption base, lowering statutory tax rates on saving and investment, or allowing individuals to fully deduct the cost of investment from taxable income, stimulates new investment by lowering the effective tax rate on investment income. Individuals and businesses will undertake more projects because lowering the effective marginal tax rate reduces the pretax rate of return necessary to make new projects profitable. In addition, lowering the effective tax rate on the return to capital investment enhances the competitive position of the United States in today's increasingly global economy. This is because a lower effective tax rate raises the after-tax return to U.S.-based investment relative to foreign investment, making U.S. investment relatively more attractive to both domestic and foreign investors.

The U.S. Tax System— Previous Distortions and Recent Reforms

The United States tax system has become increasingly distortionary and inefficient, with hundreds of highly targeted tax provisions that erode the potential for tax system neutrality and greater economic growth. A major source of inefficiency is the treatment of capital investment, both for physical capital and for human capital. The profusion of provisions has resulted in a system where taxes can be the primary determinant in whether to undertake new investment, what form the investment should take, and how to finance the investment.

Since 2001, several pro-growth tax policy changes have been enacted which have reduced the distortionary effect of taxes on investment decisions. This section discusses investment distortions in the tax system prior to 2001 and analyzes how changes since that time have reduced distortions and stimulated economic growth. Overall, the pro-growth policies enacted since 2001 have helped lessen the impact of the recession and have led to greater investment and overall economic growth.

Tax Treatment of Physical Capital Investment

This section discusses how two features of the tax system result in "tax wedge" distortions that contribute to physical capital investment inefficiency: depreciation schedules that result in an inefficient level and allocation of capital, and the double taxation of corporate profits that affects the level, form, and financing of business investment.

The Tax Wedge

The tax system creates a "tax wedge" for investment, making the pretax return on investment higher than the after-tax return on investment. This is important because investors require the pretax return to cover both the opportunity cost and the tax cost of investment. If the tax wedge is large, fewer projects will be undertaken because the after-tax return for some projects will be below the opportunity cost of investment. For example, consider an investment with a pretax return of 10 percent and an after-tax return of 7.5 percent, meaning the tax wedge is equal to 25 percent of the pre-tax return. If investors decide they require an 8 percent after-tax return in order to cover the opportunity cost of the investment, taxes will stop the otherwise profitable project from being undertaken. By lowering the effective tax rate on investment, the pretax return is unaffected but the after-tax return will rise. For example, if the effective tax rate is reduced to zero, then the tax wedge is eliminated and the after-tax return rises to 10 percent. Note that the tax wedge does not need to be eliminated for our hypothetical project to be financed—the effective tax rate only needs to be reduced to the point where the after-tax return is 8 percent. However, completely eliminating the tax wedge removes taxes from the investment decision. Two main contributors to the tax wedge on investment returns are depreciation schedules and the double tax on corporate profits.

Depreciation Schedules

A primary source of the inefficiency created by the tax wedge is the depreciation schedules that treat investments very differently depending on their business sector, asset life, and source of financing. *Depreciation schedules* tell how much of an investment's acquisition cost can be deducted from the taxpayer's taxable investment income in any year. There are two distortions associated with the tax depreciation system. First, spreading the deduction for the acquisition cost over a number of years lowers the present value of the total tax deduction relative to fully deducting the cost in the year purchased. By lowering the present value of the deduction, the depreciation system raises the tax cost and the total effective cost of investment. This makes some projects unprofitable and reduces the economy-wide level of investment. Second, the depreciation system distorts the allocation of investment among various sectors of the economy because the depreciation schedules lead to sectoral differences in effective marginal tax rates. Under an income tax system, the amount of investment cost counted each year should ideally equal the true economic depreciation of the asset. For example, if an asset loses 10 percent of its useful value per year, then an ideal income tax depreciation schedule would allow 10 percent of the cost to be excluded from income each year. When tax

depreciation is not the same as economic depreciation, the tax system distorts investment decisions regarding the allocation of capital investment.

A common method of measuring the relative distortions caused by the depreciation system is to calculate the effective marginal tax rates on different types of investment. Under current law, different types of investments are depreciated under various depreciation schedules ranging from 3 to 39 years. Because acquisition costs are deducted from taxable income at different rates, the amount of tax paid—and the effective marginal tax rate—varies by depreciation class. Table 3-1 shows the effective tax rates on different assets for different types of investments, with computer investment facing the highest effective marginal tax rate and petroleum infrastructure investment facing the lowest. Because marginal investments should provide the same after-tax rate of return, the depreciation schedule distorts the allocation of capital by discouraging investment in assets with high effective marginal tax rates.

Even if we adopted a tax system with tax depreciation equal to economic depreciation, there would still be a notable tax wedge that would distort investment decisions. To completely remove the investment distortions of depreciation schedules would require adopting a consumption tax base. With a consumption tax, all investment costs are fully deducted (fully expensed) from taxable income in the period in which the acquisition occurs. This has the effect of reducing the tax wedge to zero if there are no other taxes on investment returns. This means that the tax system is neutral to the level and allocation of capital investment because taxes do not affect the decision to invest and all types of investment are treated equally.

The Double Tax on Corporation Profits

The double tax on corporate profits—which is inconsistent with either an income tax or a consumption tax—also has a pronounced effect on investment

TABLE 3-1.— *Effective Marginal Tax Rates on Capital Income of Corporations by Asset Type*

Asset type	Effective marginal tax rate (%)
Computers and peripheral equipment	36.9
Inventories	34.4
Land	31.0
Automobiles	29.7
Educational buildings	28.4
Residential buildings	23.8
Medical equipment and instruments	20.4
Light trucks (incl. utility vehicles)	18.2
Household appliances	17.5
Aircraft	14.5
Railroad equipment	11.4
Petroleum and natural gas structures	9.2

Source: Congressional Budget Office.

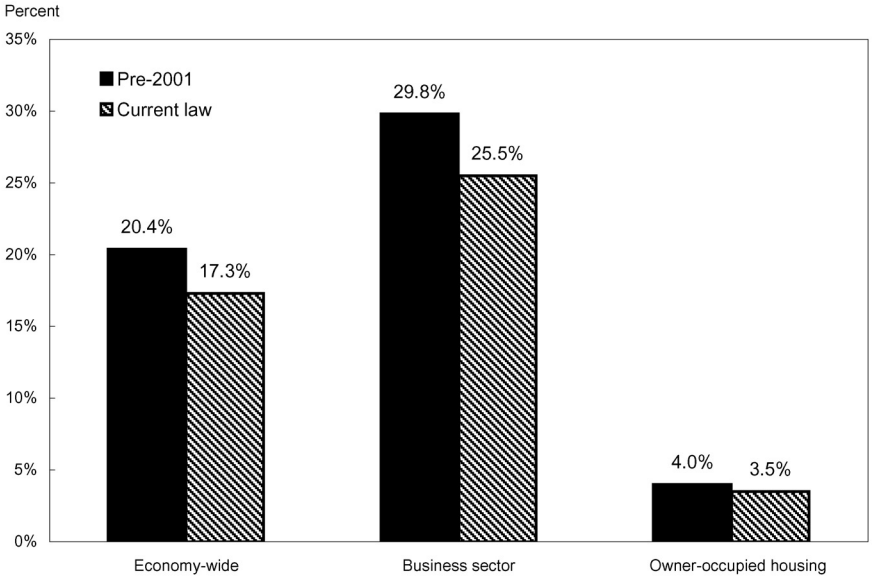
decisions. First, corporations pay tax on net corporate earnings at a maximum marginal rate up to 35 percent. Second, individual investors are taxed on the returns they earn on corporate equity. These returns can take the form of a *capital gain*, the difference between the purchase price and the sale price of an asset, or a *dividend*, which is a share of corporate profits distributed to shareholders after corporate income tax has been paid.

The total tax on corporate income is calculated by combining these two layers of tax. Prior to 2001, the tax on individual investment returns (capital gains and dividends) created incentives for investors to favor projects that paid returns in the form of capital gains or interest payments instead of dividends because long-term capital gains were taxed at a maximum statutory rate of 20 percent, while dividend payments were subject to a maximum individual statutory rate of 39.6 percent (both tax rates do not take state and local taxes into account).

For corporate income distributed to shareholders as dividends, the double tax on corporate profits could approach the level of confiscation. For example, given a maximum statutory marginal tax rate of 35 percent for corporations and 39.6 percent for individuals, the combined effective marginal tax rate on distributed corporate profits could have been as high as 61 percent! Instead of paying out corporate profits as dividends, a corporation could retain and reinvest the after-tax profit, leading to an increase in its stock value. Prior to 2001, when a long-term capital gain was realized, the combined effective tax rate on corporate profits was about 42 percent, after accounting for the deferral of tax on the accrued gains. All else equal, investors tended to favor investment returns in the form of capital gains.

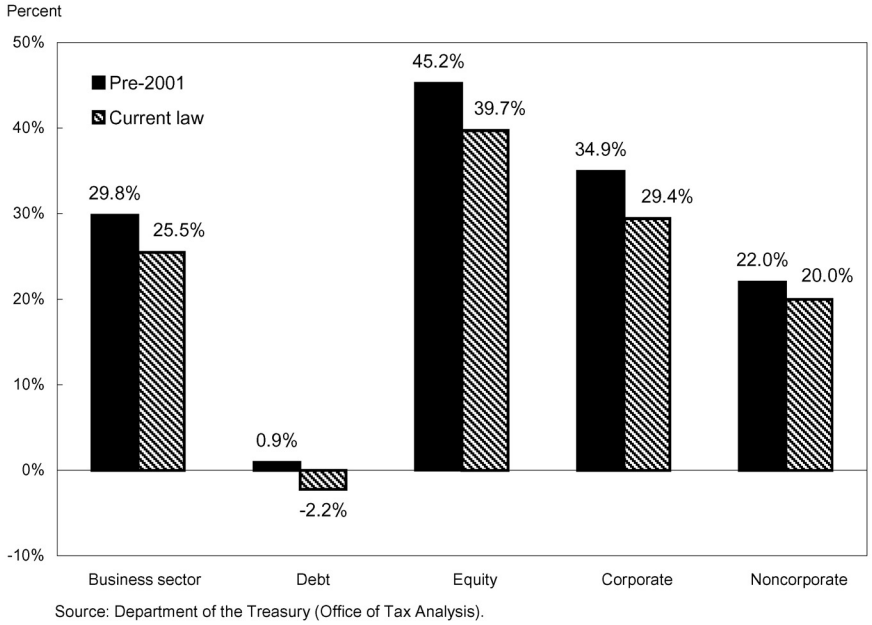
The high effective tax rate on equity-financed investment also created incentives that favored debt (taking out loans or issuing bonds) when financing new projects. As shown in Chart 3-1, while the economy-wide effective tax rate prior to 2001 was 20.4 percent, the effective tax rate on business sector investment was 29.8 percent. Chart 3-2 shows that the effective tax rate on equity-financed investment was 45.2 percent and the effective tax rate on debt-financed investment was almost zero. The reason for this large difference in effective rates is that corporations can deduct interest payments for loan and bond payments from taxable income, but must include dividend payments and retained earnings in taxable income. Individual investors then must pay taxes on the interest payments from their debt holdings and the investment returns (capital gains and dividends) from their equity holdings. This tax treatment results in a system where the return to corporate debt is taxed once but the return to corporate equity is taxed twice. The resulting overreliance on debt-financed investment could lead to greater bankruptcy risk during temporary industry or economy-wide downturns, as well as to a misallocation of resources in the economy.

Chart 3-1 **Effective Marginal Tax Rates on New Investment**
New investment can face highly disparate tax treatment depending on the sector.



Source: Department of the Treasury (Office of Tax Analysis).

Chart 3-2 **Effective Marginal Tax Rates on New Business Investment**
Tax treatment of new investment in the business sector varies by type of financing.



Source: Department of the Treasury (Office of Tax Analysis).

Tax Treatment of Human Capital Investment

Human capital investment (such as education and worker training) is an important input in the production of final goods and services, and investing in human capital is a cost of earning income. Prior to 2001, the tax treatment of education and training expenses was mixed. Some costs were fully deducted against taxable income, while others were subject to varying degrees of taxation. In addition, the treatment varied depending on whether the investment was paid for by businesses or households.

At the household level, most human capital investment was fully deducted because the tax system does not tax the opportunity cost of education—the foregone wages of working instead of attending school. For other human capital investment costs, there was a complicated set of rules, with the tax treatment primarily determined by the income of the individual taxpayer undertaking the investment. Some costs could also be deducted under both income and payroll (Social Security and Medicare) taxes.

The opportunity cost of working was fully deductible under both the income and payroll tax. Other costs fully deductible under both taxes were scholarships, fellowships, and reduced tuition. Costs that were fully deductible under just the income tax included education costs paid through Coverdell Education Savings Accounts (Coverdell ESAs), interest payments on student loans, and Treasury bond interest. These costs were excluded from income tax so long as they were used for tuition and related expenses such as fees, books, supplies, and the equipment required for courses of instruction.

At the firm level, human capital investment received more efficient tax treatment than physical capital investment. Consider a $50,000 investment in office equipment. For many businesses, this cost was not fully deductible. Instead, the cost was recovered through depreciation provisions, with a fraction of the cost deducted from taxable income over a 7-year period. Alternatively, the firm and workers could have agreed to reduce cash compensation by $50,000 and invest the money in job training. In this case, the firm would have deducted the cost of training from taxable income as an ordinary business expense and workers would not have claimed the cost as taxable income for income or payroll taxes. In this way, the investment cost was fully deductible in the year the training occurred, resulting in no tax distortions to the firm's human capital investment decision.

In addition to allowing partial deductibility of human capital investment, the tax system had two human capital investment tax credits available for use by households. In 2000, the Hope credit provided a tax credit of up to $1,500 per eligible student for the first 2 years of post-secondary education. To qualify for this credit the student had to be pursuing a degree or other recognized educational credential. The Lifetime Learning credit provided a tax credit of 20 percent of the first $5,000 in household education expenses per

year. This credit was available for any post-secondary education investment for an unlimited number of years, regardless of whether the student was pursuing a degree or educational credential.

Tax credits differ somewhat from tax deductions. A *tax credit* directly reduces the amount of tax you have to pay. By contrast, *tax deductions* reduce the amount of income subject to tax. Tax credits can provide investment incentives that are equivalent to partial or full deductions and can also be more generous than full deductions. For example, consider a person who has qualified education expenses of $5,000 and receives a $1,000 Lifetime Learning credit. If this person is paying taxes at a 20 percent effective marginal tax rate, then the credit is equivalent to being able to fully deduct the education cost from taxable income. If the person is paying taxes at a higher marginal tax rate, then the credit is equivalent to a partial deduction. For example, if the student is paying tax at a 31 percent marginal tax rate, then the credit is equivalent to being able to deduct about $3,200 of the investment cost. Similarly, if the student is paying tax at less than 20 percent, then the credit provides more than a full deduction (i.e., a tax subsidy).

Overall, the tax system in place prior to 2001 can be characterized as relatively inefficient with respect to investment in physical and human capital. Changes to this system were and are still necessary to eliminate distortions that keep the economy from reaching its full potential.

Pro-Growth Changes Since 2001

A number of pro-growth tax initiatives have been proposed and signed into law by President Bush since 2001. The initiatives enacted include provisions aimed at reducing the double taxation of corporate profits by lowering the tax rate on dividends and capital gains; temporary bonus depreciation; expansion of deductibility of higher education costs; and several smaller provisions aimed at encouraging investment. Taken together, these reforms reduced the effect of taxes on investment decisions.

Reducing the Double Tax on Corporate Profits

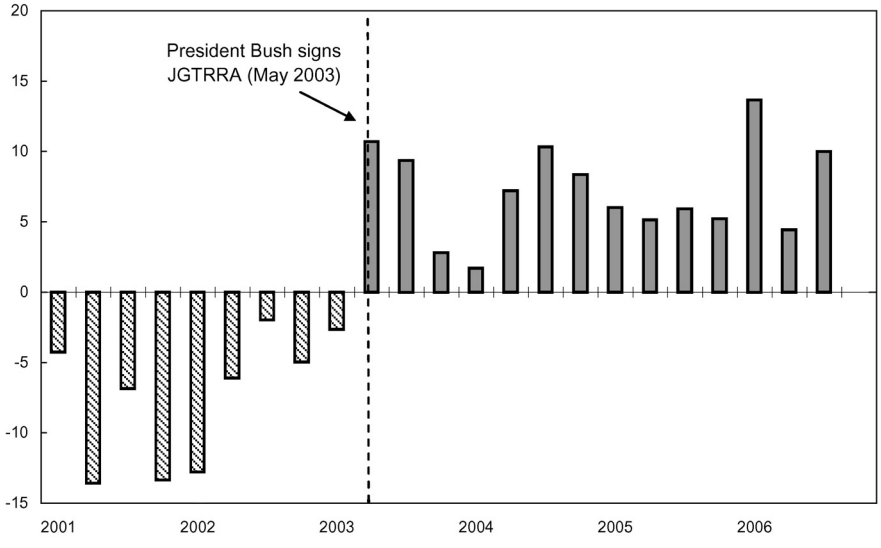
The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA), proposed and signed by President Bush, reduced the double tax on corporate profits by lowering the top individual tax rate on dividends and capital gains to 15 percent through 2008. These changes promoted economic growth by increasing capital in the corporate sector and improving the allocation of capital throughout the economy. As shown in Chart 3-3, in the 9 quarters preceding JGTRRA, real private nonresidential investment fell at an average annual rate of about 7.5 percent and annual real GDP growth averaged 1.1 percent. In the 13 quarters after JGTRRA was enacted, real private nonresidential investment grew at an average annual rate of about

6.9 percent, with annual real GDP growth averaging 3.6 percent. While it is too early to estimate the full effect of pro-growth tax policy on GDP, recent estimates suggest that without the tax cuts the economy would have had as many as 3 million fewer jobs and real GDP would have been as much as 3.5 to 4 percent lower by the end of 2004.

Several studies indicate that prior to JGTRRA, corporations had been steadily reducing dividend payments. The reason is that the tax system resulted in a strong tax bias in favor of retained earnings and capital gains. Since passage of JGTRRA, there has been an increase both in the average amount of corporate dividend payments (Chart 3-4) and in the percent of firms paying dividends (Chart 3-5). Reducing the double tax on corporate profits also slightly reduced tax-motivated incentives for debt finance because it reduced the effective marginal tax rate on equity finance. As seen in Chart 3-2, the effective marginal tax rate on equity-financed corporate investment is now about 40 percent, a drop of about 12 percent from the pre-2001 effective tax rate. While this rate is still substantially higher than the effective tax rate on debt-financed corporate investment, the relative reduction reduced the distortion between debt and equity finance.

A major challenge facing this pro-growth change is the impermanence of the capital gains and dividend tax reductions. Originally scheduled to expire at the end of 2008, both provisions were recently extended until the end of 2010 in the Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA). For

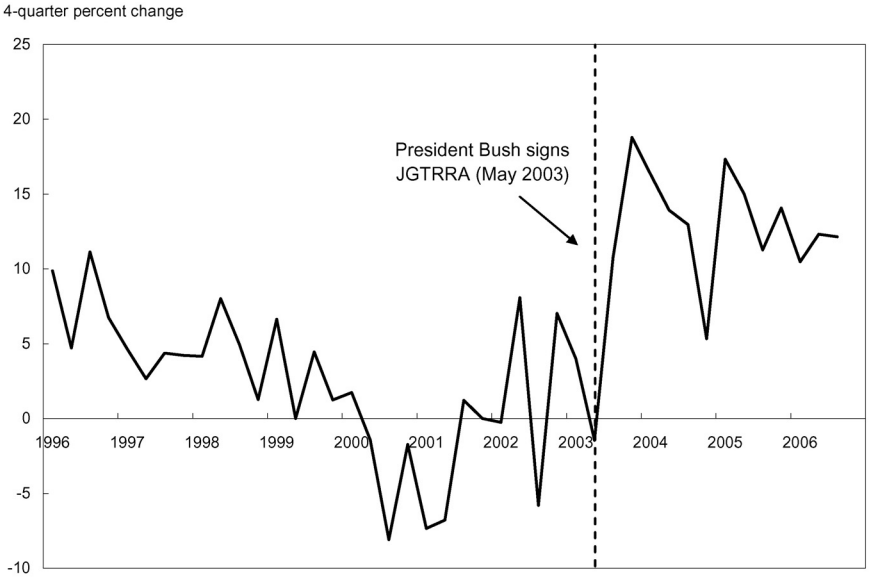
Chart 3-3 **Real Private Nonresidential Fixed Investment**
In the 13 quarters after the President signed JGTRRA into law, real private nonresidential investment grew at an average annual rate of 6.9 percent.
1-quarter percent change (annualized)



Source: Department of Commerce (Bureau of Economic Analysis).

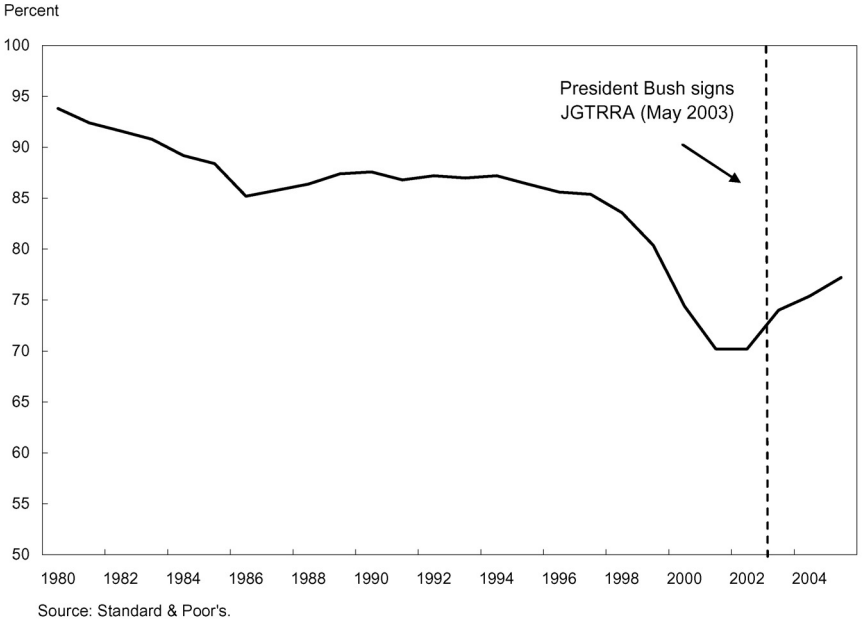
these changes to have lasting effects on investment and economic growth, these pro-growth policies should be made permanent.

Chart 3-4 **Dividends per Share**
Since passage of JGTRRA, there has been an increase in the average amount of dividend payments.



Source: Standard & Poor's.

Chart 3-5 **Percent of Firms in the S&P 500 Paying Dividends**
The percent of firms paying dividends has increased following passage of JGTRRA.



Source: Standard & Poor's.

Increasing the Deductibility of Capital Investment

Another pro-growth change proposed and signed into law by President Bush was the Job Creation and Worker Assistance Act of 2002 (JCWAA). This act included a provision for *temporary bonus depreciation*, which allowed taxpayers an additional first-year depreciation deduction of 30 percent from taxable income. In 2003, JGTRRA included a modification to the JCWAA bonus depreciation provision, allowing taxpayers to take a first-year depreciation deduction of 50 percent from taxable income. Both provisions were temporary and expired at the end of 2004 because the purpose of these provisions was to provide a temporary investment stimulus to speed economic recovery and promote short-term economic growth. By allowing investors to deduct more of the cost of investment from taxable income in the year of acquisition, these provisions had the effect of lowering by one-half or more the effective marginal tax rate on qualifying investment.

Removing Distortions to Human Capital Investment

President Bush proposed and signed into law a number of provisions that reduced tax distortions affecting human capital investment decisions. Among these provisions were statutory changes that allow households to deduct (within limits) higher education costs; an expansion of the deductibility of student loan interest payments; and an expansion of the full deductibility of employer-provided education expenses to include workers pursuing graduate school education. Other changes include an increase in the amount of money a household can contribute to a Coverdell ESA; the removal of tax considerations from higher education costs paid through qualified tuition programs (Section 529 plans); an increase in the amount of costs eligible for the Lifetime Learning credit; and an expansion of eligibility for these various education provisions.

Other Changes

Other changes that have been signed into law by President Bush over the past 5 years are tax credits aimed at encouraging research investment; an expansion of full deductibility of the acquisition cost of tangible property for small business (called Section 179 expensing); full deductibility of brownfields projects; and full deductibility of certain oil exploration costs. Some of these changes stimulated investment and greater short-run economic growth. Unfortunately, the temporary nature of many of these provisions reduces their potential to stimulate long-run efficiency gains to investment and economic growth.

Incremental Approaches to a More Pro-Growth Tax System

Many economists agree that adopting a broad-based consumption tax would benefit the economy. There is a substantial body of research that estimates the economy-wide growth effects of this broad pro-growth tax reform. The estimated effects can vary widely depending on the type of model used and the policy change considered. For example, when considering the transition to a pro-growth consumption tax, estimates of the short-run increase in the capital stock range from about 1 percent to about 14 percent, with estimates of the long-run increase in the capital stock ranging from about 0 percent to about 32 percent. As a result of *capital deepening* (the increase in capital per worker), the long-run increase in real gross domestic product is estimated in the range of about 2 percent to about 8 percent (about $260 billion to about $1.1 trillion in 2006 GDP).

In the absence of such broad reform and the transition to a consumption tax base, there are two primary alternatives for adopting a more pro-growth tax system. One is to allow investors to completely deduct (fully expense) or substantially deduct (partially expense) the cost of their investments in the year in which the investments are made. The other alternative is to lower the statutory tax rate on investment income by reducing or eliminating the tax rate on corporate income, capital gains and dividends, or a mixture of both. Both of these approaches would reduce the amount of tax paid on an investment return, lowering the pretax rate of return necessary to undertake new investment. If one of the objectives of pro-growth tax policy is to move incrementally to a more efficient, consumption-based tax system, then expensing does a better job than rate reductions of meeting this objective. Indeed, full expensing of investment is a necessary component of a consumption tax base. By contrast, reducing the statutory corporate tax rate or eliminating the tax on capital gains and dividends could be accomplished under the existing hybrid tax system.

There are a number of reform options that contain elements of these approaches. One option is a value-added tax (VAT) that replaces all or part of the corporate income tax; another, the Growth and Income Tax (GIT), proposed by the President's Tax Reform Panel, would lower effective marginal tax rates on new investment. Other options focus on household saving as a means to remove investment distortions. However, compared to a VAT or the GIT, these options would provide relatively less stimulus for domestic growth within a rapidly expanding global market. The reason is that focusing on savings incentives tends to ignore the full effects that capital has on the economy. By reducing taxes on investment, the economy develops more capital, increasing labor productivity and wages. In addition, reducing

effective tax rates on investment attracts more foreign investment because U.S.-based investment would offer relatively higher after-tax rates of return. (See Chapter 8, International Trade and Investment, for a discussion of the benefits to the U.S. of foreign investment.) Expanding savings incentives can provide capital deepening, but it will not encourage greater investment by foreign investors who do not receive the benefits of the reform. This section focuses on pro-growth options that would have the greatest impact on economic growth.

Expensing of Investment

Allowing investors to fully deduct the cost of an investment from taxable income is called *full expensing* of investment. As shown in Box 3-1, in the absence of other taxes, full expensing reduces the tax paid on the normal return to capital investment to zero, completely removing taxes from the investment decision. This happens for two reasons. First, all assets face the same effective tax rate—zero—so that taxes no longer influence the decision about where or in what to invest. This results in a more efficient allocation of capital. Second, with full expensing there is no difference between the pretax and after-tax rates of return to investment. As a result, taxes do not discourage capital formation.

It is important to note that full expensing is equivalent to not taxing the ordinary, normal return (or opportunity cost) of new investment. As shown in Box 3-1, the reason is that full expensing is equivalent to an interest-free loan on the value of foregone tax liability. To see this result, consider the example in Box 3-1. Under the income tax, the firm pays $35 in tax on the cost of the investment, whereas under full expensing the tax liability on the cost of the investment is zero. Assuming that the pretax return of 10 percent equals the normal opportunity cost of funds, the deferral of tax liability is worth $3.50 to the firm, which is exactly equal to the tax on the investment return. Because the opportunity cost of this loan is equal to the normal return to the investment, full expensing of investment costs is equivalent to excluding the normal return portion of capital income from taxation. However, returns in excess of the opportunity cost (called *supra-normal* returns) are still subject to taxation. For our example, if the total return of 10 percent is composed as a normal return of 6 percent and a supra-normal return of 4 percent, then the deferral of tax liability is worth $2.10 to the firm. This is equivalent to the firm paying $1.40 in tax, which is a tax of exactly 35 percent on the $4.00 supra-normal return.

Partial expensing of investment occurs when something less than 100 percent of an asset's purchase price is excluded from taxable income in the year the asset is purchased. Partial expensing reduces, but does not eliminate, the amount of tax paid on the return to capital investment because costs

Box 3-1: Investment Returns Under Different Tax Systems: A Numerical Example

Suppose a firm undertakes an investment in a new machine that costs $100 and that earns a pretax rate of return of 10 percent. Assume that the machine does not depreciate in value and that the firm sells the machine for $110 after 1 year. Under a system with a corporate income tax and no expensing, the after-tax cost of the machine is $100 because the firm receives no deduction from taxable income when it purchases the machine. At the end of the year the firm deducts the cost of the machine from the firm's total income and has a net income of $10. With a corporate tax rate of 35 percent, the firm pays $3.50 (35 percent of $10) in tax to the government. This leaves the firm with $6.50 in after-tax income, and results in an after-tax rate of return of 6.5 percent on its investment of $100. The corporate income tax creates a 3.5 percentage point tax wedge between the pretax rate of return (10 percent) and the after-tax rate of return (6.5 percent) on the investment.

With full expensing, the firm deducts the cost of the machine from taxable income at the time of purchase. This means the firm's after-tax cost of the machine is only $65. As before, the firm then sells the machine at the end of the year for $110. Under full expensing, the entire $110 is included in taxable income because the firm deducted the cost of the machine when it was purchased. This means the firm pays $38.50 (35 percent of $110) in taxes and makes an after-tax profit of $6.50. The firm earns an after-tax rate of return of 10 percent on the $65 investment, which equals the pretax rate of return. Because the firm is not taxed on the investment's return, the result is an effective marginal tax rate of zero.

In contrast, consider what happens when the government lowers the corporate tax rate to 25 percent but allows no expensing. The firm sells the machine at the end of the year for $110 and pays tax of $2.50 (25 percent of $10). As such, the firm's after-tax rate of return is 7.5 percent and the tax wedge between the pretax and after-tax rate of return is 2.5 percentage points. Lowering the corporate tax rate reduces the disincentive to invest but does not eliminate it unless the statutory tax rate is reduced to zero. By comparison, reducing the statutory corporate marginal tax rate to 25 percent would be equivalent, in terms of the effective tax rate, to about 38 percent partial expensing of investment costs.

Income Tax versus Pro-Growth Tax: A Numerical Example

Cost of machine		$100
Pre-tax rate of return		10%
Value of asset in 1 year		$110
Corporate rate tax		35%
Income tax:		
Net taxable income		
= Selling price - Cost of asset	$110 - $100	$10
Taxes owed		
= Corporate tax rate * Profit	35% * $10	$3.50
After-tax return		
= Net income - Taxes owed	$10 - $3.50	$6.50
After-tax rate of return		
= After-tax return / Cost of machine	$6.50 / $100	6.5%
EMTR on investment income*		
= Tax paid / Investment income	$3.50 / $10	**35%**
Pro-growth tax:		
Expensing		
New cost of machine		
= Old cost of machine * (1 - corp rate)	$100 * (1 - 35%)	$65
Net taxable income		$110
Taxes owed	35% * $110	$38.50
After-tax return	$110 - $38.50 - $65	$6.50
After-tax rate of return	$6.50 / $65	10%
EMTR on investment income	$0 / $10	**0%**
Corporate rate cut (new rate=25%)		
Net taxable income	$110 - $100	$10
Taxes owed	25% * $10	$2.50
After-tax return	$10 - $2.50	$7.50
After-tax rate of return	$7.50 / $100	7.5%
EMTR on investment income	$2.50 / $10	**25%**

*Note: EMTR refers to the effective marginal tax rate.

in excess of those expensed are still subject to the tax depreciation schedules, resulting in an inefficient allocation of capital.

There are several advantages to adopting full expensing as part of the current tax system. First, full expensing reduces the tax wedge between the pretax and the after-tax rates of return on investments, resulting in a more efficient level and allocation of capital throughout the economy. Second, if coupled with the repeal of capital gains and dividends taxes, full expensing completely removes taxes from equity-financed investment decisions. Third, full expensing reduces distortions that affect the financing of new investment by reducing incentives to debt-finance investment. Fourth, expensing is an integral part of many major tax reform proposals, such as a transition to a VAT, a consumed income tax, or the GIT. Overall, full expensing greatly simplifies the tax system and is an important step in the transition to a full consumption tax.

There are two important issues that must be resolved when adopting expensing as part of the tax system. The first issue is *transition costs*, which pertain to how the tax system will treat existing capital, called "old capital," at the time of the change. This is important because expensing can place a potentially heavy tax burden on the owners of existing capital. This tax burden arises because of the difference in the treatment of new capital (which can be expensed) and old capital (which does not benefit from expensing). As shown in Box 3-1, the after-tax rate of return on new investment rises with full expensing. The increase makes new investment projects relatively more attractive to investors than purchasing existing capital projects. Consequently, the relative value of the existing capital at the date of the change must fall in order for old capital to earn the same after-tax rate of return as an investment in new capital. The decline in value is equivalent to an unavoidable tax on existing capital and is considered a transition cost of full expensing.

The second issue is the treatment of interest payments under full or partial expensing. If expensing is to result in taxes being neutral in investment decisions, interest payments must be taken out of the tax system. Otherwise expensing could result in negative tax rates and overinvestment in capital. Removing interest from the tax base means that borrowers cannot deduct interest payments from taxable income. Similarly, lenders would not include interest payments in taxable income. The elimination of interest deductibility would help to equalize the tax treatment of different types of financing and would reduce tax distortions in investment decisions. However, excluding financial transactions from taxation could create difficulties for financial services businesses and result in opportunities for *tax arbitrage*—forming or consolidating businesses to take advantage of the difference in tax rates as the basis for profit. The taxation of financial services under a consumption tax is a perennially thorny problem that has yet to admit of an easy solution.

Reducing Statutory Tax Rates

An alternative to expensing of investment is to reduce statutory tax rates on investment income. Unless the tax rate is reduced to zero, however, lowering the statutory tax rate will not completely eliminate distortions affecting capital investment decisions. As discussed in Box 3-1, the effect of lower statutory rates on investment is similar to that of partial expensing of investment. Lowering the statutory tax rate on investment can take many forms—lowering the corporate tax rate, lowering individual tax rates, reducing or eliminating the tax rate on capital gains and dividends, or some combination of these. All of these alternatives have the effect of reducing tax distortions on investment decisions, but the economic effects will differ according to which tax rates are reduced.

One of the biggest misconceptions about pro-growth tax policy is that reducing the statutory corporate tax rate only benefits corporations. The main problem with this argument is that corporations are pure legal entities that cannot themselves bear the burden of taxes. It is households, in their role as owners and users of corporate capital, who benefit from the reduction in corporate tax rates. As discussed in Box 3-2, corporate tax burdens are distributed across all households. The long-run effect of reducing the corporate tax rate is to increase the capital stock, making labor more productive. Ultimately, reducing corporate taxes benefits labor through higher wages and benefits capital owners through higher after-tax returns.

An important goal of pro-growth tax policy is to promote a tax system that does not create distortions that affect the structure of business formation or business investment. By reducing statutory tax rates for corporations or households in an uncoordinated way, the tax system can create incentives that favor certain forms of business. For example, consider reducing the maximum effective corporate tax rate below the maximum effective individual tax rate. This would make it relatively more attractive for businesses to incorporate rather than form as a sole proprietorship or partnership (which pay tax using individual rate schedules). Consolidating the business and individual tax bases would reduce or remove taxes from consideration in business decisions.

Reducing individual tax rates can also reduce tax considerations from capital investment decisions. Perhaps the most direct way to stimulate greater individual saving and investment is to reduce or eliminate the tax rate on capital gains and dividends. This is important because even with full expensing, the effective tax rate on investment is positive as long as there are taxes on capital gains and investment income. Consider two effects from the recent reduction in taxes on capital gains and dividends. First, there was an overall reduction in taxes on corporate income, which stimulated greater investment. Second, the changes reduced the tax distortion that favored returns in the form of capital gains. Prior to JGTRRA, the double tax on corporate income was as high as 42 percent and 61 percent for corporate

Box 3-2: Who Bears the Burden of Corporate Taxes?

One key tenet of public economics is that businesses do not pay taxes, people do. Businesses organize capital and labor to produce goods and services used throughout the economy and consumed by households. But businesses are owned by individuals, hire individuals as workers, and sell to individual consumers. While firms remit business taxes to the government, it is individuals who bear the burden (or incidence) of business taxes. Investors may bear the burden through lower after-tax returns to investment, workers through lower wages, and consumers through higher prices.

Tax law provides no insight as to who bears the burden of the corporate tax. A corporation can be viewed as an institution comprised of its owners and creditors, wage earners, and customers. In this sense, everyone belongs to the institution, so everyone consequentially bears some portion of the tax burden. An important question is whether the tax burden is primarily borne by owners of capital or by labor. In analyzing the incidence of the corporate tax between capital and labor, it is important to distinguish between the short-run versus the long-run burdens. In the short run, increases in the corporate tax are borne by current owners of corporate capital through a drop in asset values and by investors through lower after-tax rates of return. In the long run, labor bears most of the burden of the corporate tax. This is because for taxes on capital income, an increase in the effective tax rate on new saving and investment leads to a reduction in capital accumulation. The resulting decline in the capital-to-labor ratio decreases labor productivity and leads to a fall in wages.

income distributed as capital gains and dividends, respectively. After JGTRRA, the double tax on corporate income fell to about 40 percent and 45 percent for capital gains and dividends, respectively. As shown in Charts 3-3 to 3-5, following JGTRRA, real private nonresidential investment rose substantially, and there was an increase in the average amount of dividend payments and the percent of firms paying dividends.

Comparison of Effects of Different Pro-Growth Policies

The primary objective of pro-growth tax policy is to stimulate new investment. New investment leads to a larger capital stock, increases in productivity, higher wages, and economic growth. Full expensing of investment does a

better job than rate cuts in meeting this objective. As noted above, rate cuts reduce but do not eliminate the effect of taxes on new investment decisions. In addition, a tax rate reduction applies to all investments, new and old alike. By contrast, full expensing is carefully targeted towards removing tax considerations from new investment decisions.

One method of comparing policies is to estimate "bang for the buck" measures that show the amount of investment stimulus per dollar of tax cost. These measures are derived by using sophisticated macroeconomic models to simulate the effect of pro-growth policy changes, assuming that each policy change has the same budget effect. As shown in Table 3-2, full expensing provides investment incentives that are 3.5 times as large per dollar of revenue cost compared to reductions in corporate tax rates. The reason for this difference is that much of the revenue cost from statutory rate reductions is from reducing taxes on existing capital. Because expensing applies to new capital only, the potential for economic growth is much greater with expensing than for reductions in the statutory tax rates that have the same revenue cost.

As discussed above, a major issue with expensing is the transition cost imposed on existing capital. It is possible that during the transition to full expensing, the government could provide tax relief to the owners of existing capital. However, the revenue cost of providing this type of transition relief would require rate increases or other tax changes that could reduce the incentive to invest in new capital projects. Estimates of the cost of transition relief range from about 1 percentage point to about 6 percentage points of the long-run increase in real GDP, depending on how and for how long transition relief is paid. Thus it is possible that providing transition relief to owners of existing capital could eliminate all of the efficiency gains from adopting a more pro-growth tax system.

TABLE 3-2.— *Effective Marginal Tax Rates on Investment*

	Effective marginal tax rate on investment	"Bang for the Buck": investment incentive relative to revenue cost (present value)
Current law	17%	
Policy change:		
100% expensing	0%	70%
30% expensing	13%	70%
Corporate tax rate lowered to 25%	15%	20%
Tax rate on dividends and capital gains lowered to 10%	16%	20%

Source: Department of the Treasury (Office of Tax Analysis).

Conclusion

The goal of pro-growth tax policy is to finance a given level of government services in a way that minimizes the drag imposed on the economy by tax distortions on investment decisions of households and businesses. Of particular importance is the effect a tax system may have on capital investment decisions. Taxing capital in a way that distorts investment decisions can affect the level, allocation, and financing of new projects. Reducing the tax on capital income will lead to a larger capital stock and higher standards of living. With more capital available, labor becomes more productive and real wages rise.

An incremental approach to pro-growth tax policy would be a transition to a tax system that allows full expensing of capital investment. Research indicates that we could expect up to a 8-percent increase in long-run real GDP from adopting the pro-growth policy of full expensing. Full expensing provides relatively more bang for the buck because it targets new investment, whereas rate cuts benefit old and new capital alike.

Reducing or eliminating distortionary capital taxation leads to a more efficient level and allocation of capital throughout the economy. This increase in efficiency in turn results in higher productivity, GDP, and standards of living. While there have been recent changes to a more pro-growth tax system, the temporary nature of the provisions reduces the long-run impact of these policy changes on investment and economic growth. Making these changes permanent would ensure a tax system that minimizes tax distortions to investment decisions that can keep the economy from reaching its long-run potential.

CHAPTER 4

The Fiscal Challenges Facing Medicare

Social Security, Medicare, and Medicaid are three vital entitlement programs in the United States that provide people with important economic security against the financial risk associated with retirement, disability, and medical expenses. In 2006, the Federal Government spent $1.1 trillion on these entitlement programs; this amount is projected to grow to $1.5 trillion by 2012. In the absence of reforms to either raise more revenue or restrain future spending, excess growth in entitlement spending will need to be offset by reductions in discretionary spending, putting significant pressure on other important programs. As history has shown, there is no uncontroversial way to reform these entitlement programs. Reforms to increase tax revenue will have negative effects on the economy. At the same time, it is crucial that any spending reforms preserve the protection against financial risk that these programs provide. Thus, improving the efficiency of these programs is crucial to slowing the growth of entitlement spending.

This chapter focuses on Medicare. It begins with a brief overview of the program and then examines the main reasons for the projected financial pressures facing Medicare. It concludes with a discussion of ways to improve the efficiency of Medicare spending and thus the long-term financial outlook of this important program. The key points in this chapter are:

- The projected long-term growth in entitlement spending, including Medicare, is unsustainable because of the pressures it places on future Federal budgets and by implication, on the economy.
- Medicare spending is growing quickly, primarily because of the demographic shift to an older society and the increases in per-beneficiary medical spending driven largely by new technologies.
- Rewarding providers for supplying higher quality care and improving incentives for patients to choose higher value care can both increase the efficiency and slow the growth of Medicare spending.

Entitlement Spending and Medicare

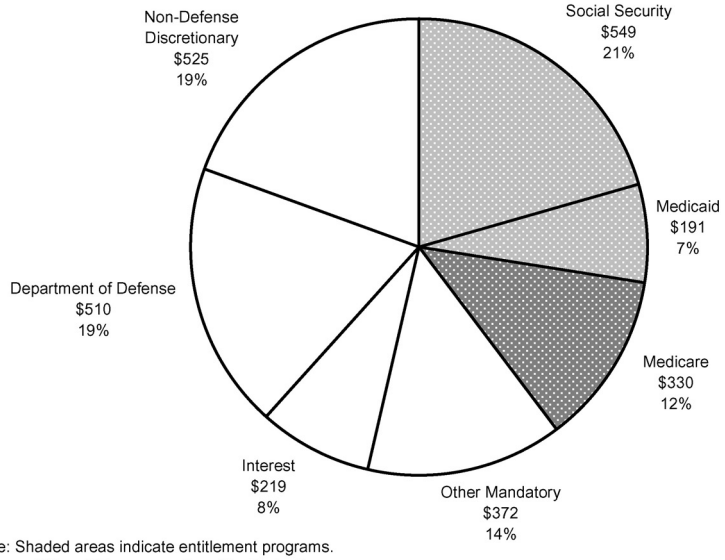
Social Security, Medicare, and Medicaid are *entitlement programs;* that is, individuals who are eligible for these programs are entitled to particular benefits. Social Security provides income to seniors, the disabled, and surviving spouses and dependents. Medicare provides health insurance to retirees and the disabled. Medicaid provides health insurance to certain lower income

groups. Workers and their spouses are entitled to receive Social Security and Medicare benefits if they make sufficient payroll contributions while working, and citizens and qualified aliens are entitled to Medicaid benefits if they meet certain income and other demographic criteria.

Chart 4-1 shows spending on Social Security, Medicare, and Medicaid in 2006 as a percent of the total Federal budget. The $549 billion in Federal spending on Social Security benefits was 21 percent of total Federal outlays. The $330 billion in federal spending on Medicare benefits was 12 percent of outlays. The $191 billion in federal spending on Medicaid was 7 percent of outlays. Because Medicaid is jointly funded by the Federal and State governments, State governments also spent about $139 billion on Medicaid.

For those not covered by Medicare or Medicaid, the federal government also helps with the purchase of private health insurance coverage in a variety of ways, including the exclusion of employer contributions towards health insurance premiums from personal income taxes. These tax expenditures are included in the Federal budget and are estimated to equal $133 billion in 2006. The President's 2008 budget includes a proposal to replace the existing exclusion for employer-provided health insurance with a flat standard deduction to all families who purchase health insurance that meets minimum requirements for catastrophic coverage, in order to improve the efficiency and equity of these tax expenditures. The President's policy proposal is described in Box 4-1.

Chart 4-1 **2006 Government Outlays**
Entitlement spending consumes 40 percent of Federal Government outlays.
Billions of dollars



Note: Shaded areas indicate entitlement programs.
Source: Office of Management and the Budget.

Box 4-1: The President's Proposal to Improve the Tax Treatment of Private Health Insurance

The current tax treatment of private health insurance coverage is both inequitable and inefficient. Employer contributions (and in most cases, employee contributions) toward private health insurance coverage are exempt from income and payroll taxes. This is inequitable because it does not offer the same tax break to families that do not have access to employment-based insurance and instead purchase a private plan in the individual health insurance market. It is also inefficient because it provides a larger tax break to families with more generous health insurance policies, which in turn can drive the inefficient use of medical care of low value. For more detail about these inefficiencies, see Chapter 4 of the 2006 *Economic Report of the President*.

The President's 2008 Budget has proposed reforming the current open-ended tax exclusion for employment-based health insurance coverage, effective in 2009, with a flat $15,000 standard deduction for health insurance to all families (or $7,500 for individuals), whether that insurance was obtained through their employer or on their own. The amount of this standard deduction would be independent of the actual amount spent on the premium, so families who obtain insurance policies for less than $15,000 (but satisfying a set of minimum requirements for catastrophic coverage) would still be able to exempt the full $15,000 of compensation from income and payroll taxes. The annual increase in the standard deduction for health insurance would be linked to the Consumer Price Index, and the policy would be roughly budget neutral.

This policy would reduce inequity in the tax code by providing the same tax treatment of health insurance purchases to families with or without access to employment-based health insurance. Those who are currently insured in the individual health insurance market would see a reduction in taxes commensurate with those insured in the group market, and those who are currently uninsured would be given a strong incentive to purchase coverage. For instance, for an uninsured family of four with $50,000 in income facing a 15 percent marginal income tax rate and a 15.3 percent total combined payroll tax, the value of the $15,000 exclusion would be worth about $4,500, and would thus offset the cost of roughly half of a health insurance plan costing $9,000.

This policy would also reduce the inefficiency of the current tax treatment of employment-based health insurance. An insured wage-earning family of four with $50,000 in income currently receives a tax break of about $3,000 toward a $10,000 policy but about $6,000 toward a

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Box 4-1 — *continued*

$20,000 policy, because the current value of their exemption equals their roughly 30.3 percent marginal tax rate times the actual amount of the premium. The advantage of the standard deduction policy is that it provides the same tax treatment to all types of health insurance plans. While it would provide a strong incentive to obtain at least some basic level of coverage, it would not encourage families to obtain inefficiently expensive health insurance that covers low-value services.

Spending on Social Security, Medicare, and Medicaid is projected to increase and claim an even more significant share of the federal budget in the future. Examining total spending as a fraction of gross domestic product (GDP) is especially relevant because this measures the portion of the overall economy devoted to each particular program. For instance, Social Security spending was 4.2 percent of GDP in 2005 and is projected to be 6.3 percent of GDP in 2080. Total Medicare spending was 2.7 percent of GDP in 2005 and is projected to be 11.0 percent of GDP in 2080. Total health care spending in the United States by private and public sources combined was 16.0 percent of GDP in 2005, equaling almost $2.0 trillion or $6,697 per person. Although national health expenditures have grown at a slower rate than the previous year for the prior 3 years, health spending has still consistently grown at a faster rate than general inflation.

While Social Security, Medicare, and Medicaid share some common features, each also poses its own opportunities and challenges, warranting detailed specific analysis. Chapter 5 of the 2002 *Economic Report of the President* examined Medicaid coverage for low-income families, Chapter 6 of the 2004 *Economic Report of the President* examined Social Security, and Chapter 4 of the 2006 *Economic Report of the President* examined health care spending generally. This chapter focuses primarily on Medicare.

The Basics of Medicare

A primary motivation behind the passage of Medicare in 1965 was that many of the elderly at the time had no health insurance. Medicare was structured to mimic the prevalent form of private health insurance at the time, Blue Cross and Blue Shield. Blue Cross plans covered inpatient hospital services, and Blue Shield plans covered physician and hospital outpatient services. The "Blues" were the basis for separate Part A and Part B plans that reimburse hospitals and physicians on a fee-for-service basis, respectively. Seniors who have worked at least 40 quarters in qualified employment are automatically

enrolled in Part A at age 65. Seniors who lack 40 quarters of employment can buy into Part A by paying a monthly premium. People under the age of 65 with certain disabilities or end-stage renal disease are also eligible for Medicare. Enrollment in Part B is optional and requires a premium contribution, although there is a penalty for not immediately enrolling and the amount is higher for individuals making more than $80,000 per year. The Centers for Medicare and Medicaid Services (CMS) administers the Medicare program by implementing the statutes that determine the form of payments to hospitals, physicians, and outpatient providers.

Most outpatient prescription drugs were not covered by Medicare until the implementation of the Medicare Modernization Act (MMA) of 2003, which created Part D of Medicare. Like Part B, Part D is optional, requires a premium contribution, and has a penalty for late enrollment. Unlike Part B, however, Part D is administered by private health insurance plan sponsors. Seniors have the alternative option of enrolling in a private Medicare Advantage insurance plan if one exists in their region. These are private health insurance plans that provide Part A, Part B, and, in most cases, Part D services. These plans often provide additional benefits to seniors at lower costs. The Medicare Advantage program is described in more detail in Box 4-2.

Box 4-2: The Medicare Advantage Program

Approximately 16 percent of Medicare beneficiaries are enrolled in private managed-care health plans, including primarily health maintenance organizations (HMOs) but also preferred provider organizations (PPOs) and private fee-for-service plans. These Medicare Advantage plans contract with Medicare to provide the services covered by Part A and Part B and usually offer additional benefits such as relatively lower cost sharing and additional covered services. Enrollment into these plans is voluntary but requires that a local plan is available. As of 2006, all Medicare beneficiaries had the option of enrolling in a Medicare Advantage plan, including plans that provide prescription drug coverage.

Prior to 1997, Medicare HMOs received a *capitated* payment based on 95 percent of the average Medicare beneficiary spending in the county, adjusted only for age, gender, Medicaid enrollment, and disability status. Studies suggest that healthier beneficiaries were more willing to enroll in these plans, because HMOs typically place restrictions on care. As a result, the program increased total Medicare expenditures because the payments to the HMOs were generally higher than the actual costs of their enrollees in the fee-for-service program.

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Box 4-2 — *continued*

The 1997 Balanced Budget Act eliminated the direct link between plan payment rates and local fee-for-service expenditures and sought to expand the types of plans available to beneficiaries beyond the urban areas where they had generally been available. The 1997 Balanced Budget Act also mandated the use of risk adjustment to vary the payments to insurers based upon the health status of its enrollees by 2000. As a result, incentives to engage in wasteful competition for relatively healthier enrollees were mitigated so that insurers would instead engage in competition to provide higher value care at a lower cost for all enrollees. Because of some of the limits on the growth in payments in the 1997 Balanced Budget Act, many private insurers withdrew from the Medicare market. Enrollment declined by about 25 percent from 1999 to 2003.

The 2003 Medicare Modernization Act expanded the Medicare Advantage program in two important ways (in addition to changing the name from "Medicare+Choice" to "Medicare Advantage"). First, the 2003 Medicare Modernization Act increased the payment levels to the plans to encourage participation across all Medicare Advantage plans. Second, the 2003 Medicare Modernization Act created new regional preferred provider organizations that offer a uniform deductible and an upper limit on out-of-pocket spending to increase both the number of choices available to Medicare beneficiaries (especially in rural areas) and special needs plans to target certain beneficiaries (such as those with dual eligibility, those with chronic conditions, and the institutionalized).

Medicare spending is financed by a combination of payroll taxes, general revenue, and premiums paid by beneficiaries. Part A of Medicare is financed by a Hospital Insurance (HI) payroll tax of 2.9 percent. The HI payroll tax is split evenly between employees and employers, but economists generally believe the employer tax is ultimately paid by workers in the form of relatively lower wages. Part A is a pay-as-you-go system in which payroll taxes on current workers' wages finance the benefits of those currently retired. If the payroll tax revenues exceed spending for the year, the difference is placed into the HI Trust Fund. If taxes are lower than spending, money is withdrawn from the HI Trust Fund. Parts B and D constitute the Supplementary Medical Insurance component of Medicare and are financed by general Federal government revenues and beneficiary premiums, which are set to equal approximately 25 percent of total Part B and Part D spending, respectively.

Nations around the world provide various forms of social insurance for their elderly populations. One of the purposes of health insurance is to ensure that people are protected against the financial risk associated with uncertain medical spending. Economists generally attempt to justify government intervention into private market outcomes by suggesting potential market failures that may exist in the absence of any government intervention. Many economists would justify the existence of Medicare (and its government provision of health insurance for the elderly and disabled) with three potential explanations. The first potential explanation is that many people may lack sufficient information to plan properly for the financial hardships that would otherwise arise from expensive medical treatment when they age or become disabled. Medicare requires workers to pay a premium during their working years toward future costs and thus the program can be considered a form of forced savings. In this way, Medicare is similar to Social Security, which requires people to set aside some of their wages now in exchange for a promise of income at retirement. But this reason alone is insufficient to explain the provision of health insurance as opposed to additional income.

A second potential explanation for government intervention in the provision of health insurance for seniors is to avoid having seniors in poor health pay considerably more toward their health care. In the United States, most people participate in health insurance plans through their place of employment. Most people lose these plans upon retirement. (Private retiree health insurance plans only cover what Medicare does not.) Because about 40 percent of people at age 65 have at least one serious preexisting chronic health condition, initiating coverage in a private individual health insurance market after retirement (under the assumption that the Medicare program did not exist) would force insurers to charge higher premiums to those in poor health. Younger people face uncertainty that they may develop a chronic condition in the future (and thus they would face variable premiums in the absence of Medicare). This suggests that there may be efficiency gains from providing future insurance coverage with pooled contributions. (Private health insurance markets handle this intertemporal uncertainty of developing a chronic health condition with "guaranteed renewal at class average rates" provisions that ensure that premiums do not vary with the onset of illness for those with coverage.)

A third potential explanation for government intervention in the provision of health insurance is related to the redistribution of resources toward low-income people. Economic theory suggests that unconditional transfers of wealth are generally more efficient than in-kind transfers of goods or services for achieving any desired redistribution. In an ideal world, the poor would use some of this transferred wealth to purchase health insurance. However, if the poor believe that society will provide them with additional resources in the

event of an uninsured loss, they may have an incentive to forego buying insurance. This precommitment problem, sometimes called the "Samaritan's Dilemma," has been demonstrated to be alleviated by the direct provision of health insurance rather than a direct transfer of wealth. This economic argument, however, justifies the subsidization of, or requirement for, insurance but does not justify a government-run plan.

Increases in Medicare Spending over Time

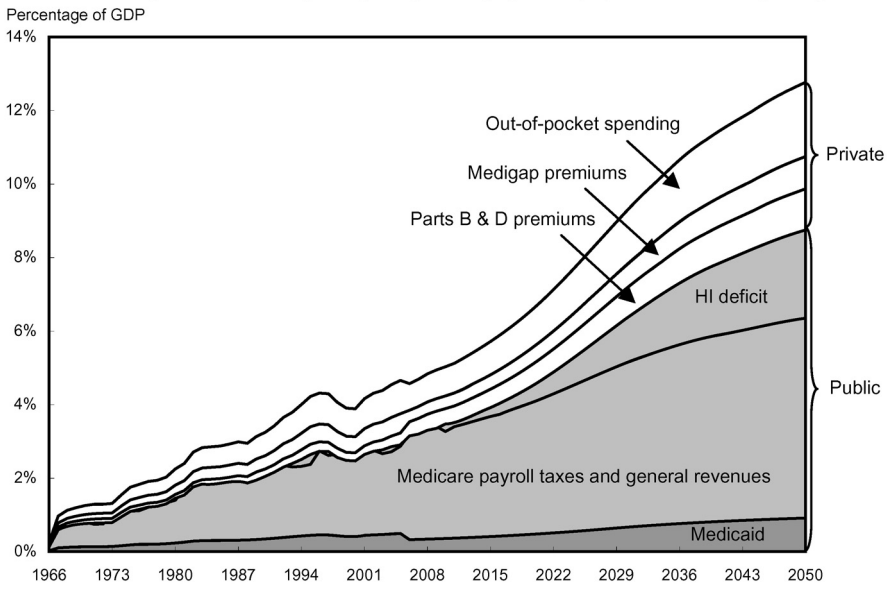
Projections of Future Medicare Spending and Revenue

Sources of Spending

Since Medicare was created in 1965, total spending on all of its programs has grown steadily. As noted above, total Medicare spending was 2.7 percent of GDP in 2005 and is projected to be 11.0 percent of GDP in 2080. These values for Medicare spending, however, actually understate the total spending for Medicare beneficiaries because the private payments for cost sharing are not included. For instance, in 2006, Part A requires individuals to pay $952 of the cost of each hospitalization (this $952 is called a *deductible*), and Part B generally requires them to pay 20 percent of the Medicare-approved payment (this 20 percent is called *coinsurance*) in addition to a deductible. Some beneficiaries pay Medicare deductibles and coinsurance amounts from their own pockets, while others obtain private insurance to cover these costs. Some of this private coverage is included in employer-sponsored retirement benefits, while some is provided by directly purchased Medigap plans. Some low-income Medicare beneficiaries are also eligible for Medicaid. For these *dually eligible* people, Medicaid covers most of these cost-sharing amounts required by Medicare.

Chart 4-2 shows historical and projected private and public spending for Medicare-covered services as a percentage of GDP for 1966 through 2050. Including private spending by Medicare beneficiaries and Medicaid spending on Medicare beneficiaries presents a more complete picture of beneficiaries' total consumption. In 2006, beneficiaries bore about 37 percent of Medicare-related spending, and about 63 percent was financed by payroll taxes and general revenues. However, these amounts shown here do not include the portion of Medicaid spending on long-term care services, such as nursing homes, because this type of care is not covered by Medicare. More detail about coverage of long-term care is provided in Box 4-3.

Chart 4-2 **Total Healthcare Spending by Medicare Beneficiaries, 1966-2050**
Government and private Medicare spending has grown rapidy and is projected to continue growing.



Source: Council of Economic Advisers analysis of data compiled from the 2006 Medicare Trustees' Report and the Medicare Current Beneficiary Survey.

Medicare Solvency

The Medicare program does not have enough projected revenue to cover projected future spending. Under current projections made by the Medicare Actuaries and presented in the 2006 Medicare Trustees Report, the Medicare HI Trust Fund is projected to be exhausted in 2018. The projected 75-year deficit for the Medicare HI Trust Fund is 3.51 percent of taxable payroll. That is, the Medicare HI payroll tax would have to be immediately increased from 2.90 percent to 6.41 percent to cover all projected spending over the next 75 years. Alternatively, a reduction in Medicare Part A expenditures by 51 percent would be necessary to make the Medicare Trust Fund solvent. As a comparison, this Medicare deficit is relatively larger in magnitude than the Social Security Trust Fund deficit. An increase in the Old Age, Survivors, and Disability Insurance (OASDI) payroll tax from 12.4 percent to 14.4 percent or a reduction in Social Security benefits by 13 percent is projected to make the Social Security program solvent over 75 years.

The Medicare Supplementary Medical Insurance (SMI) program is considered to be solvent by the Medicare Trustees only because Part B and Part D spending is required by law to be financed by general revenues. However, the consequences of increased spending on Medicare SMI may be

Box 4-3: Long-Term Care

Nine million people use long-term care (LTC) to alleviate the hardships accompanying old age or disability. LTC is medical care required over a long period of time by someone with a chronic illness or disability. An estimated 70 percent of people who reach the age of 65 will need some form of LTC before they die. Medicare does not have a large LTC component, as it only covers post-acute care in skilled nursing facilities and some home health care, which total less than 20 percent of all LTC. Private, noninsured spending covers about 25 percent of LTC expenditures, while private insurance pays for less than 10 percent. Many Medicare beneficiaries obtain LTC after they have depleted their assets and become eligible for Medicaid. Medicaid LTC eligibility is often tied to receiving Supplemental Security Income and having very few assets, but states have the discretion of easing eligibility criteria. Medicaid covers over 45 percent of all LTC expenditures. About one-third of Medicaid expenditures go to LTC.

The average price for 1 year in a nursing home is $70,000. This cost is high enough to strain even middle-income families, yet few people prepare financially for potential LTC expenses. Studies generally attribute failure to purchase LTC insurance to a lack of awareness about the potential costs of LTC, the benefits of coverage, and a misperception that Medicare covers all LTC. Adverse selection in the market (by those who expect to use long-term care being more likely to purchase insurance) results in very high premiums and relatively fewer insurance companies offering LTC policies. Many seniors forgo obtaining private coverage and instead become Medicaid-eligible by sheltering their assets through income annuities, trusts for their children, and asset transfers to family members. In response to these loopholes, States and the Federal government have tightened Medicaid eligibility. Because of the pressure LTC places on State budgets, many policymakers believe that changes should be made to LTC administration.

Encouraging the purchase of private long-term care insurance may be a valuable step in reducing Medicaid spending on LTC while protecting seniors from poverty. For example, New York currently has a 20 percent tax credit available toward the purchase of LTC insurance. Such a subsidy should generally make LTC insurance more attractive to middle-aged people. Medicaid *spend-down insurance*, which permits people who purchased and used LTC insurance to keep some assets and still qualify for Medicaid, could also increase the attractiveness of private LTC coverage.

just as dire. Without large reductions in Medicare SMI spending or increases in taxes, either Federal budget deficits will grow rapidly or dramatic reductions in spending for other Federal programs will have to be made.

Spending on Medicaid is also funded by general revenues. The elderly and disabled covered by Medicare account for about one-quarter of Medicaid enrollees, but they account for about two-thirds of Medicaid spending, mainly because of spending on acute and long-term care. An additional challenge for funding Medicaid is the inverse relationship between the proportion of the population eligible for benefits and the tax base available to fund the program. During economic downturns, lower personal income causes State governments with balanced-budget requirements to face the strain of both a decrease in tax revenue and a higher number of residents who meet the low-income eligibility threshold and are thus in need of assistance.

Implications for Reform

In light of the mounting fiscal pressures on entitlement spending, it is critical to increase the efficiency of spending on benefits. Reforms of the Medicare program should aim to reduce the growth of spending by redirecting resources toward the highest value uses and away from inefficient care of low value. Controlling cost growth while preserving the vital financial and health protections offered by the program is particularly important in light of the large negative consequences of raising taxes. An increase in the payroll tax rate would decrease incentives to work, increase efforts to receive compensation in forms not subject to taxation, and be a drag on economic growth.

As noted above, Medicare taxes on current workers' wages essentially fund an insurance pool from which benefits are paid on behalf of retired or disabled workers. A pay-as-you-go system of intergenerational transfers is consistent with the basic idea behind insurance if the aggregate amount paid into the pool (in the form of taxes on workers) equals the aggregate amount of expected benefits to be paid from the pool. In private insurance markets, policyholders must have confidence that future claims will be covered by the insurer. To help alleviate consumer concerns, government regulations often place solvency requirements on insurers that require them to have enough assets to cover their liabilities. Thus, for Medicare's pay-as-you-go financing mechanism to function as a social insurance program, younger generations must have confidence that the government will indeed meet its future insurance obligations to them. The rapid increase in Medicare spending over time clearly threatens the confidence that younger generations have in the solvency of the program. Indeed, a recent survey found that almost two-thirds of workers are "not too confident" or "not at all confident" that Medicare "will continue to provide benefits of at least equal value to the benefits received by retirees today".

The next section of this chapter examines the reasons behind this projected growth in Medicare spending. The average annual growth rate of Medicare spending is projected to be 2.8 percentage points higher than GDP growth per year between 2006 and 2040. Part of this increase in spending is due to growth in the number of Medicare beneficiaries, and part of this increase in spending is due to growth in real (inflation adjusted) Medicare spending per beneficiary.

Reasons for the Changes in Medicare Spending over Time

Increases in the Number of Medicare Beneficiaries

The proportion of the United States population covered by Medicare has increased over time. This has resulted from the normal eligibility age remaining fixed at 65 combined with the aging of the population. The aging of the population is due to both increased life expectancy and decreased fertility. In 1965, 65-year-old retirees could expect to live for 14.7 more years; by 2006, they could expect to live for 18.6 more years. In 1965, the fertility rate was 96.3 births per 1,000 females aged 15 to 44; by 2004, it had fallen to 60.7 births. (These changes in demographics have a similar effect on Social Security.)

The worker-per-beneficiary ratio illustrates the portion of the population which provides revenue to cover the needed spending on Medicare beneficiaries. In 1965, there were about 4.6 workers for each Medicare beneficiary. In 2005, there were about 3.8 workers for each Medicare beneficiary. In 2050, there are projected to be only 2.2 workers for each Medicare beneficiary.

In addition to being affected by long-term increases in longevity and decreases in fertility, the worker-per-beneficiary ratio during the upcoming years is also affected by the aging of the baby boom generation, which is made up of those born between 1946 and 1964. (The baby boom generation can be viewed as a temporary change in fertility rates.) The baby boom generation explains the relatively steady worker-per-beneficiary ratio between 1975 and 2005 and the dramatically decreasing ratio between 2010 and 2040. After 2050, most benefits owed to the baby boom generation will have been paid, and the worker-per-beneficiary ratio is projected to be relatively steady though 2080 as long as current assumptions hold.

Unlike Medicare, the full retirement age for Social Security is 65 for those born in 1937 and earlier, and will rise slowly to 67 for those born in 1960 or later. However, the effect of increasing the eligibility age for Medicare would not have a very large effect on total Medicare spending, because Medicare

spending increases with age as people become less healthy. For instance, while people ages 65 and 66 represent about 9 percent of the Medicare population, they are the recipients of only about 4 percent of total Medicare spending.

Increases in Spending per Beneficiary

Real growth in Medicare spending per beneficiary has averaged about 4 percent per year between 1996 and 2006, roughly 2 percentage points greater than real per capita growth in GDP. For the Medicare Trustees Report, the Medicare actuaries assume that the annual growth rate of Medicare spending per beneficiary during the period between 25 and 75 years from now will decrease to equal the growth rate of GDP per capita plus an average of 1 percentage point. In addition to this so-called "intermediate" assumption, these actuaries also consider a "low-cost" assumption, in which annual Medicare spending growth equals per capita GDP growth and a "high-cost" assumption, in which annual Medicare spending growth equals per capita GDP growth plus 2 percentage points.

One way to evaluate the affordability of these projected increases in Medicare spending is to consider the effect of applying this growth rate to overall medical spending in the United States and examine the resulting growth in consumption of all other goods and services in the future economy (that is, nonmedical consumption). One study estimated that applying the intermediate assumption of long-term medical spending growth, equal to the growth rate of per capita GDP plus 1 percentage point, would still result in positive real growth in the level of nonmedical consumption over the next 75 years. However, the high-cost assumption of long-term medical spending growth, equal to the growth rate of per capita GDP plus 2 percentage points (and, as noted above, roughly equal to the growth rate of Medicare spending in recent history), would cause the level of real nonmedical consumption to increase only until year 2040 and decrease thereafter. During the period between 2010 and 2040, an average of over 60 percent of the annual increase in income would be allocated toward health care spending.

Research suggests that most of the increase in medical spending over time has been driven by the advent of new technologies. New technologies make available new treatments, some of which are more effective than others. Research also suggests that the increased medical spending has, on average, resulted in improvements in health with additional value exceeding the additional costs. For instance, the real cost of treating heart attacks increased by about $10,000 for Medicare beneficiaries between 1984 and 1998, driven by technological advances such as catheterization and angioplasty. Life expectancy for heart-attack patients increased by about 1 year during this same period. Although it is difficult to measure the value of human life and

it is not clear that this relationship is causal, an estimate of the value of these added health benefits is about $70,000, far in excess of the added costs.

Economists have suggested that an increase in medical spending over time is not necessarily problematic, in and of itself, so long as the marginal benefits exceed the marginal costs. A simple cross-national comparison of the fraction of GDP devoted to health care spending suggests that the United States is a high-expense outlier relative to other developed countries. However, it is plausible that the marginal benefits of improved health are dependent on income, so that as a country's GDP increases, it may be rational for that country to devote a relatively higher share of its GDP to health care. This perspective suggests that it may make sense for the United States to spend more than other countries because it has higher per capita income and health care can be a valued use of those higher resources.

Improving the Efficient Allocation of Resources in Medicare

The remainder of this chapter considers ways to improve the efficiency of spending in the Medicare program, in order to slow the projected growth in spending. Policymakers face the challenge of enacting policies that limit inefficient health care spending but do not limit efficient health care spending or the development of beneficial new technologies. This section begins by providing several examples of sources of inefficiency in health care spending and concludes by suggesting several ways to improve the incentives that providers and Medicare beneficiaries face. Improving the efficiency of health care spending is critical to improving both the long-term fiscal strain on the Medicare program and the quality of care to patients, and it is likely that a multipronged approach will be necessary.

Inefficient Health Care Spending

While some of the greater health care spending may be attributed to technological improvements that enhance the quality of care and to increases in national wealth, there are also many findings that are consistent with some degree of inefficiency associated with relatively higher health care spending. Health outcomes in the United States are often not substantially better than those in other developed countries that spend far less on health care. The Rand Health Insurance Experiment found that increased medical spending led to only limited health improvements. The Dartmouth Atlas of Health Care shows wide variations in Medicare spending within the United States without associated variation in health or health outcomes.

It may, at first, appear to be difficult to reconcile the research findings that new technologies over time produce valuable health benefits with the research findings that higher spending does not yield better outcomes. It is likely that there is significant overconsumption of health care that provides little marginal benefit. Consider a costly new technology that provides very large health benefits to specific patients in need. Suppose, however, that it is also consumed by patients who benefit very little from the treatment. If the benefits to "appropriate" patients are very large, the increase in spending over time on both "appropriate" and "inappropriate" patients combined can still imply that the new technology is cost effective. However, because some "inappropriate" patients also receive the treatment, some of the variation in spending is due to inefficiency. If this characterization is accurate, the technology is not as cost effective as it should be.

This overconsumption of health care is frequently thought of as being caused by poor incentives such as overly generous health insurance coverage. That is, patients often face marginal prices for costly treatments that, due to insurance coverage, are lower than the true marginal costs of treatment. (More detail on optimal forms of private health insurance and the effect of increasing cost sharing by consumers is provided in Chapter 4 of the 2006 *Economic Report of the President*.) The presence of generous health insurance may also influence the research and development of certain technologies with questionable cost effectiveness.

There is also evidence of significant underuse of valued health care. For example, there is a large body of medical literature demonstrating the cost effectiveness of beta blockers for patients recovering from a heart attack. Due to their effectiveness, they are prescribed in over 90 percent of cases. However, studies have shown that persistence in use of beta blockers declines rapidly even in the first year of treatment. Moreover, the U.S. Preventive Services Task Force recommends that all women over 40 receive mammograms every 1 to 2 years, that all adults over 50 receive regular colorectal screenings to detect colon cancer, and that all adults over 50 receive annual immunizations against influenza. Compliance, however, is low: 68 percent of women receive recommended mammograms, 35 percent of adults receive recommended colorectal cancer screenings, and 65 percent of adults over 65 receive annual influenza vaccines.

These data suggest that there are two main ways in which the efficiency of Medicare spending could be improved, because there is both a relationship between the insurer and beneficiaries and a relationship between the insurer and providers. One is to encourage the use of cost-effective care that is currently underconsumed. Medicare now covers an initial preventive physical examination and many preventive screenings, but there are still potential improvements to be made. Policies to achieve this goal should aim to improve

the incentives for health care providers and insurers to provide high-quality care. A second way to improve the efficiency of Medicare spending is to discourage the use of ineffective care that is currently overconsumed. Policies to achieve this goal should aim to improve the incentives that Medicare beneficiaries face regarding their consumption of care. More detail on these policies is provided in the next two sections.

Better Incentives for Health Care Providers and Insurers

Medicare generally pays providers of the same service the same fee, regardless of the quality of care. If hospitals and physicians were paid amounts that reflected objective measures of the quality of care provided, with differential payments tied to higher quality and more efficient care, ideally many problems of underuse and misuse of care could be reduced. In practice, while "pay for performance" holds a great deal of promise, it may be difficult to fully implement because of the complexity of producing objective measures of quality. For instance, tying payments to process measures—such as rewarding cardiac physicians based on the proportion of their heart attack patients using beta blockers—may cause providers to place too much emphasis on limited aspects of providing high-quality care. Alternatively, tying payments to outcomes measures—such as rewarding cardiac surgeons whose patients have lower post-discharge mortality rates—may cause providers to face perverse incentives to avoid treating high-risk patients most in need. Adequate pay-for-performance measures will require sophisticated techniques to control for underlying differences in patient health, which highlights the importance of developing systems to collect detailed information about the kind of care that patients receive. With the advent and adoption of better health information technology and the development of rigorous and well-tested measures, using pay-for-performance techniques to reimburse providers may become a vital contributor toward higher quality and more efficient care.

High-quality health care may also be encouraged by providing patients with valuable information so they may compare various providers to one another. Competition among health care providers may improve incentives to provide high-value care in two ways: higher quality and lower price. If patients have access to the providers' price and quality information, they will have incentives to choose those providers with the highest value of care, and physicians and hospitals will have strong incentives to reduce their fees and improve the quality of care to attract more patients. There are two parts of Medicare where this kind of information is available and these incentives are in place. Private Medicare Advantage plans have strong incentives to offer higher quality care at lower beneficiary premiums to encourage enrollment. The new Part D prescription drug benefit provides information about the

price of prescriptions by plan and by pharmacy, provides access to customer service information by plan, and also benefits from price competition among insurers. More detail on the structure of and experience with the new Medicare Part D benefit is provided in Box 4-4.

Box 4-4: Medicare Part D Prescription Drug Benefit

The Medicare Part D prescription drug benefit went into effect January 1, 2006, as a result of the 2003 Medicare Modernization Act. Prior to that date there was almost no coverage for outpatient prescription drugs in Medicare, except in Medicare Advantage plans. (Part B does cover drugs in certain instances.) Part D beneficiaries may now enroll in their choice of plans in their region. In 2007, the 34 regions will offer between 45 and 66 standalone prescription drug plans at different prices with varying levels of coverage at or above the minimum benefit package. If an individual seeks greater benefits, they will generally pay a higher premium. Individuals with incomes below 150 percent of the Federal Poverty Level who meet eligibility requirements receive additional assistance in the form of reduced premiums, deductibles, and coinsurance. The premium subsidies are on a sliding scale to better target those with the lowest incomes. By June of 2006, over 38 million Medicare beneficiaries had some form of prescription drug coverage.

One important feature of the Part D program is the competitive premium bidding process by insurers. Each year insurers submit premium bids for the following year to Medicare. These premium bids are weighted by enrollment to determine the weighted average bid; this amount is referred to as the *benchmark premium*. The basic premium that nonpoor Medicare beneficiaries pay for a specific plan is the difference between the plan's bid and 75 percent of the weighted average bid (that is, the federal direct subsidy). Some low-income beneficiaries are automatically enrolled in plans whose premiums are at or below the regional enrollment-weighted average. Thus, there are significant incentives for insurers to submit low bids. Early projections suggested that the average premium in 2006 would be $37 per month, but premiums ultimately averaged $24 per month. In 2007, the average premium is expected to remain about the same.

Competitive bidding appears to be a successful model for providing low costs to both beneficiaries and the government without government interference in determining drug prices. Satisfaction with the Part D program is high. Several surveys have shown that at least 75 percent of enrollees are pleased with the Part D benefit.

Better Incentives for Medicare Beneficiaries

In addition to the competition induced by the new Part D benefit, its pricing structure and associated subsidy for premiums provide good incentives for Medicare beneficiaries to obtain relatively more efficient forms of insurance coverage. Because the Federal subsidy toward the prescription drug plan is generally a fixed proportion of the average premium bid each year, beneficiaries receive the additional benefits of choosing plans that are less generous than the average benchmark plan. Thus, beneficiaries appropriately receive the full marginal benefits from either a higher amount of cost sharing or a more restrictive list of covered medicines. This mechanism for having Medicare beneficiaries pay lower amounts for less generous coverage therefore improves the incentives for insurers to design more optimal products.

A potential downside to this mechanism for determining beneficiary premiums, however, is that it could lead to relatively higher premiums for people with higher expected expenses due to chronic health conditions if these high-risk people gravitate toward plans with relatively more generous benefits. As a result, these plans' higher premiums would reflect a relatively sicker pool of people covered by the plan, in addition to the underlying value of more generous benefits. However, these potential problems can be alleviated by the use of *risk-adjusted* payments to plans, as described in Box 4-2.

This mechanism for determining the premium contribution toward different plans, currently in place for Part D, could potentially be applied to the entire Medicare program. Providing beneficiaries with a choice of comprehensive plans and having the premium contribution for each plan vary in relation to a benchmark plan has potential for improving the efficiency of overall Medicare spending. A key difference between Medicare Part D and the entire Medicare program, however, is the combination of the government-run fee-for-service and Medicare Advantage components of the latter. This benchmark mechanism is likely to be successful only if the same premium contribution is made toward both the fee-for-service component of Medicare and the private Medicare Advantage plans, putting them on equal footing. Just as described above, this mechanism for determining premium contributions would cause beneficiaries to receive the appropriate marginal benefits when choosing plans with levels of coverage that are less generous than the benchmark plan. It could therefore help to allow beneficiaries to determine the optimal forms of out-of-pocket cost sharing and the optimal adoption of new technologies over time. These two specific issues are explored below.

Premiums versus Out-of-Pocket Payments

The level of out-of-pocket cost sharing that would induce beneficiaries to consume the optimal level of care is difficult to determine. The share of out-of-pocket spending that will lead to an efficient amount of care would be set

at the level at which the marginal cost of being exposed to more financial risk through relatively more cost sharing is less than the marginal benefits from reducing the overconsumption of medical care resulting from relatively more cost sharing. In practice, it is difficult to quantify these competing interests. Nevertheless, Medicare currently may be missing this balance at both the high-cost and low-cost extremes. Medicare currently does not provide protection against certain catastrophic health care costs (except in some Medicare Advantage plans). For example, there is increased beneficiary cost sharing after a hospitalization exceeds 60 days, and a cessation of benefits after 120 days. While these upper limits on benefits presumably have the advantage of reducing incentives to over consume, they appear to expose beneficiaries to excessively high levels of financial risk.

While many seniors have private retiree health or Medigap plans to cover Medicare's gaps in catastrophic coverage, these plans also frequently cover the first-dollar cost sharing, such as the hospitalization deductible and the 20 percent of physician fees. These plans limit the cost-consciousness of consumers and therefore increase total spending. However, neither insurers nor consumers bear the full marginal costs of the increased spending induced by these generous Medigap plans, because Medicare covers most of the increased spending.

If beneficiaries were to receive the marginal benefits of less generous coverage in a way that puts the fee-for-service component and the Medicare Advantage component on equal footing, there would be improved incentives for private plans to offer and beneficiaries to select plans with more efficient levels and forms of cost sharing. Beneficiaries, rather than Medicare administrators, should be the ones to decide the optimal mix of deductibles, coinsurance, and out-of-pocket maximums that best meets their needs and preferences under neutral incentives.

Appropriate Levels of Spending Over Time

If Medicare beneficiaries were to receive the marginal benefits of choosing a more efficient plan, the incentives to adopt costly new technologies would be improved over time. As noted earlier, costly new technologies are efficient if the value of the additional benefits from improved health exceed the additional costs of that technology. People may not be willing to spend a great deal of money on new treatments with very minor benefits. If Medicare beneficiaries were to receive the marginal benefits when selecting less technology-intensive plans that delivered higher value care at lower cost, the adoption of new technologies by health plans over time would be driven by whether new technology delivers substantial enough health benefits. As a result, consumers, rather than the government, would decide the extent to which health care spending should increase over time.

Conclusion

Medicare has significant long-term unfunded obligations. Although Social Security spending is currently much greater than Medicare spending, the unfunded obligation for Medicare is much greater than that for Social Security. Eliminating the projected 75-year actuarial deficit for Medicare Part A would require an immediate 3.51 percent increase in the HI payroll tax or a reduction in projected Medicare expenditures by 51 percent. Projected increases in Medicare Supplementary Medical Insurance (SMI) funding may appear less transparent because they are funded out of general revenues, but the economic significance of these obligations for Medicare SMI is just as great.

Policymakers face the challenge of reducing the growth of Medicare spending while preserving access to life-saving health care and the important financial protections that Medicare provides, and they cannot do so without ensuring that Medicare funds are spent more efficiently. Increases in Medicare spending over time are driven by an increasing population of aged Americans and increasing per-beneficiary spending on health care. While much of the increase in medical spending over time is driven by valuable new technologies, there also appear to be significant inefficiencies in the system. Therefore, future policies to control the growth in Medicare spending should target the sources of inefficient spending but not discourage the use medical care that is costly but delivers greater health benefits. This tension is the primary dilemma that policymakers face.

Policymakers may want to consider restructuring Medicare so that the direct spending by Medicare beneficiaries, in the form of premium contributions and out-of-pocket spending for medical care, yields a more efficient allocation of resources. Revising the Medicare fee-for-service program and the Medicare Advantage program to be more like Part D with a fixed-dollar subsidy provided toward the premium, has the potential for improving incentives for Medicare beneficiaries to consume optimal levels of care. When individuals receive the full benefits of selecting less expensive coverage, they will be more likely to select plans with optimal arrangements that balance both financial protection and technological adoption.

CHAPTER 5

Catastrophe Risk Insurance

Insurance plays a vital role in America's economy by helping households and businesses manage risks. Individuals purchase insurance so they can sleep well at night; they gain comfort from the knowledge that they and their families are protected from some of the adverse effects of future events beyond their control. Businesses purchase insurance for much the same reason. It allows them to reduce the uncertainty associated with future costs and revenues, which enables them to plan for the future more effectively. Today, one can purchase insurance protection against a myriad of economic hazards, from poor health to motor vehicle accidents to legal liability to lightning strikes.

Insuring economic losses arising from large-scale natural and manmade catastrophes such as earthquakes, hurricanes, and terrorist attacks poses special challenges for the insurance industry and for Federal and State governments. This chapter examines the economics of catastrophe risk insurance. It draws the following main conclusions.

- In insurance markets, as in other markets, prices affect the way people weigh costs and benefits. Insurance prices that are artificially low can discourage people from adequately protecting against future losses. For example, subsidized property insurance prices may stimulate excessive building in high-risk areas, potentially driving up future government disaster relief spending.
- Government intervention in insurance markets can have unintended consequences such as limiting the availability of insurance offered by private firms.
- Private insurers manage catastrophe losses by being selective about which risks to insure, by designing insurance contracts to provide incentives for risk-reducing behavior, and by charging prices that are high enough to enable them to diversify risk over time or transfer risk to third parties. By adopting private sector risk management and pricing practices, government insurance programs could reduce the burden they impose on taxpayers and minimize negative effects on private insurance markets.

The Economics of Catastrophe Risk Insurance

In the United States, insurance is provided through a variety of private and public entities. Insurance companies owned by investors or policyholders sell insurance in the private sector. State-sponsored insurance pools have

characteristics of both private and public entities. They are typically owned by a group of private insurers, but they are governed under charters that grant them special rights and impose responsibilities not required of private insurers. Finally, the Federal Government operates at least 135 different programs that provide insurance-like benefits to individuals and businesses.

To understand how insurance works, imagine a large group of homeowners scattered throughout the country, each of whom faces a risk of property damage from a variety of identified hazards such as fire or severe weather. The likelihood that any particular member of the group will experience a loss is low, but the economic costs to that individual, should a loss occur, are significant. Each member of the group can reduce uncertainty about future economic losses by agreeing to pool risk with other members. One way of accomplishing this is through a mutual insurance agreement. At the beginning of the year, each member agrees to make a payment, called an *insurance premium,* into the pool. In exchange for their premiums, members are allowed to file claims with the pool should their houses incur damage from a covered hazard. Even if the insurance pool has no other resources, as long as the total value of premiums paid into the pool is at least as large as the value of insured losses over the year, all property damage will be fully covered. In this way, members of the pool gain security through diversification. Because any member's losses are paid for with premiums collected by all members, no member faces uncertainty about how much he will have to pay to cover property damage in the coming year.

The process of evaluating a risk exposure, determining whether or not to insure it, and setting terms and conditions for any insurance provided is called *underwriting*. Through underwriting, insurance providers seek to tie the premiums charged for insurance policies to the risks those policies cover. Effective underwriting serves an important social function, because when insurance prices accurately reflect underlying economic costs they can encourage a more efficient allocation of scarce resources. For example, suppose a member of a coastal community must decide where to build a new home. She may prefer to live as close to the ocean as possible, but a home located nearer the ocean may be exposed to a higher risk of damage from windstorms and flooding. If homeowners' insurance premiums are appropriately risk sensitive, then she will need to determine whether the benefits of living closer to the ocean are worth the cost of higher insurance premiums.

Underwriting is critical to the efficient functioning of insurance markets. In general, insurance markets function best under the following conditions:

1. Either all members of a pool face similar risks, or differences in risks can be observed and incorporated in insurance premiums.
2. Insurance does not dissuade those who are insured from avoiding risks.
3. The total value of insured losses for a pool can be forecast with precision.

In many insurance markets, one or both of the first two conditions may not hold. Violations of the third condition are a particular feature of catastrophe-risk insurance markets. Through effective underwriting, insurers can reduce, though perhaps not eliminate, problems that arise when these conditions fail to hold.

Effective Underwriting Reduces Information Problems

Insurance markets may fail to work effectively when differences in the risks faced by policyholders cannot be incorporated in insurance premiums. To see why, consider again the example of homeowners pooling risk. Suppose now that there are two types of homeowners: those who live in coastal areas that are at relatively high risk for windstorms and floods, and those who live in inland areas at lower risk for these hazards. If all homeowners were charged the same insurance premium, and if premiums were set equal to the average loss rate for all homes, then homeowners in inland regions would rightly feel that they were being overcharged. They face less risk from windstorms and floods than owners in coastal regions, yet they are asked to pay a premium equal to average losses for a pool that includes houses in both regions. Owners living in coastal areas would be attracted to the pool because it offers insurance at a premium that does not reflect their homes' higher risk. If the insurance policy were offered to all homeowners, a disproportionate share of those in coastal regions would accept the policy, while a disproportionate share of those living inland would seek insurance elsewhere or would choose to go without insurance. As a result, the average loss for those who chose to participate in the pool would be higher than the premium charged.

This example illustrates a general property of insurance contracts which economists call *adverse selection*. When premiums do not reflect differences in risk that are known to potential policyholders, insurance pools tend to attract members who are at greatest risk for the hazards covered. The solution to this problem is to charge policyholders with different risk exposures different premiums. In the example above, adverse selection could be avoided if homeowners in inland areas were charged lower premiums than those in coastal regions. Insurance providers generally try to set premiums commensurate with risk, but this is not always possible. In some cases it may simply be too costly for an insurance provider to identify differences in risk, but, as discussed later in this chapter, efforts by policymakers and insurance regulators to keep premiums for some high-risk policyholders low can also play a role.

Inefficiencies can also arise when insurance discourages those who are insured from taking actions to reduce potential losses. Consider the incentives faced by a homeowner thinking about how best to prepare for future windstorms. Many homeowners can reduce the damage caused by windstorms by installing storm shutters, but storm shutters are costly. If a homeowner is fully insured against the economic losses arising from future windstorms, she may

be less likely to purchase shutters. The tendency of those who are insured to work less hard to avoid losses is called *moral hazard*.

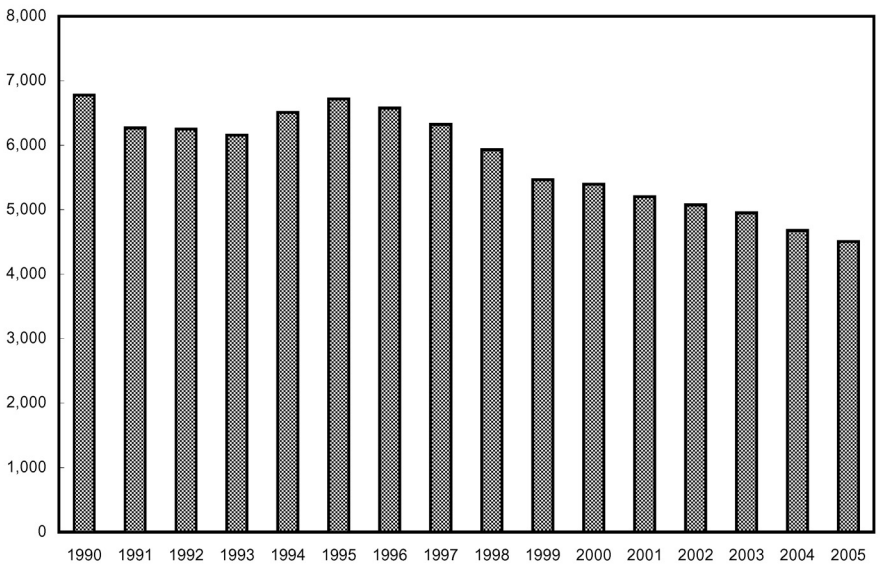
Insurance providers are well aware of the potential for moral hazard, and they attempt to address it through effective underwriting. Many insurance policies only cover losses in excess of a specified amount called a *deductible*, or they require that policyholders pay a fixed share of any losses incurred. By insuring some, but not all, economic losses, these types of policies strengthen policyholders' incentives to work to reduce the risks they face. Insurers may also require that specific action be taken as a precondition for receiving coverage, or they might provide pricing incentives for risk-reducing investments. For example, an insurer might refuse to cover windstorm risks for homes without storm shutters, or it might charge those homeowners a higher premium.

Catastrophe Losses Are Difficult to Forecast

Adverse selection and moral hazard problems are common in many insurance markets. Catastrophe risk insurers face an additional challenge, which arises from the fact that the total value of losses for a pool of insured properties or individuals is often exceptionally difficult to predict.

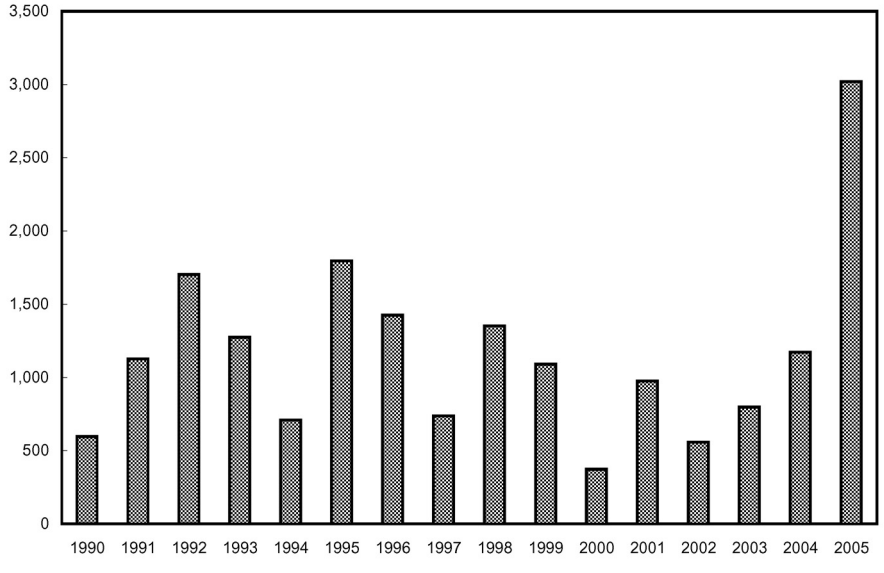
Forecasting annual losses from hazards like automobile accidents that only affect one or two members of a pool at a time is much easier than forecasting losses from large-scale catastrophes such as floods, hurricanes, or terrorist attacks. When the losses incurred by individual members of an insurance pool are more or less independent of one another, the average loss rate per policy is likely to be stable over time. Chart 5-1 illustrates this point by showing the annual nationwide accident rate per 100,000 registered passenger cars. While the accident rate has gradually declined over the past 15 years, it changes relatively little from year to year. It is difficult to predict whether any particular vehicle will be involved in an accident, but based on the data presented we can forecast with high confidence that about 4.5 percent of all passenger cars will be involved in some kind of accident over the next year. Because large-scale catastrophes have the potential to affect many members of an insurance pool simultaneously, spreading risk across a large number of members may not be sufficient to ensure that average losses per policy are stable over time. Compare Chart 5-1 with Chart 5-2. Chart 5-2 reports the number of loss claims filed per 100,000 homes and businesses insured for flood losses under the Federal Emergency Management Agency's National Flood Insurance Program (NFIP). Flood losses are not independent of one another; a single flood event can damage hundreds or even thousands of properties. Even though the NFIP insures a pool of millions of properties, the average loss rate per policy varies considerably from year to year.

Chart 5-1 **Annual Accident Rate for U.S. Passenger Cars**
Automobile accident rates have fallen over time, but change relatively little from year to year.



Source: National Highway Traffic Safety Administration.

Chart 5-2 **Annual Claim Rate for Properties Covered by the National Flood Insurance Program**
Flood-loss claim rates vary considerably from year to year.



Source: Federal Emergency Management Agency.

In some catastrophe-risk insurance markets, forecast accuracy also suffers from a lack of relevant historical data and experience. This is a particular problem when catastrophes are rare, and when the character of those events is likely to change over time. For example, U.S. commercial property and casualty insurers had almost no experience forecasting losses from large-scale terrorist attacks prior to September 11, 2001. A recent report by the President's Working Group on Financial Markets on the availability and affordability of insurance for terrorism risk found that while modeling of terrorism risk has improved since 2001, insurers continue to have limited confidence in the models they use for evaluating this risk exposure.

When annual losses for a pool can be forecast with reasonably high precision, it is relatively easy for an insurance provider to manage risk. As long as its underwriting procedures ensure that the average premium paid by members of the pool is at least as large as the average loss rate per member, it is likely that in any given year total premium revenues for the pool will be sufficient to pay all claims. If, as in our automobile accident example, losses are independent across members of a pool, increasing the size of the pool actually makes it easier for an insurer to manage risk, because the more members that are included in the pool, the more stable will be the average loss rate per member.

Losses from catastrophes are not independent across exposures, and therefore they are much more difficult to manage. A severe hurricane, for example, can cause damage over tens of thousands of square miles, so even if an insurer provides windstorm coverage for properties scattered throughout a state, average losses per property are likely to be exceptionally high in hurricane years. Since catastrophes are infrequent but costly, annual premium revenues for a pool of exposures that exceed the value of claims in most years may not be sufficient to pay all claims in those rare years when a severe event occurs. Insurance providers work to address this problem by pooling risk across time or by diversifying the risk exposure more broadly by sharing it with other insurers.

Managing Catastrophe Losses

One way to manage the financial risk of insuring catastrophe hazards is to retain a portion of excess premium revenues collected in years when losses are low to pay claims in years when catastrophes generate large losses. Equity capital set aside to pay potential claims is called *surplus*. In practice, building surplus large enough to pay catastrophe losses can be difficult for private insurance companies. Owners of insurance companies expect to earn a market rate of return on their equity investments, including equity held as surplus to cover future claims. Moreover, income flowing from insurance company assets is subject to corporate income tax that effectively adds to the cost of accumulating and holding surplus.

An alternative to using surplus to cover catastrophe losses is to transfer risk to third parties. Some insurers transfer risk directly to capital market participants such as hedge funds and institutional investors (Box 5-1). More commonly, insurers negotiate risk-sharing agreements with specialized insurance companies called *reinsurers*. Reinsurers are internationally diversified companies that make a business of selling insurance to primary insurers. In a typical reinsurance arrangement, a primary insurer pays a fee to a reinsurance company that agrees to cover some of the insurer's costs in the event that claims exceed a prespecified threshold. In essence, reinsurance arrangements work much like other types of insurance. Through reinsurance a primary insurer subject to the risk of high claims caused by a catastrophe can pool its risk with other primary insurers that are exposed to different hazards. As with other types of insurance, problems of adverse selection and moral hazard can impede the efficient functioning of reinsurance markets.

Box 5-1: Catastrophe Bonds and Sidecars—Accessing Financial Markets to Better Manage Catastrophe Risks

Though reinsurance agreements between primary insurers and specialized reinsurance companies remain the most popular method for transferring and pooling risks posed by large-scale catastrophes, the capital available to reinsurers is only a tiny fraction of the total capital invested in financial markets. By one estimate, reinsurance companies worldwide had accumulated about $400 billion in shareholder funds by year-end 2005, which is only about 1 percent of the market capitalization of the world's public equity markets. To spread catastrophe risks more broadly, financial markets have developed mechanisms to allow investors who do not directly hold shares in insurance companies to assume some of the catastrophe risk exposure of primary insurers or reinsurers in exchange for an appropriate investment return. Two notable examples are catastrophe bonds and "sidecars."

Catastrophe bonds (CAT bonds), also called "acts of God" bonds, are risk-linked securities that offer a return to investors similar to that on high-yield corporate junk bonds. In a typical CAT bond transaction, a firm that wants to transfer some risk to outside investors issues a bond and invests the proceeds in safe securities. If a specified catastrophe event occurs, the proceeds from the bond issue are released to the issuer. If no event occurs during the term of the bond, the principal is returned to investors. Payouts from CAT bonds are often tied to industry-wide loss estimates or defined catastrophe events such as whether or not a hurricane makes landfall on a particular stretch of coastline. Because these types of events are presumably beyond the

continued on the next page

Box 5-1 — *continued*

control of the bond issuer, investors are protected from moral hazard. A drawback of these types of CAT bonds, however, is that they do not protect the issuer against all possible catastrophe losses. For example, an insurer that issues a bond with a payout tied to a hurricane event could be exposed to large losses from a tropical storm that does not meet the definition of a hurricane. The market for CAT bonds has grown rapidly over the past decade, though the value of bonds outstanding remains small relative to the value of insured losses in recent catastrophe events. About $4.9 billion in CAT bond capital was outstanding as of year-end 2005, a 21 percent increase over the 2004 level.

Sidecars provide an increasingly popular alternative to CAT bonds. A sidecar is a special-purpose financial entity, usually designed to last 2 to 3 years. Under a sidecar arrangement, a group of investors partners with an existing reinsurance company: the investors provide the necessary funds for deployment and the reinsurance company contributes its infrastructure, business relationships, and the skills of its staff. Sidecar investors receive a portion of the reinsurance company's premium revenue from a particular reinsurance contract or line of business, and the reinsurer gains access to the investors' capital to cover potential catastrophe losses. Through sidecars, investors can decide to assume particular catastrophe risks without being exposed to all of the risks covered by a given reinsurance company. Sidecars have helped Bermuda-based reinsurance companies to expand their capacity to cover catastrophe risk exposures in the United States despite incurring significant losses in 2005. About $2.5 billion in capital was reportedly raised through sidecars organized with Bermuda reinsurers from December 2005 to June 2006.

Through CAT bonds, sidecars, and other innovative financing mechanisms, insurers and private investors are finding new ways to spread the risks posed by large-scale catastrophes. These financing mechanisms currently contribute only a relatively small share of the total capital available to cover catastrophe losses, but the volume of capital they have raised has grown rapidly in recent years. It is likely that as these markets mature, the base of investors willing to bear some catastrophe risk will continue to expand, ultimately lowering the cost of insuring catastrophe risks.

What happens if an insurance provider lacks the resources to pay claims following a catastrophe? Private-sector insurance companies that cannot afford to pay claims are usually forced into receivership. In contrast, many government-sponsored insurers can raise additional funds to pay claims after an event has occurred. Government-sponsored insurance programs often do not face the same financial constraints as private insurers because they have special rights to compel third parties such as taxpayers or private insurers to bear a portion of their financial risk. The NFIP, for example, is authorized by Congress to borrow from the U.S. Treasury, which increases taxpayer liabilities, and the Federal Government's terrorism-risk insurance program and several State-sponsored catastrophe insurance providers are empowered to levy surcharges on policies sold by private insurers.

Federal Catastrophe Insurance Programs

In 1803, Congress passed a law granting the victims of a fire in Portsmouth, New Hampshire, extra time to repay certain debts owed to the Federal Government. Though the Federal Government has assisted Americans harmed by disasters throughout the Nation's history, prior to the mid-twentieth century aid was generally provided on an ad hoc basis; a disaster would strike and Congress would then determine whether and to what extent Federal aid would be provided. Acts of Congress passed in 1947 and 1950 regularized the process by which the Federal Government extends assistance to disaster-affected communities and additional legislation enacted since then has clarified and expanded the Government's role in disaster relief.

One problem with a variety of government relief efforts is that they can make it more difficult for private insurers to sell policies for some catastrophe hazards at prices commensurate with underlying risks. People have less incentive to pay sometimes high insurance premiums if they expect to receive aid from the government when a catastrophe strikes. Policymakers have sought to address this moral hazard problem in several different ways. The Federal Government provides insurance coverage for certain catastrophe hazards, often at prices lower than those that would be charged by private insurers. In addition, in some cases the Government requires that individuals purchase insurance policies or mandates that private insurers offer policies for sale.

The National Flood Insurance Program

The National Flood Insurance Program (NFIP) was established in 1968 to make flood insurance more widely available to homeowners and businesses, to encourage local communities to prepare better for flood hazards, and to reduce reliance on direct Federal disaster relief following floods. The NFIP

currently provides flood insurance for 5.3 million policyholders nationwide, many of whom might not be able to obtain coverage without the program. Residential and commercial property owners in some 20,000 participating communities are eligible to purchase flood insurance policies under the program. Homeowners with mortgages issued by federally regulated lenders on property in communities identified to be in flood hazard areas are required to purchase flood insurance on their dwellings. Property owners can purchase policies either directly from the Federal Government or, more commonly, through local insurance companies who sell NFIP policies under their own name but pass their risk on to the Government. Whether policies are sold directly by the Federal Government or by insurance companies, the NFIP receives premium payments for the policies and bears all financial risks associated with the insurance they provide. The program is administered by the Federal Emergency Management Agency (FEMA).

FEMA relies on Flood Insurance Rate Maps (FIRMs) when underwriting flood insurance. These maps identify areas within a community that have at least a 1-percent chance per year of being inundated by high water. These areas are called 100-year floodplains. Federal flood insurance is only made available in local communities that agree to adopt zoning ordinances, building codes, and other planning measures designed to reduce future damage caused by floods. For example, communities must require that new buildings be elevated above the level that flood waters are expected to reach on average once per 100 years. According to FEMA, buildings that meet its floodplain management standards suffer 80 percent less damage from floods each year than those that do not. Not all structures insured under the NFIP meet these standards, however; structures completed prior to a community's decision to participate in the program or prior to the publication of a community's FIRM are eligible for insurance under the program even if they do not meet FEMA standards.

The NFIP charges different premiums for different properties. A structure built or substantially renovated after 1974 or after a community's FIRM was completed (whichever is later) is charged an *actuarially fair* annual premium equal to an estimate of expected annual claims under the property's flood insurance policy. Policyholders who pay actuarially fair premiums year after year should, in the long run, end up paying premiums that are just sufficient to cover their claims on average. About one-quarter of NFIP policies cover properties built prior to 1974 or prior to the publication of a community's FIRM. By law, these "pre-FIRM" properties are charged subsidized premiums. Pre-FIRM properties are much less likely to comply with modern flood risk mitigation standards since most were built before such standards were widely applied. Because of their higher risk, pre-FIRM properties are assessed higher premiums on average than newer properties, but even these

higher premiums are not adequate to cover expected losses. On average, premiums for pre-FIRM properties represent only about 40 percent of those properties' actuarially fair rates.

Not surprisingly, the NFIP pricing scheme has led to serious adverse selection and moral hazard problems. On the one hand, FEMA estimates that one-half to two-thirds of structures in floodplains do not carry flood insurance. On the other hand, some exceptionally high-risk properties continue to receive NFIP coverage at subsidized rates even though they have been damaged by floods multiple times since entering the program. Some 50,644 properties insured by the NFIP as of September 30, 2004 had incurred flood damage resulting in claims of at least $1,000 more than once during a 10-year period. While these properties only represented about 1 percent of all structures then insured under the program, repetitive-loss properties have historically accounted for 38 percent of all program claims payments. Amendments to the Flood Insurance Act passed in 2004 authorized a pilot program to remove some of the most severe repetitive-loss properties from the NFIP insurance roll by allowing FEMA to fund work to elevate or relocate some of them or, in extreme cases, to purchase and demolish them.

The NFIP illustrates how underwriting standards can either enhance or impede loss mitigation. By providing coverage only in communities that agree to adopt flood-risk mitigation measures, the NFIP may have induced some communities to take steps that FEMA credits with reducing flood damage by an average $1.2 billion annually. At the same time, by providing insurance to pre-FIRM properties at less than actuarially fair rates, the program may have discouraged some policyholders from relocating or renovating structures at high risk for flood damage. The availability of flood insurance has lowered the risk to banks of financing real-estate investment in locations vulnerable to flood losses. As a result, it is not clear whether the NFIP has reduced the size of Federal appropriations for flood disaster relief as intended. Demand for Federal disaster aid may arguably be higher than it would have been had the NFIP not facilitated development in high-risk areas.

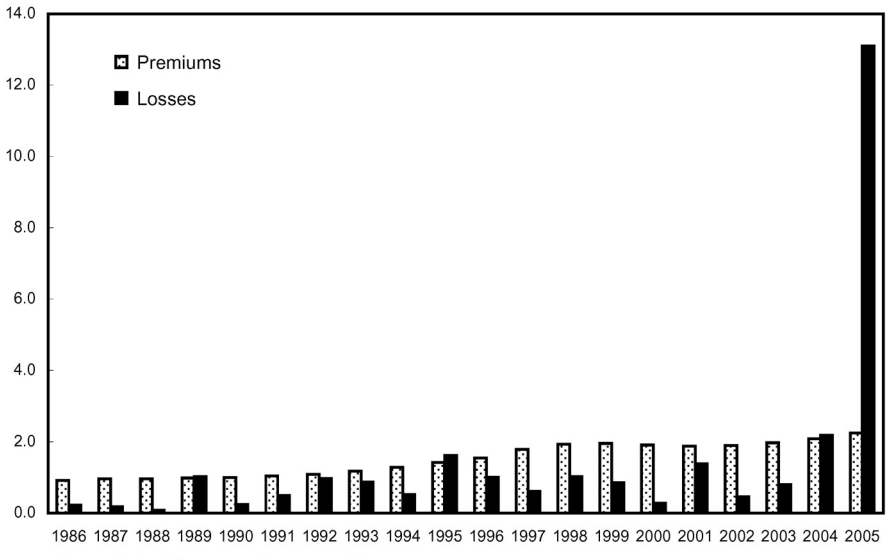
Chart 5-3 shows that since 1986 NFIP premiums exceeded annual losses in most years, but were woefully inadequate to cover losses from Hurricanes Katrina, Rita, and Wilma in 2005. The 2005 hurricanes resulted in about $16.3 billion in NFIP program claims, some of which were not paid until 2006. Even so, claims paid in 2005 exceeded premiums collected in that year by a factor of nearly six to one. Unlike private sector insurers, who would need to accumulate surplus or purchase reinsurance to pay claims in excess of premiums, the NFIP is permitted to borrow from the Federal Government. As of August 2005, just before Hurricane Katrina struck, the NFIP had accumulated a relatively modest $300 million in debt owed to the U.S. Treasury, but the program will need to borrow an additional $21.2 billion to pay claims

filed in 2005. Though the NFIP is supposed to repay this debt using future premium revenue, it is unlikely that this will be possible. The Congressional Budget Office estimates that by 2007 the interest on NFIP debt will grow to about $1 billion annually, which is about 40 percent of the projected annual premium revenue. Even if future hurricane seasons are milder than those experienced in recent years, projected premiums are not expected to be large enough to cover both the interest on the outstanding debt and the projected future claims. The NFIP's current dire financial situation amply demonstrates that in insurance, as elsewhere, there is no free lunch. Annual premium revenue from the NFIP was able to cover losses in most of the program's recent history, but the subsidized insurance program exposed the American taxpayers to a huge potential financial liability which became an actual liability in 2005.

Terrorism and War-Risk Insurance Programs

The Federal Government provided billions of dollars in disaster assistance following the September 11, 2001 terrorist attacks on New York and Washington, DC, including about $4 billion in aid to the airline industry and about $20 billion in aid to the New York City area. To date, about $36 billion

Chart 5-3 **National Flood Insurance Program Annual Premiums and Losses**
Annual premiums were sufficient to cover annual losses in most years, but were woefully inadequate in 2005.



Source: Federal Emergency Management Agency.

in loss claims have been paid by private insurers. Though insured losses represented only a fraction of the total economic costs of the September 11 attacks, they were far greater than those arising from any prior terrorist event.

Following September 11, commercial property and casualty insurers reevaluated their policyholders' exposure to risk from possible future attacks. Many insurers canceled policies, began explicitly excluding coverage for terrorist attacks from new policies, or increased premiums charged to policyholders. In response to what was believed to be a temporary contraction in the supply of insurance available for terrorism risk, the Administration and Congress undertook measures to ensure that the airline and commercial real estate sectors would not be adversely affected.

Less than two weeks after the September 11 attacks, the Federal Aviation Administration (FAA) began selling insurance policies directly to U.S. airlines to cover third-party liability (e.g., harm to individuals or property on the ground) arising from acts of war or terrorism, and in November of 2002 the Homeland Security Act expanded this program to provide insurance coverage for loss of aircraft and airline passenger liability as well. The program has been reauthorized several times since its inception and it remains in effect today. As of October 1, 2006, policies under this program provided 75 airlines with insurance coverage for potential losses ranging from $100 million to $4 billion each.

The Terrorism Risk Insurance Act (TRIA) passed in November of 2002 established a second, much broader, Federal program to encourage private-sector commercial property and casualty insurers to provide terrorism risk coverage. The program was originally designed to expire after three years, but in 2005 Congress elected to extend the program with some modifications through 2007.

TRIA has two main components. First, it mandates that insurance companies that sell commercial property and casualty insurance make available to customers policies that do not explicitly exclude coverage for losses caused by acts of terrorism. Insurers may exclude losses on other grounds, however, so not all losses arising from terrorist attacks must be covered. According to the President's Working Group on Financial Markets, commercial insurance policies generally do not cover losses arising from chemical, nuclear, biological, and radiological events, whether or not these events are caused by acts of terrorism. Second, TRIA authorizes the Treasury Department to provide reinsurance to cover a portion of insurance loss claims arising from certified acts of international terrorism against U.S. targets. Under the reinsurance program, a primary insurer must cover 100 percent of its loss claims up to a specified deductible. The Federal Government then pays a fixed share of losses in excess of the deductible. For 2007 an insurance company is required to cover all losses up to 20 percent of its prior year's premiums on qualifying

lines of business and 15 percent of losses above this deductible. TRIA imposes a cap of $100 billion on total insurer losses from terrorist attacks. Under the statute, Congress would determine the procedures to govern any payments for losses beyond $100 billion in separate legislation.

Since 2001, no claims have been filed under either the FAA's aviation war-risk insurance program or the Treasury Department's terrorism-risk reinsurance program, but, like the NFIP, both of these programs expose U.S. taxpayers to large potential losses. Because they were intended to be temporary, neither program is designed to ensure that premiums will be sufficient to pay future claims. Premium revenue collected under the aviation war-risk program is subject to a cap mandated by Congress. As a result, premiums charged by the FAA are significantly lower than those that would be charged for comparable policies sold by private-sector aviation insurers. Airlines pay a total of about $160 million in premiums to the FAA each year; by one estimate, without the program these airlines would need to pay $500 million annually in premiums to private insurers. TRIA does not require property and casualty insurers to pay *any* premiums for the reinsurance protection they receive. Instead, claims under the program are expected to be paid with Federal outlays and then recouped, after the fact, through surcharges levied on future premiums for property and casualty insurance policies. Given that the program was established in part to address problems arising from high insurance premiums following the September 11, 2001 attacks, there are real questions as to whether surcharges would be set high enough to recoup expenditures following a future terrorist attack. Any surcharges would likely be spread over several years to reduce the impact on premiums, and since the Treasury Department is only required by law to recoup up to $27.5 billion, there is no guarantee that the full costs of the program would ultimately be recovered.

State Property Insurance Markets

Although the Federal Government is actively involved in insuring risks from floods and terrorist attacks, most homeowners and businesses look first to their local property insurers to obtain financial protection against a variety of hazards including potential catastrophes. State governments are responsible for regulating insurance markets. Though laws differ from state to state, all states' insurance regulators exercise some control over who is permitted to sell insurance, what terms and conditions can be attached to insurance policies, and how much insurers can charge. Insurance regulations are intended to protect consumers who may have difficulty evaluating complex insurance contracts and to ensure that insurers maintain sufficient financial resources to pay future claims. While regulation plays an important role in protecting

consumers from fraud and poor risk management practices, poorly conceived and executed regulation can create long-term problems for the operation of state catastrophe-risk insurance markets.

Every state regulates property insurance premiums charged to homeowners and small businesses. Many states require that premiums be approved in advance by regulators. Others allow insurance regulators to review existing price schedules and empower regulators to force companies to reimburse policyholders when premiums are found to be excessive. Rate regulations can make it difficult for insurance companies to set premiums that accurately reflect available information about risks, which can exacerbate moral hazard and adverse selection problems. In some states the rate review and approval process can take many months, so insurers cannot rapidly adjust premiums when new information becomes available. The rate review process may also discourage insurance companies from proposing complex pricing plans which, though difficult to explain and justify to state rate boards, more accurately reflect detailed information about the risks associated with individual insurance policies.

Efforts by regulators to keep property insurance prices artificially low can make it difficult for individuals and businesses to obtain insurance on private markets at any price. To ensure that they will be able to pay claims after a catastrophe, private insurers need to set premiums high enough to enable them to build surplus or transfer risk to reinsurers. If regulators do not allow insurers to charge rates sufficient to accomplish these tasks, the insurers will be discouraged from taking on catastrophe risks. They may choose to sell insurance only in areas at low risk for catastrophe hazards, or they may seek to exclude coverage for such hazards under the terms of the property insurance policies they offer. Regulation can also deter insurers from competing for customers, thereby reducing the range and quality of insurance options available.

Many states that face risks from hurricanes or earthquakes have established special entities to provide insurance to those who cannot obtain coverage from private insurers. In 1996, California established a quasi-public company, the California Earthquake Authority, to sell earthquake insurance policies to California residents, backed by funds contributed by a number of private insurers operating in the state. Several states maintain residual pools to cover windstorm risks. These pools operate like traditional insurance companies, but they are required to sell policies to property owners in high-risk coastal areas and they are empowered to levy surcharges on primary insurers operating in a state.

Some state-sponsored insurance programs use complicated procedures for setting premiums, and many claim to charge premiums that are actuarially fair, but they all have one thing in common: they provide insurance only to policyholders who either will not, or cannot, obtain insurance from the

Box 5-2: Gulf Coast Property Insurance Markets After Hurricanes Katrina, Rita, and Wilma

2005 was a terrible year for communities located along the U.S. Gulf Coast. Hurricane Katrina devastated a land area the size of Great Britain and displaced more than 270,000 people. The total value of property damage and business interruption caused by Hurricane Katrina has been estimated at $135 billion. Hurricane Katrina was followed a few weeks later by Hurricane Rita, which caused an estimated $15 billion in damage, and Hurricane Wilma, which caused an estimated $20 billion in damage. The President and Congress responded by appropriating about $110 billion for disaster relief and recovery aid to affected communities. Property insurers have also played an important role in recovery efforts by paying billions of dollars of loss claims, but there are concerns that rising insurance premiums for coastal properties may be a barrier to redevelopment. The response of property insurance markets to the unprecedented losses caused by the 2005 hurricane season underscores the role of effective underwriting in managing catastrophe risks.

Hurricanes Katrina, Rita, and Wilma resulted in an estimated $57 billion in insured property damages, not including claims filed with the National Flood Insurance Program. Despite bearing enormous losses, most private-sector primary insurers operating in the Gulf Coast emerged from the 2005 hurricane season in reasonably sound financial condition. At least four primary insurers failed as a result of the 2005 storms, but the share of property and casualty insurers listed as financially impaired by a major insurance company rating agency actually dropped to a 25-year low while the aggregate value of surplus available to insurers for paying future claims increased. Primary insurers fared well as a group in part because they had transferred a significant share of their catastrophe risk exposure to reinsurers. According to one industry association, reinsurance covered about 60 percent of 2005 insured hurricane losses.

Though the U.S. property and casualty insurance sector as a whole remains healthy, property insurance markets in several coastal states are under stress. Information collected during the 2004 and 2005 hurricane seasons revealed deficiencies in industry-standard catastrophe risk models used in underwriting property insurance. These models are now being adapted to reflect expectations of more violent hurricane seasons, revised analysis of the costs of repairing property damage following major catastrophes, new findings about the effects of hurricane-generated storm surges, and other factors. As a result, primary insurers and reinsurers are increasing their estimates of probable losses on windstorm policies in areas at risk for hurricanes. A leading

catastrophe-risk modeling firm reports that revised forecasts of the severity of Atlantic hurricane seasons alone will increase estimates of loss rates from future hurricanes in the Gulf Coast and southeastern U.S. by 50 percent.

As assessments of the potential costs of future hurricanes have increased, primary insurers and reinsurers have sought to limit their exposure to windstorm hazards and increase the premiums charged for insuring this hazard. Reinsurance companies, many of whom lost capital in 2005 to hurricane-related claims, have significantly increased premiums. Unlike reinsurance premiums, premiums charged by primary insurers for homeowners' and commercial property policies are regulated by state insurance commissions. Primary insurers have petitioned state regulators to allow them to raise premiums to cover rising reinsurance costs and to more closely reflect new information on the risks posed by windstorms. Where possible, some insurers have also attempted to reduce their exposure to windstorm hazards by refusing to renew existing policies in high-risk areas or by adding conditions to policies that exclude coverage of windstorm damage. In several states, government-sponsored insurance programs that are required to provide windstorm coverage to property owners who are unable to obtain insurance through the private sector have grown dramatically.

Recent developments in coastal property insurance markets have the potential to discourage some investment in areas at high risk for hurricanes, since property owners in these areas will likely have to pay higher insurance premiums or bear greater risk than in the past. For this reason, some have argued that Federal and State governments should take action to ensure that insurance for windstorm coverage in hurricane-prone regions is widely available and that the premiums charged for this insurance are relatively low. However, as discussed in the text, efforts to keep premiums for windstorm insurance artificially low may discourage property owners from taking action to lessen future windstorm losses while potentially encouraging excessive development in high-risk areas.

private market. These programs tend to attract exactly those members whose high risk makes them unattractive to private insurers. For example, in some states, residual pools are the main providers of windstorm insurance for homeowners in coastal areas exposed to high risk from hurricanes.

In recent years a number of state-sponsored insurance programs have had difficulty paying claims following major catastrophes. Different states have dealt with this problem in different ways. A few states have used government money to provide new funds for insolvent programs, thereby passing the cost

of covering losses on to taxpayers. More commonly, states have levied surcharges on premiums for policies sold by private insurers. This approach effectively forces property owners in relatively low-risk areas who can obtain insurance from private providers to pay higher premiums to cover insured losses for property owners in higher risk areas who obtain insurance through the residual pool. By effectively raising the cost of insurance in the private market, these surcharges may actually encourage more property owners to seek insurance from the residual pool so that the pool is exposed to even higher losses the next time a catastrophe strikes.

Since people consider the cost of property insurance when deciding where to live and conduct business, the use of rate regulations or state-sponsored insurance programs to keep property insurance prices in high-risk areas artificially low can have significant negative consequences. All else equal, commercial and residential development will tend to be greater in those areas where insurance prices are lower. As a result, artificially low premiums for catastrophe risk insurance can lead to excessive development in catastrophe-prone areas, putting lives and property in harm's way.

Conclusion

All insurance markets are susceptible to problems arising from adverse selection and moral hazard, but insurers of catastrophe risks must also deal with the fact that total insured losses are difficult to predict and are potentially quite large. While it may not be possible to eliminate these problems, their effects can be moderated through prudent underwriting. Adverse selection and moral hazard problems can be lessened by being selective about which risks to insure, by setting premiums to match observable differences in risk, and by requiring policyholders to bear a share of the financial risk posed by the hazards they are insured against. Insurance providers deal with uncertain losses by charging premiums that are high enough to enable them to build surplus and/or transfer excess risk to third parties such as reinsurers.

Regulations that constrain private insurers' underwriting flexibility can undermine their ability to provide insurance coverage for catastrophe risks. Government-sponsored insurance programs that can borrow from the U.S. Treasury or levy surcharges to pay claims after a catastrophe has occurred do not face the same financial constraints as private insurers. Nonetheless, government programs that do not apply prudent underwriting standards expose taxpayers to large liabilities.

Effective insurance underwriting serves an important social function by tying the premiums and terms of insurance policies to the risks covered. When insurance prices reflect underlying economic costs they can encourage a more

efficient allocation of resources. Efforts to keep premiums for insurance against catastrophe hazards artificially low, whether through regulation or through subsidized government programs, can encourage excessively risky behavior on the part of those who might be affected by future catastrophes.

CHAPTER 6

The Transportation Sector: Energy and Infrastructure Use

Energy is a $1 trillion industry representing 8 percent of the U.S. economy. The two biggest consumers of energy from fossil and renewable fuels are electric power and transportation. While electricity can be generated from diverse sources—coal, nuclear fission, natural gas, water, petroleum, and increasingly, wind and sun—98 percent of transportation, whether by plane, train, ship or automobile, is currently powered by petroleum. The transportation sector alone accounts for two-thirds of the petroleum consumed in the United States. Thus, key to understanding the transportation sector is understanding the petroleum market, and the ways in which consumers and firms in the transportation sector respond to changes in world oil prices.

The lack of substitutes for oil means that in the short run, oil consumption in transportation is particularly unresponsive to price changes. This makes the economy vulnerable to sudden increases in oil prices. Perhaps more importantly, the world's reliance on oil creates an external cost in terms of national security.

In addition to petroleum, the transportation sector relies on infrastructure. The United States has close to 4 million miles of roads, bridges, and highways to support a wide variety of economic and social activity. Over time, however, demands on this infrastructure have outstripped its capacity. While the miles of urban roadways built have increased by nearly 60 percent since 1980, vehicle miles traveled on urban roadways increased by double that amount. The primary reason for this shortfall is that a well-functioning market that puts a price on roadway use is largely nonexistent. As a result, traffic in most metropolitan areas has become increasingly congested, costing both time and fuel. In 2003 alone, Americans were delayed about 3.7 billion hours and used 2.3 billion extra gallons of fuel (47 hours and 29 gallons per rush-hour commuter) in stop-and-go traffic. Like the costs exacted by oil use on national security and the environment, the full costs of congestion are not taken into account by individuals when they drive: each driver usually decides when and where to drive based on his or her own private needs and ignores the costs imposed on others.

This chapter discusses several developments in the use of energy and infrastructure for transportation, and reviews strategies that have been used to reduce oil use and better manage the existing infrastructure. Key points in this chapter are:

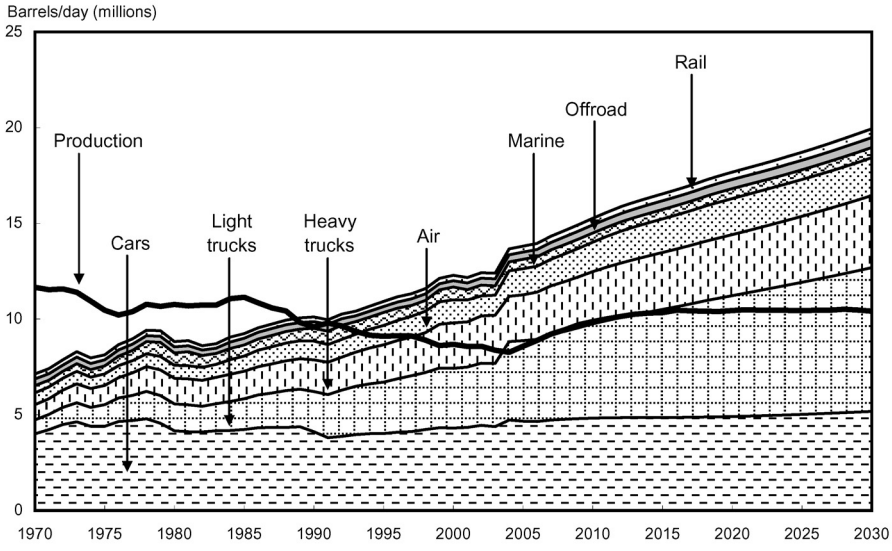
- Recent increases in the price of oil and the external costs of oil have led to renewed interest by markets and governments in the development of new alternatives. Government can play a role in ensuring that external costs are taken into account by markets, but ultimately markets are best suited to decide how to respond.
- Cars and light trucks are the largest users of petroleum. As a result, the fuel economy of the vehicles purchased and the number of miles that they are driven have a large effect on oil consumption.
- Congestion is a growing problem in American urban areas. Cities and states have shown a growing interest in and capacity for setting prices for road use during peak periods to reduce the full economic costs of congestion.

Fuel Markets and the Transportation Sector

Over the past 15 years, petroleum use in the industrial, utility, and building sectors has been relatively flat, while petroleum use by the transportation sector has grown by 27 percent. This trend is expected to continue. While new, more energy-efficient technology has reduced the energy needs of most sectors, gains in vehicle engine efficiency have been more than offset by a shift to heavier, more powerful cars and light trucks, and increases in driving.

Cars and light trucks accounted for 92 percent of U.S. roadway travel in 2006 and account for 62 percent of petroleum devoted to transport. Department of Energy projections suggest that these modes of transportation will continue to be important, and that light truck usage will show significant growth in the years to come (see Chart 6-1). Heavy trucks consume almost 17 percent of the petroleum used for transport. Air, rail, marine, and off-road vehicles currently account for the remaining 21 percent. Air travel is one of the fastest growing modes of transportation. Energy consumption for air travel is projected to increase nearly 46 percent by 2030, or about 620,000 more barrels of oil per day.

Chart 6-1 **Historical and Projected U.S Oil Consumption and Production**
Growth in petroleum use is projected to continue unabated in the foreseeable future. Cars and light trucks make up the bulk of U.S. oil use, while air oil use is one of the fastest growing.



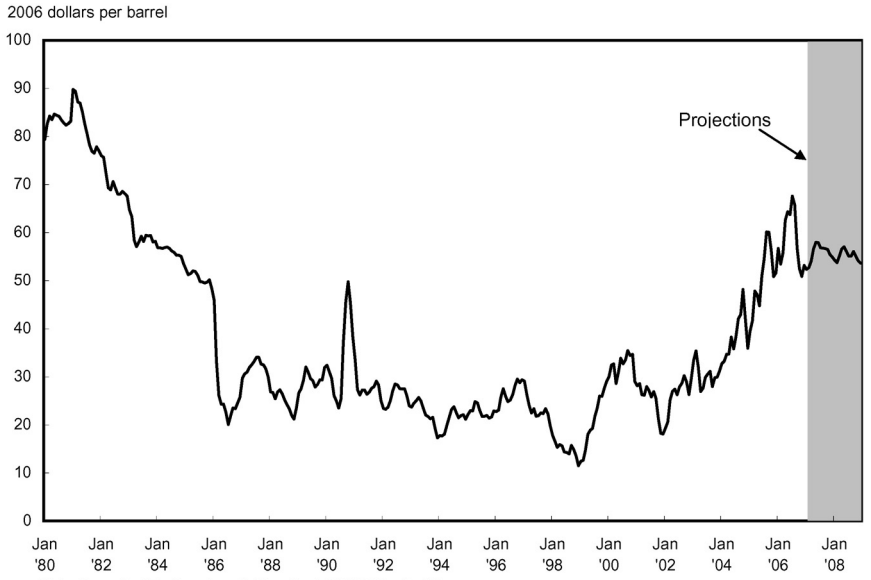
Note: The sharp increase in values between 2003 and 2004 is due to the change from historical to projected values.
Source: Department of Energy (Oak Ridge National Laboratory and Energy Information Administration).

Responding to Changes in the Price of Oil

In well-functioning markets, the price of a good or service reflects all of the associated costs and benefits—for example, the costs incurred in extracting, transporting, and refining the oil, or the benefits from using gasoline to drive. The market then uses price to achieve the most efficient level of production and consumption. Transportation has largely reacted to changes in energy markets in this way.

High demand for oil, due in part to rapid economic growth in China and India, has helped push oil prices to record levels. The real average monthly price of oil to the refiner was $26 between 1986 and 2004 (see Chart 6-2, in 2006 U.S. dollars). In 2004, the price to the refiner began to climb, approaching $70 per barrel in 2006 (other oil price measures were higher). For the transportation sector, this is a significant increase in the cost of one of its primary inputs. Normally, as the price of a good rises, consumers reduce how much they use. However, it typically takes years before the transportation sector's consumption of oil is substantially reduced, in part due to the lack of easily available substitutes. Eventually, though, consumers do react to high prices. For instance, hybrid vehicle sales have tripled since 2004, while light truck sales have fallen by 16 percent.

Chart 6-2 **The Real Price of Imported Crude Oil**
Oil prices fluctuate over time, but current prices are above the historical average.



Note: Imported Refiner Acquisition Cost (RAC) Crude Oil.
Source: Department of Energy (Energy Information Administration) .

When high oil prices are sustained, as has been the case recently, the market shows renewed interest in investing in new technologies for developing alternatives to oil and improving vehicle fuel economy. Such research and development investments tend to recede when oil prices fall. During the period of high oil prices in the late 1970s and early 1980s, the private sector invested billions of dollars in energy research and development before the price of oil declined. A recent study finds that private investment in alternative fuel technologies again has increased in response to higher oil prices, doubling between 2004 and 2006, constituting 10 percent of the total investment in energy. Because of the transportation sector's delayed response to oil prices, these increases are likely to continue for some time.

The lack of alternatives to oil also means that sudden major oil supply changes—such as when oil production in an entire region is unexpectedly shut down—can lead to large and sudden price increases in the months following the shock. Since oil trades in a global market, the impact on the economy from such shocks does not depend on how much we import, only on how much we consume, and our consumption has been growing. The market has adapted to this threat by investing in more energy-efficient modes of production, investing in alternative energy sources, and increasing holdings of private oil inventories.

External Costs of Oil Use

Prices determine which goods and services are produced in the marketplace. In the absence of government policy (such as taxes or regulations), the price of a good or service accounts for all private costs incurred by those who have produced or purchased the product. In the case of oil, this includes everyone from the oil company that extracts the oil, to the shipper, refiner, retailer, and driver who fuels her car. In the case of oil, the price reflects most of the costs, but there are some costs to society that remain unaccounted for.

Eighty-one percent of the world's remaining proven petroleum reserves are currently controlled by members of the Organization of Petroleum Exporting Countries (OPEC) (including Iran and Venezuela) and Russia, and nearly all of these reserves are controlled by national oil firms. Since oil trades in a world market, oil consumption anywhere in the world affects the price of oil for Americans. The importance of oil to the world economy gives the major oil-producing countries disproportionate diplomatic leverage in world affairs. Oil resources can also fuel corruption in developing countries. Air pollutants and carbon dioxide from burning gasoline also contribute to concerns about air quality, human health, and climate.

The purchase of a gallon of gasoline imposes these national security and environmental costs on everyone, not just on the buyer and seller. Though State and Federal gasoline and diesel fuel taxes and regulations help account for these other costs, many studies suggest that the total external costs of oil may be higher. Carefully crafted government policy may be a useful way to account for these additional costs. However, this objective should be balanced against additional inefficiencies that government involvement introduces into the market. Once policies are in place that ensure that individuals account for the full costs of the goods and services they consume—e.g., national security and environmental concerns—competitive markets are the most efficient means to determine how goods are produced, as well as which goods are produced in the future.

Transportation Fuel Supply

Motor gasoline and diesel fuel will continue to be the main sources of power for cars and trucks in the near future. In 2006, motor gasoline accounted for 74 percent of fuel used in highway vehicles, and diesel accounted for 24 percent (alternative fuels made up the remainder). Diesel cars and light trucks are uncommon in the United States—only 2 percent of new cars and light trucks sold use diesel engines; the majority of diesel fuel is used by commercial vehicles.

Ethanol, an alternative fuel, is currently used as an additive in gasoline to increase octane and help gasoline burn more completely, reducing emissions of carbon monoxide and other pollutants. In many states and metropolitan areas, gasoline sold at the pump contains between 2 and 10 percent ethanol, depending on State requirements. Using such alternatives to oil can reduce the environmental costs of transportation as well as the national security consequences of oil use. To further encourage alternative fuel use, a provision in the Energy Policy Act of 2005 (EPAct 2005) known as the Renewable Fuel Standard requires a certain quantity of renewable fuel to be used by gasoline producers each year. In 2006, producers were obligated to use 4 billion gallons per year; this obligation will gradually increase to 7.5 billion gallons in 2012 (Americans consumed about 140 billion gallons of motor gasoline in 2006). One of the strengths of this policy is that it does not choose which renewable fuel to promote, but allows the standard to be met with any renewable fuel that accomplishes the goal of reducing oil use. However, it does not extend to oil alternatives beyond renewable fuels, such as electric cars or hydrogen fuel cells. The Renewable Fuel Standard also allows imports to satisfy the standard, allowing U.S. consumers to take advantage of cheaper production of renewable fuels in other countries, although this is impeded by an import tariff on such fuels.

A more significant regulatory change has been applied to diesel fuel. Starting in 2006, diesel fuel sold in the United States is required to have a sulfur content of no more than 15 parts per million (ppm), down from 500 ppm in the previous standard. This reduction results in the most stringent diesel fuel standard in the world and enables U.S. consumers to purchase vehicles with engines that meet clean air requirements using clean diesel fuel. Diesel engines are between 20 and 25 percent more fuel efficient than comparable gasoline engines (even accounting for the fact that a gallon of diesel contains more energy than a gallon of gasoline). EPAct 2005 also grants tax credits to buyers of diesel cars that meet stringent emission standards.

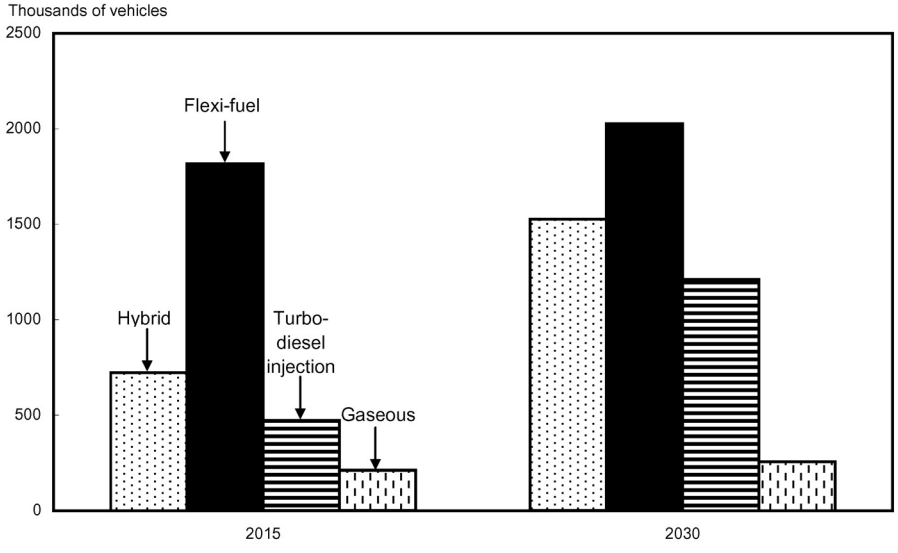
Alternative Fuels and Advanced Technologies

To date, changes in petroleum usage have been driven primarily by the increasing price of oil and by regulatory concerns. The greatest potential for large reductions in gasoline consumption stems from new technologies that could transform how transportation is powered. Over 1 million advanced technology cars and light trucks were sold in the United States in 2006. About

two-fifths of these were flex-fuel vehicles that can use conventional gasoline or an alternative fuel called E85, which is approximately 85 percent ethanol and 15 percent gasoline. U.S. consumers also purchased 256,000 hybrid vehicles in 2006. Hybrid vehicles use an electric motor in conjunction with a gasoline engine to increase fuel economy.

Use of advanced technology vehicles in the United States is projected to grow over time (see Chart 6-3). The Department of Energy projects that over 3 million advanced technology vehicles will be sold in 2015 and that by 2030 they will make up more than 25 percent of all light-duty vehicles sold. Of these advanced technology vehicles, 71 percent are expected to be either gasoline–electric hybrids or vehicles that can be powered by ethanol and other plant-based fuels. Though alternative fuels currently power only a small fraction of our transportation needs, private-sector investments combined with government policies are expected to fundamentally change the energy landscape.

Chart 6-3 **Projected Sales of Alternative Technology Cars and Light Trucks by Fuel Type**
Alternative technology vehicles are projected to increasingly displace conventional oil-using vehicles in upcoming years.



Note: Sales from fuel cell and electric cars are relatively small.
Source: Department of Energy (Energy Information Administration).

Ongoing research explores a wide variety of vehicle fuel technologies such as electricity, hydrogen fuel cells, and biofuels. Significant technological barriers exist that prevent the development of these as commercially viable alternatives. For instance, the wide-scale deployment of hydrogen fuel cells—devices that combine hydrogen with oxygen in the atmosphere to yield electricity—will depend on reductions in expense and weight as well as on the development of clean, cost-effective sources of hydrogen.

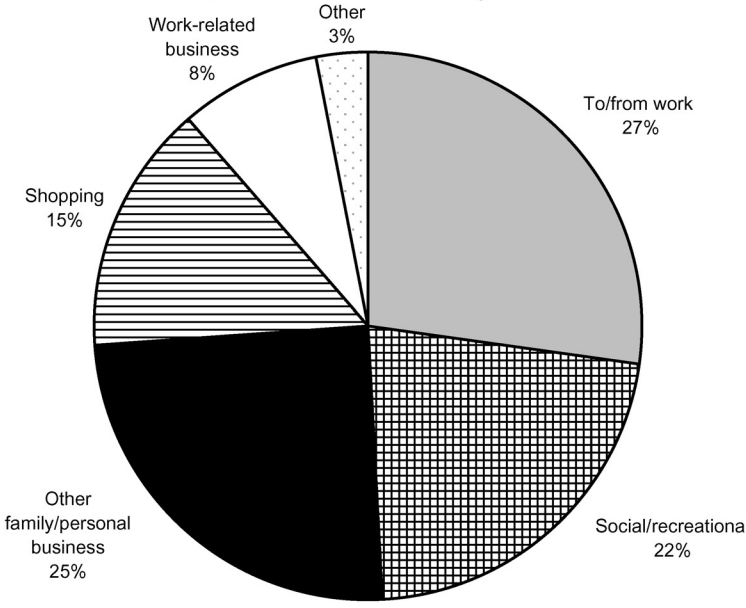
Private markets tend to underinvest in innovation of all kinds because inventors only capture a fraction of the benefits from discovery. Underinvestment is particularly likely for basic scientific research where the application to the marketplace may not be evident at early stages. Underinvestment is also likely when the results of research mainly reduce the external costs of consumption (such as national security and environmental costs associated with oil) instead of directly benefiting consumers. In response, the President's Advanced Energy Initiative proposed an increase in annual funding for alternative energy research of 22 percent for fiscal year 2007, adding to the $10 billion of government spending devoted to such research since 2001.

Several studies find that Federal research and development (R&D) investment in energy has yielded sizeable societal benefits, not only in economic terms, but also in terms of knowledge creation and pollution reduction. Still, the government's ability to predict which technologies will best meet a given goal is questionable, so the most effective government policies allow the market to choose the path of innovation.

Demand for Transportation Fuel

The United States is a vehicle-dependent society. More than 9 out of 10 American households own at least one vehicle, and most households own two. In 2004, vehicles in the United States traveled close to 3 trillion miles, up more than 20 percent from 1995. Commuting and other business-related activities account for about 35 percent of vehicle miles traveled (see Chart 6-4). Americans also use their cars and trucks to go shopping (15 percent of miles driven), attend to personal and family business such as medical appointments and dropping children off at school (25 percent of miles driven), and for social and recreational activities, including vacations (22 percent of miles driven).

Chart 6-4 **Share of Vehicle Miles Traveled**
Americans use their vehicles 35 percent of the time for commuting or other business-related activities.



Source: Department of Transportation.

In spite of widespread vehicle use, the proportion of the American household budget spent on transport fuel is small (less than 4 percent). That said, Chart 6-4 shows that a significant share of vehicle miles traveled are related to nonwork activities, indicating that households may have some flexibility to quickly adjust when the costs of travel are high. In response to higher prices, drivers make two adjustments: they drive less and they purchase more fuel-efficient vehicles. Several studies have found that these two effects combined imply that a 10 percent increase in the price of gasoline will result in about a 4 percent decrease in gasoline consumption in the long run. Compared to other commodities, households' gasoline consumption may take several years to respond to price changes.

State and local initiatives that encourage use of mass transit and carpooling focus on encouraging people to drive less. In New York City, the most densely populated of all cities in the United States, mass transit accounts for 45 percent of all commutes into the central city. New York, however, is

unique. Many U.S. cities, such as Phoenix and Los Angeles, are spread out over a large area, making it difficult to design mass transit corridors that effectively meet the commuting needs of travelers. Public transportation also has difficulty competing with the flexibility and convenience of car travel in these types of cities. In the entire United States, 5 percent of commuters rely on public transportation.

One way many urban areas try to encourage carpooling is through the designation of high-occupancy vehicle (HOV) lanes. This method rewards carpooling by allowing vehicles with two or more passengers to travel in lanes not open to vehicles with only one person in them. In this way, HOV drivers can reduce travel time when roads are congested. Unfortunately, HOV lanes are often underutilized and the popularity of carpooling is not increasing. In 2000, 90 percent of American commuters drove to work each day, but of these drivers only about 13 percent carpooled, down from almost 20 percent in 1980. This trend makes it unlikely that initiatives focused on carpooling will make large strides in reducing vehicle fuel use.

Improving Fuel Economy

Evidence shows that drivers switch to more fuel-efficient vehicles in response to higher gasoline prices. One study finds that higher gasoline prices accelerate the retirement of older, less fuel-efficient vehicles, and shift new purchases toward more fuel-efficient vehicles. Government policies have also been used to influence vehicle fuel economy. The Corporate Average Fuel Economy (CAFE) standard, passed in 1975, mandates a minimum mile per gallon (mpg) requirement for each manufacturer's fleet of new cars and a minimum requirement for each manufacturer's fleet of new light trucks. If a given vehicle is less fuel efficient than the requirement, the manufacturer must offset it by producing a vehicle that is more fuel efficient, so that the average fuel economy for all cars (or for all trucks) the manufacturer sells is above the required miles per gallon level. One rationale used to justify increasing the stringency of the CAFE standard is to further induce improvements in the fuel economy of vehicles sold to consumers, reducing the demand for transport fuel and the external costs associated with oil use.

It is important to note that while improvements in fuel economy translate into gasoline savings, it is not a one-to-one relationship. Higher CAFE standards encourage increased driving. Since higher fuel economy vehicles can go the same distance using less gasoline, the cost of driving a mile is reduced. As the per-mile cost of driving declines, the quantity of miles driven by individuals tends to increase. This "rebound effect" reduces potential fuel savings from improvements in fuel economy by 10 to 30 percent. Recent estimates suggest that as incomes grow, driving decisions will depend less on the cost of driving, and therefore, the rebound effect is expected to shrink in the future.

In 1978, CAFE mandated 18 mpg for cars and 17.2 mpg for light trucks. The CAFE standard became increasingly stringent until 1990, after which it remained virtually unchanged. It only recently became more stringent for light trucks. Currently, the CAFE standards are 27.5 mpg for cars and 22.2 mpg for light trucks (including SUVs). The Federal government has increased the CAFE standard for light trucks through two separate regulations, raising it in increments each year beginning in 2005. By 2011, new light trucks will meet a 24 mpg standard, reflecting a 16-percent increase. Also by 2011, the largest SUVs—those weighing between 8,500 and 10,000 pounds—will be subject to the CAFE standard for the first time. The Department of Transportation based the new standard for light trucks on vehicle footprint, a measure of size, in line with a recommendation by a National Academy of Sciences panel as a way to mitigate safety concerns. The footprint-based CAFE standard for light trucks is also an improvement over its previous configuration because it ensures that all manufacturers make fuel economy improvements instead of only those producing a wide mix of vehicles. The Department of Transportation is seeking similar authority to reexamine CAFE for new passenger cars (see Box 6-1).

The fuel economy of new vehicles rapidly increased over the first 8 years of CAFE. In part, this was a market response to the dramatic increase in gasoline prices between 1973 and 1981. By the late 1980s, however, overall fuel economy had stagnated. While the fuel economy of cars has continued to slowly increase over time and has been above the CAFE standard since 1986, consumers have bought an increasing number of SUVs and light trucks whose fuel economy has remained close to the mandated level of the light truck standard. Half of all vehicles sold in 2005 were light trucks, including SUVs, compared to 20 percent when CAFE was first put in place. This shift in consumer preferences is a rational response to more than a decade of low real gasoline prices, rising household incomes, and incentives created by CAFE requirements. Manufacturers also responded to changing consumer preferences and CAFE requirements. For instance, while station wagons and minivans have similar fuel economies, the former are counted as cars, and the latter are counted as light trucks. In the late 1980s, many manufacturers took advantage of the difference in the stringency of CAFE standards across cars and light trucks to phase out the station wagon—a relatively fuel-inefficient car—and replace it with the minivan—a relatively fuel-efficient light truck. This shift improved the individual fuel economy of both the car and light truck fleets but did little to change overall fuel economy. While the CAFE standard has contributed to improved fuel economy since its inception, understanding its precise impacts and its interaction with gasoline prices is a matter of some debate. A recent National Academy of Sciences study also finds that CAFE may have led manufacturers to produce smaller and lighter cars, posing a risk to safety.

Box 6-1: The President's New Energy Initiatives

The President has announced several energy initiatives designed to increase the country's energy security by reducing projected gasoline consumption in the light-duty vehicle transportation sector by 20 percent within a decade.

About three-fourths of this goal will be met by greatly increasing and expanding the Renewable Fuel Standard. The new standard will mandate that 15 percent of transportation fuels come from alternative fuels. In 2006 about 3 percent of fuels used in light-duty vehicles were not petroleum-based. Under the revised standard 35 billion gallons will be alternative fuels in 2017. This initiative reflects the belief that technological change is the key ingredient to diversifying America's energy portfolio. Energy security will increase as the dominance of oil use in the transportation sector diminishes.

The standard will continue to allow refiners, importers and blenders to use renewable fuels to meet the standard but will expand to allow for current or future viable alternatives to petroleum to compete. Expanding the alternatives that meet the standard makes it easier for blenders and refiners to comply and affords the market broad flexibility to find the most cost-effective non-petroleum-based fuel options. In the event that production of alternative fuels proves more costly than expected, the President has built in two safety valves to protect consumers. First, the Administrator of the Environmental Protection Agency, and the Secretaries of the Department of Energy and the Department of Agriculture will have the authority to waive or modify the standard if refiners and blenders have difficulty finding alternative fuels for purchase. Second, an automatic mechanism will be in place to prevent the price of gasoline from rising above a threshold due to this policy. These two provisions ensure a degree of market stability as use of alternative fuels expands in the marketplace.

The 20 percent goal will also be met through increasing the fuel efficiency of automobiles. This will occur through reforming and modernizing CAFE standards for cars and further increasing light truck and SUV standards. These changes are predicted to reduce consumption of gasoline by an estimated 5 percent, based on the assumption that increases in the standard of 4 percent each year starting in 2010 for cars and 2012 for light trucks prove warranted. Three reforms are key to the President's proposal of increased stringency of CAFE. First, paralleling recent changes for light trucks, the law for cars should be changed to allow the standard to be based on a vehicle attribute (such as footprint) to address safety concerns. Second, CAFE for both cars and light trucks should allow manufacturers the option of increased flexibility in how they meet the standard, by allowing them to trade

credits. Any manufacturer that increases fuel economy by more than what is mandated could generate credits that other manufacturers could purchase to reduce their costs of meeting the standard. The benefit of trading credits is that it allows the same overall goal of improved fuel economy to be met at a lower cost. Third, the rate of increase of the CAFE standard as well as how fuel economy improvements will be divided between cars and light trucks should be at the discretion of the Secretary of Transportation, as is currently done for light trucks. The Department of Transportation will employ the regulatory process to determine these increases based on sound science and an assessment that balances the costs and benefits.

The President has also proposed a new $175 million initiative to give State and local governments the opportunity to explore innovative ways—such as roadway pricing and increased use of real-time traffic information—to reduce traffic congestion and save fuel.

In addition to improving the nation's energy security profile, these initiatives will also produce significant benefits by reducing air toxics associated with petroleum-based fuel. They will also help confront the challenge of climate change by potentially stopping the projected growth of carbon dioxide emissions from this sector.

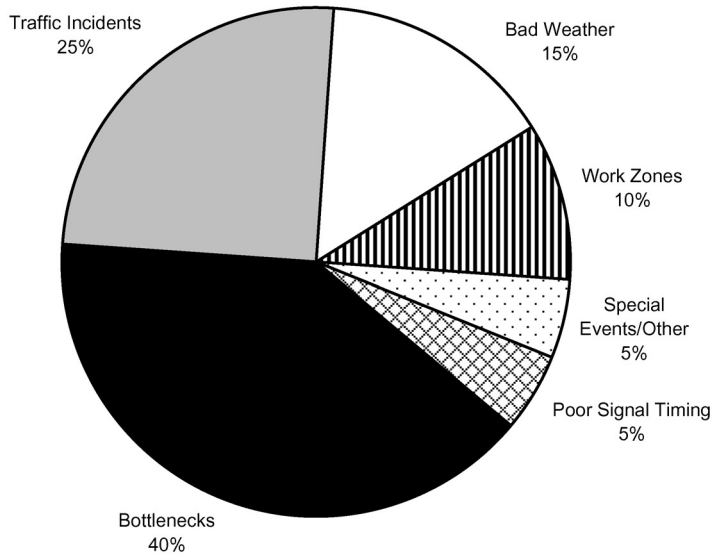
Transportation Infrastructure and Management of Existing Traffic Flow

In addition to its reliance on oil, the transportation sector also relies heavily on the existing infrastructure of roads and highways. Under the Intermodal Surface Transportation Efficiency Act of 1991, the Federal government plays an important role as overseer of the National Highway System to ensure that the highway system is "economically efficient and environmentally sound, provides the foundation for the Nation to compete in the global economy, and will move people and goods in an energy-efficient manner." In recent years, however, the road and highway infrastructure has not kept pace with the number of miles driven in the United States. When more people use a roadway than the capacity for which it is built, traffic slows. Commercial trucking—the most common method of moving freight across the United States—is increasingly reliant on urban interstate highways, many of which are congested. Between 1982 and 2003 the share of roads in U.S. urban areas that are congested rose from 34 percent to 59 percent. Changes in

commuting patterns have also spread congestion to more roads. The traditional suburb-to-city commute has diminished in importance: As of 2000, half of all commuters drove to jobs in the suburbs, while only 20 percent drove to jobs in central cities.

Congestion is defined as the marked slowing of traffic as a roadway reaches capacity. Congestion in the United States manifests itself primarily as a bottleneck on a roadway (see Chart 6-5). A bottleneck is a hindrance to vehicle movement because it involves delays at key intersections, backed-up traffic, or narrow or obstructed sections of a roadway. Unexpected events such as accidents or other traffic incidents also cause congestion on crowded roadways. Together, they are responsible for 65 percent of all congestion.

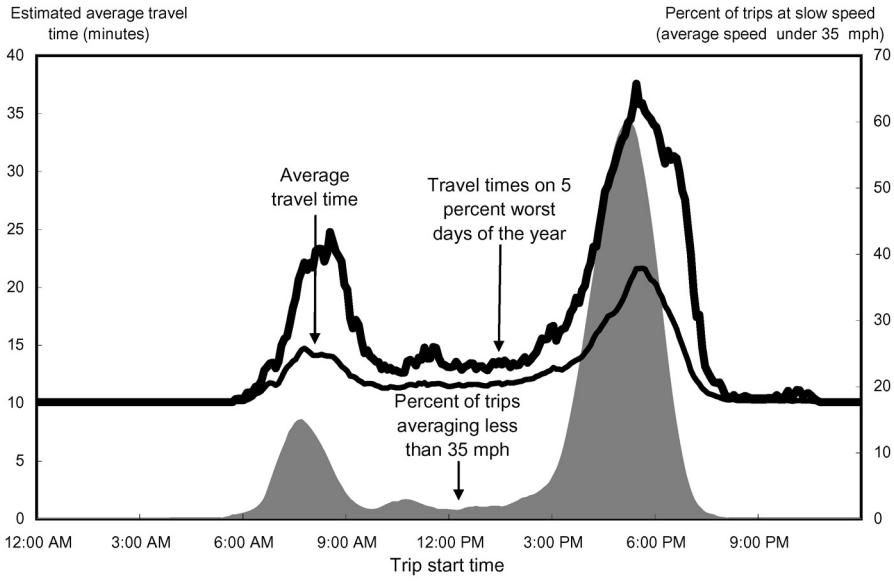
Chart 6-5 **Main Sources of Congestion**
Bottlenecks and traffic incidents are responsible for causing 65 percent of congestion on U.S. roads.



Source: Department of Transportation (Federal Highway Administration).

It is important to note that roadways are not congested at all hours of the day. For instance, on one particular roadway in the Seattle area, a trip that occurs prior to 6 a.m. or after 10 p.m. takes about 10 minutes (see Chart 6-6). That same trip takes about 30 percent longer at 8 a.m. and almost twice as long at 6 p.m. due to slowing traffic. This general trend appears in many U.S. cities and suggests that it is the timing of vehicle miles traveled more than their growth that is at the root of the congestion problem.

Chart 6-6 **Travel Time and Hour of Day on I-90 from Bellevue to Seattle**
Roadways are not congested at all hours of the day.



Note: Travel times are for general purpose (non-HOV) lanes.
Source: Washington State Department of Transportation.

One underlying reason why congestion exists on U.S. roadways is the lack of a private market to price roadway use. Most roads in the United States are provided by the government, are open to all, and are free of charge. Economists generally believe that a good may be better provided by the government when it is difficult for private markets to charge for its use. Because one motorist's use of a congested road reduces the road's value for other drivers and drivers can be selectively prevented from entering the roadway through the use of gates or technologies that monitor use, it is increasingly appropriate to charge drivers for some roadway use in the same way the private market charges for other goods and services.

A driver decides which road to use based on private needs: for instance, the shortest distance or fastest route between destinations, or the closest, most accessible highway. The fact that each driver decides on a route independently of other drivers is not a problem when the number of drivers is well below the roadway's capacity. However, when drivers have free access to roads, crowding occurs at times of high demand, decreasing vehicle speed and flow. Each additional driver slows down other drivers on the roadway, causing them to lose time and to burn extra gasoline. However, drivers typically do not consider the added costs they impose on others. This is a "get in line" or "queuing" approach to allocating road space. When there is a shortage of something—

for instance, space on a ski lift, or attendants at the Department of Motor Vehicles—those willing to get in line and wait eventually receive what they want. This approach to road-use management is inefficient because it allocates road space to those with the time to wait in traffic, not necessarily to those who value its use most highly.

If a roadway is priced—that is, if drivers have to pay a fee to access a particular road—then congestion can be avoided by adjusting the price up or down at different times of day to reflect changes in demand for its use. Road space is allocated to drivers who most highly value a reliable and unimpaired commute. This arrangement encourages drivers to consider the tradeoff between the price of using the road and the additional time and inconvenience of using a nonpriced, alternate route, or driving at a noncongested time. Drivers who place a high value on the predictability and reduced time of commuting, for instance, a doctor who has been called to the hospital for an emergency, have the option to pay for access to noncongested roads. Drivers with more time flexibility, for instance a person doing his or her grocery shopping, can avoid the road and the fee. They can use alternative but more congested roads, shift when they drive to nonpeak hours, or use mass transit when it provides a cheaper alternative to driving. The average cost to each driver falls because drivers have a choice in how they pay for roadway use, in time or in money.

The Cost of Congestion

Over time, slowing traffic exacts heavy costs on drivers. On average, congestion caused 47 hours of delay for U.S. commuters and commercial truck drivers in 85 urban areas during peak hours in 2003. For America's 13 largest cities, this number is much higher: 61 hours. Extra fuel is consumed on congested roads because of the effect that waiting in stop-and-go traffic has on fuel economy. In 2003, sitting in traffic wasted about 2.3 billion gallons of fuel, or almost 1.4 percent of all fuel consumed by light-duty and commercial vehicles that year. Waiting in traffic can also increase the cumulative amount of pollution emitted from a vehicle's tailpipe, which contributes to poor air quality and more greenhouse gas emissions.

Aggregating over the 85 most congested U.S. cities, the cost of time wasted in traffic and extra fuel consumed by commuters and commercial truck drivers due to congestion is estimated to have exceeded $63 billion in 2003 (see Table 6-1). In Los Angeles, the city with the worst congestion, the fuel and time cost of waiting in traffic was calculated to be almost $1,600 per traveler in 2003. In Philadelphia, congestion is noticeably less than in Los Angeles, but the estimated cost to travelers is still high: $641 per traveler per year. In addition, businesses that rely on regular and on-time delivery of supplies have begun to maintain larger inventories to safeguard against

TABLE 6-1.— *Cost of Congestion in Wasted Time and Fuel in the largest Urban Areas*

Metro area	Annual delay per traveler (in hours)	Total cost ($ in millions)	Cost per peak traveler
Los Angeles–Long Beach–Santa Ana CA	93	$10,686	$1,598
San Francisco–Oakland CA	72	$2,605	$1,224
Washington DC–VA–MD	69	$2,465	$1,169
Atlanta GA	67	$1,754	$1,127
Houston TX	63	$2,283	$1,061
Dallas–Fort Worth–Arlington TX	60	$2,545	$1,012
Chicago IL–IN	58	$4,274	$976
Detroit MI	57	$2,019	$955
Miami FL	51	$2,486	$869
Boston MA–NH–RI	51	$1,692	$853
Phoenix AZ	49	$1,294	$831
New York–Newark NY–NJ–CT	49	$6,780	$824
Philadelphia PA–NJ–DE–MD	38	$1,884	$641

Source: Texas Transportation Institute, 2005 Urban Mobility Report.

unanticipated delays caused by congestion. A recent study conducted by the Department of Transportation confirms that congestion has resulted in higher transportation prices and less reliable pickup and delivery times for freight.

Building More Roads

Expanding road capacity may be an important component of any long-term strategy to accommodate traffic growth in urban areas. However, there are a number of reasons why a construction-only strategy to alleviate congestion is likely not the best solution. First, increasing capacity can take years to complete and is expensive—one study found that a lane costs between $1 million and $8.5 million per mile to build. Second, new lanes are often needed in densely populated areas, but these are often also the areas where it is most difficult to find unoccupied space for expansion, making new lanes politically controversial. Third, a body of evidence suggests that the addition of a nonpriced lane to an already congested roadway may do little to alleviate congestion. This happens for two reasons: new roads generate additional traffic as drivers take trips to destinations that previously took too long to reach. And since traffic flow improves initially, drivers who were previously using alternative, often less congested routes now find the highway with the added lane more attractive. Drivers continue to redistribute themselves across the various routes until the costs of using the new route and the costs of using the existing route are about equal. At this point, no driver can be made better off by changing routes. Ultimately, the reason why building more roads is insufficient is because it does not address the underlying problem: roads are not priced and are therefore subject to overuse.

Pricing Road Space

There is reason to believe that reductions in traffic congestion would be relatively easy to attain. Small changes in the number of cars using a particular roadway at a given time can result in large improvements in the flow of traffic. For instance, the addition of just a few school buses makes traffic flow noticeably worse on the first day of school, while traffic flow is noticeably better on some State holidays when only a small number of residents stay home from work.

Congestion pricing dampens demand for roads during peak hours and spreads usage over a longer time period. Differentiating the price of a good by the time of day effectively allocates limited space during periods of higher demand. This approach is used by many providers of goods and services: movie theaters charge more in the evening than they do midday; ski runs charge more during weekends than they do on weekdays; airlines raise prices on tickets during peak seasons; taxi cabs charge more during rush hour; and railroads often charge lower prices for offpeak traveling.

In addition to improved allocation of road space, charging a fee also provides urban planners with useful information about when and where to invest in the expansion of existing road capacity. Expansion should be focused on roads where drivers demonstrate a willingness to pay that is higher than the costs of construction. Revenues from roadway pricing may also prove a viable alternative to taxes as a way to fund the building of new roads in urban areas. As is the case in other markets, those who use the roadway would pay for its maintenance and expansion.

In general, there are two ways to price road space to address congestion: cordon pricing and roadway pricing. *Cordon pricing* charges a toll to vehicles for access to a congested area regardless of which roads in the area are used. It is typically in effect during the work week and varies by time of day. Cordon pricing has been implemented in a number of cities including London, Stockholm, and Singapore. While cordon pricing has been considered for several cities in the United States, it has not yet been implemented here. It is likely to be less effective in cities that are less dense, do not have adequate public transportation systems, and have multiple areas of centralized economic activity (such as Phoenix or Los Angeles).

Evidence suggests that cordon pricing fees have been effective in reducing congestion where they have been tried. After the first year that cordon pricing was imposed in London, for instance, congestion fell by 30 percent, average vehicle speed increased by 20 percent, and bus travel became more reliable (see Box 6-2). One important mechanism for reducing congestion appears to be the ability to substitute some form of public transportation for driving.

Box 6-2: Cordon Pricing Experiences in London and Stockholm

In London, drivers pay an 8-pound fee for daily access to a portion of downtown between the hours of 7:00 a.m. and 6:30 p.m. on weekdays. There are no toll booths around the perimeter of this area. Instead, cameras record the license plates of vehicles and check them against a list of prepaid vehicles. Drivers have a variety of choices in how they pay: they can pay at designated service stations, through the Internet, by text message or phone, or by mail. Weekly and monthly charges also are available for regular commuters. If drivers have not prepaid, they have until midnight of the next day to do so. Anyone who drives within the zone without paying during this time period is fined 100 pounds through an automated system.

Stockholm also recently implemented cordon pricing, but it differs from the London system in two ways. First, it charges vehicles via a card mounted on the windshield that is read electronically by roadside beacons when cars drive past them. Second, Stockholm uses a variable pricing system, which means that the fee is higher during rush hour periods.

A recent report on the London policy indicates that cordon pricing has led to a 30 percent reduction in delay time for city commuters. Initial reports from Stockholm's 6-month test period indicate that there were decreases in traffic of about 22 percent due to cordon pricing. Large reductions in London and Stockholm traffic were due in part to increased use of bus transit. In spite of early criticism from drivers and businesses within the central city, cordon pricing has grown in popularity in London. In Stockholm, this has also been the case: a majority of residents voted to retain cordon pricing after the test period ended.

Roadway pricing aims to limit congestion on certain routes by charging variable fees (tolls) to access a particular lane or road, regardless of the final destination. Ideally, road tolls should be responsive to the actual level of congestion at each moment. By increasing the fee during periods of high demand and reducing it during periods of low demand, the variable tolls reduce congestion by encouraging offpeak driving and the use of alternative routes.

Variable tolls are rare in the United States. Most of the over 5,000 miles of toll roads in the United States have flat tolls designed to generate revenue, rather than variable tolls to relieve congestion. Where they do occur, they are typically limited to a single road or freeway. On the congested bridges and tunnels connecting New York and New Jersey, tolls are discounted by

20 percent ($1.00) during nonpeak hours. Results of a small survey indicate that about 7 percent of drivers changed their behavior as a result of these variable tolls. The most common changes were to switch to mass transit, carpool, or to increase offpeak driving.

Recently, the Department of Transportation helped fund a small pilot project in Seattle to examine how drivers would respond if the entire road system in the city were subject to a variable tolling system. Where and when participants drove was automatically tracked and transmitted by a device installed in their car. Participants received prepaid accounts between $600 and $3,000 to pay the tolls. At the end of the pilot, they were allowed to keep whatever they did not spend. Tolls ranged from 5 to 50 cents per mile and varied by road and time of day. Preliminary results show that nearly 80 percent of participants decreased the amount they drove or changed when they drove. On average, participants took 5 percent fewer trips by automobile and drove 2.5 percent fewer miles each weekday due to tolls. Participants took 10 percent fewer trips and drove 4 percent fewer miles during the morning commute.

Currently, there are about six U.S. highways that use high-occupancy toll (HOT) lanes, many of which incorporate variable pricing and were piloted using Federal funds. HOT lanes are variations of the high-occupancy vehicle (HOV) lanes discussed earlier in the chapter, but they have greater potential to reduce congestion since they are less likely to be underutilized. Similar to HOV lanes, they allow carpoolers to use the road for free or at a discount but charge a toll to single occupancy drivers for access. The toll frequently varies by time of day. Some tolls set variable prices based on historical highway use and adjust rates monthly or quarterly. Other tolls use real-time information on congestion conditions to adjust tolls dynamically over the course of the day. In locations where HOV lanes are underutilized, conversion to HOT lanes is suggested as a way to increase use and to provide more choice to drivers. For instance, in San Diego, conversion of HOV lanes to HOT lanes on a portion of Interstate 15 increased usage by 64 percent over a 3-year period. Several studies confirm that there are substantial gains in societal welfare from allowing solo drivers to pay for access to existing HOV lanes. Others caution, however, that when only one HOV lane is converted to a variable toll and other lanes are free of charge, any temporary decrease in congestion on the remaining free lanes may be offset by the redistribution of traffic.

The use of real-time or historically based variable tolling on HOT lanes may have a significant effect on traffic flow. For instance, San Diego's variable toll uses real-time pricing, which changes every 6 minutes to reflect the amount of traffic on the road. Computerized electronic signs make information on the toll amount and the speed and flow of traffic available to drivers before they have to decide between the free and priced lanes. Results show that travel times

vary little on San Diego's variable toll lanes because free-flow conditions are almost always maintained. In Orange County, the tolls vary by hour and day of the week, but are based on historical information. While they are adjusted several times each year, the toll does not convey actual conditions to drivers, only average conditions. Thus, unexpected events such as accidents can cause major delays on the variable toll lanes and because drivers do not have up-to-date information on road conditions, travel time is less predictable.

Despite their potential benefits, toll lanes are sometimes portrayed as "Lexus Lanes." The contention is that tolled roadways supply faster routes only to high-income drivers who can afford to pay the tolls, while lower income drivers continue to be stuck in traffic. One study finds that drivers with higher incomes tend to use HOT lanes more often than lower income drivers, but that lower income drivers rely on toll lanes when on-time arrival at their destination is important. For instance, you can imagine a case where a parent is running late, but needs to be at the daycare to pick up his or her child by a certain time. If the parent is late, and the daycare fines him or her $10, then paying a $4 toll to arrive on time saves $6. A recent survey also finds that support for or opposition to HOT lanes is unrelated to income. Another study finds that lower income, bus commuters were some of the largest beneficiaries of cordon pricing in London. Bus riders are exempt from paying the cordon fee, but their commute times greatly improved. Not surprisingly, the number of bus passengers during morning hours increased.

Experts note that implementation of congestion pricing faces less resistance where motorists are unaccustomed to free and unrestricted roadway access. For instance, it may be more feasible to implement congestion pricing on a new road than on an existing road. Likewise, it may be easier to convert HOV lanes to HOT lanes. The advent of new technologies that electronically charge the toll by sensing a microchip placed on the windshield of the vehicle eliminates the need for a driver to stop and physically pay the toll. These are increasingly used to charge drivers tolls on existing roadways, making congestion pricing systems easier and less costly to implement.

Historically, one of the largest hurdles to variable price tolling on roadways in the United States has been the Federal-aid highway program, which has prohibited states from collecting tolls on interstates or other roads that receive Federal funding. Federally funded pilot projects that explored variable price tolling brought the advantages of congestion pricing to the attention of policymakers. Policymakers also began to explore the use of pricing mechanisms to reduce congestion in other contexts, such as for allocation of runway access at airports (see Box 6-3). A transportation bill signed into law in 2005 (The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) provides states with increased flexibility to use tolling to manage congestion and finance infrastructure improvements, and provides ways to

participate in pilot demonstrations of variable tolling. States such as Texas and Colorado have passed laws allowing the formation of toll authorities at local levels that can then construct and operate toll roads. States such as Washington, California, Florida, and Minnesota have identified candidate freeways for variable tolling.

Box 6-3: Airport Pricing to Decrease Congestion

Though traffic jams are easily observable manifestations of congestion, flight delays and runway bottlenecks also waste time and fuel. Landing fees at most U.S. airports are directly related to the weight of the plane, even though lighter and heavier planes tend to consume approximately the same runway time. This contributes to airport congestion because it encourages smaller, lighter planes (which can use smaller satellite airports) to overuse the airport, displacing larger, heavier passenger planes and reducing the number of passengers that an airport can serve at a time.

A short-lived experiment at Boston's Logan airport in 1988 demonstrates how a change in the landing fee structure can effectively reduce airport congestion. Boston changed its runway use fee from one based only on aircraft weight to one that combined a non-weight-based fee and a smaller weight-based component. The fee for a small single-engine plane increased from $25 to about $100, while the fee for a large jumbo 747 jet decreased from $800 to less than $500. By flattening the landing fee, Logan made it relatively more costly to land small planes, decreasing their volume. This allowed it to more easily accommodate the larger planes that carry more passengers. The result was that Logan airport reduced delayed landings from 30 percent to 14 percent in less than 4 months. Despite a reduction in congestion, the new landing fee structure abruptly ended when the program was deemed to be in violation of the Federal Aviation Act.

The auctioning of runway access for planes may prove to be an even more effective way to reduce congestion at airports. An auction would award landing rights to the carrier that values the slot the most. Such auctions have been successful in other contexts such as to allocate radio waves while still accommodating smaller local and public radio stations.

Conclusion

The transportation industry relies overwhelmingly on petroleum for fuel. In spite of its reliance, the market largely functions as it should; while transportation is particularly unresponsive to changes in oil prices in the short run due to the lack of readily available substitutes, it does eventually respond. Also, the price reflects the costs to the firm of producing the oil and the benefits to drivers from consuming the oil. That said, the use of oil by the transportation and other sectors generates costs to national security and the environment that users typically do not take into account. Likewise, the full costs of congestion are not taken into account by individual users when they drive, since roadway use is not priced by the market. Carefully crafted policies could help address these costs but care should be taken as government action itself imposes inefficiencies.

CHAPTER 7

Currency Markets and Exchange Rates

In the modern economy, firms buy and sell products from more than just local or national markets. Often a firm's supplier is located in a different country. To make purchases and sell their own goods internationally, firms need to change units of one currency for units of another currency. For instance, when a British firm trades with a U.S. firm, the U.S. firm may pay in U.S. dollars. However, the British firm needs to pay many of its costs in British pounds. When the U.S. firm pays the British firm, then, one of two things has to occur: the U.S. firm must convert its dollars to pounds and then pay the British firm in pounds, or the British firm must accept dollars from the U.S. firm and then convert the dollars into pounds to pay its workers. And, to be sure that the sum in pounds is equivalent to the sum in dollars, all parties to the transaction must know the value of dollars in terms of pounds. Now multiply this single transaction by the number of countries and firms involved in all aspects of the production of all internationally traded goods and services and one can see that multiple currencies make international trade far more complex and difficult than domestic trade.

The desire to transact internationally provides the impetus for a huge, well-functioning market that facilitates such currency conversions and allows global economic integration and trade to take place smoothly and quickly at low cost. Both by volume of trade and ease of making transactions, currency markets today are the world's deepest, most liquid markets in the world. Currency markets range from simple markets where parties simply exchange one currency for another, to sophisticated markets where parties buy and sell currency far into the future.

In 2005 the United States imported and exported over $3 trillion worth of goods and services. In addition, gross sales and purchases of long-term U.S. securities, such as corporate and Treasury bonds, to residents of foreign countries amounted to around $41 trillion. Most of these transactions either directly or indirectly required a *foreign-exchange transaction*. A foreign-exchange transaction is a trade of any two currencies. For example, a purchase of Japanese yen with U.S. dollars is a foreign-exchange transaction.

As cross-border transactions have become larger and more frequent, foreign-exchange markets have become increasingly important to the global economy and have grown in relative size: whereas U.S. cross-border trade in goods and services and long-term securities are measured in trillions of dollars per month or year, turnover in foreign-exchange markets is measured in trillions of dollars *per day*. Daily average turnover in global foreign-exchange

markets averaged $1.9 trillion in April 2004. (Note: Unless otherwise noted, all foreign-exchange transactions data in this chapter are from April 2004, the latest date for which global turnover data are available.)

Foreign-exchange transactions vary in size and complexity. A foreign-exchange transaction is simply a trade of one country's currency for that of another, whether the amount traded is a few dollars or a few billion dollars; whether the entity making the exchange is a tourist changing money at the border for a short holiday or a foreign company building a new factory needing to exchange millions in domestic currency to pay for materials and labor; or whether the form of money being acquired is foreign currency notes, foreign currency bank deposits, or assets such as stocks or bonds denominated in foreign currency. Key points of this chapter are:

- Foreign-exchange markets not only allow firms to trade goods and services across borders but also allow firms to manage the risks they face from fluctuations in the price of their domestic currency.
- As with any other good, the exchange value of a currency is determined by its supply, as well as the demand for the country's assets, goods, and services.
- Over much of the 20th century, countries tended to favor fixed exchange rates. In recent decades, there has been a shift away from fixed regimes toward freely floating exchange rates.
- Monetary and exchange-rate policies are tightly linked. A nation's government must decide between controlling its exchange rate and controlling its domestic inflation rate.

Currency Markets Are Large

On an average day in April 2004, an amount equivalent to $1.9 trillion was traded in the foreign-exchange market. These trades occurred between different agents (individuals, firms, banks, governments) and for different reasons, varying from tourist demand for currency to firms needing payment for goods in local currency. To put this number in perspective, on average in 2004, every 7 trading days a sum greater than the entire value of the U.S. annual GDP changed hands in the foreign-exchange market. Not surprisingly, turnover in the foreign-exchange market is larger than turnover in most other financial markets. For example, the dollar value of average daily trading on the New York Stock Exchange, the largest exchange in the world, was around $46 billion in 2004, roughly 2 percent of the turnover in all world foreign-exchange markets.

When currencies are traded in the foreign-exchange market, participants need to know the value of their currency relative to other currencies, just as participants in a traditional stock market need to know the value of the stocks they wish to buy or sell. In foreign-exchange markets, this price is known as

the *exchange rate*, the number of units of one nation's currency that must be traded to acquire one unit of another nation's currency. For example, on October 11, 2006, a person wanting to acquire one British pound would have had to pay $1.86 in U.S. dollars. By November 30, 2006, a person wanting to make the same trade would have had to pay almost $1.97 for one British pound. In this case, the dollar is said to have *depreciated*. After the *depreciation*, more dollars are required to buy the same number of pounds. If the transactions are viewed from the perspective of the pound, the pound is said to have *appreciated*; fewer pounds are required to purchase each dollar.

In principle, an exchange rate exists between each possible pairing of the individual currencies in the world. Among the 52 nations (out of a world total of 193 nations) that reported formal exchange-market transactions in 2004, there are 820 possible bilateral exchange rates. If the 12 European nations that share the euro as their national currency had separate currencies, this number would be even higher.

In reality, a substantial portion of foreign-exchange trading occurs through an *intermediate* or a *vehicle currency*, that is, a currency that is widely used throughout the world. For example, the U.S. dollar serves as a global vehicle currency and the euro is becoming an important vehicle currency in Europe. A Turkish bank that wishes to exchange Turkish lira for Swedish krona may first exchange lira for euros and then exchange the euros for krona. Vehicle currencies reduce transaction costs in foreign-exchange markets because a bank wishing to provide foreign exchange for its customers need not keep stores of large numbers of currencies on hand. Instead, it need only maintain stores of its own domestic currency and one or two other vehicle currencies.

The U.S. dollar is the most important vehicle currency in the world. The dollar has served as an important vehicle currency in part because it has remained remarkably stable over time. This stability is in part a result of the United States' long history of flexible exchange markets and its commitment to improving capital market and trade access to the United States. As of 2004, the U.S. dollar was used in almost 89 percent of world currency transactions; its average turnover was over $1.5 trillion per day, more than twice as much as the next most-used currency, the euro. Most of this trading occurs outside of the United States.

Just as a few vehicle currencies dominate the transactions, two trading locations dominate foreign-exchange market transactions. In 2004, over half of the world exchange-market transactions occurred either in London (31.3 percent) or New York (19.2 percent). The next-largest location in terms of trading share was Japan, with 8.3 percent of transactions. Foreign-exchange market transactions are also concentrated among a few large banks. In the United States, 75 percent of transactions were conducted by only 11 banks in 2004. In the United Kingdom, 16 banks captured 75 percent of foreign-exchange market transactions.

Innovations in technology, such as computers and international communications networks, and breakthroughs in economic theory that have improved our understanding of the value of currencies, have made foreign-exchange markets among the most sophisticated markets in the world. Investors can easily take advantage of small differences in exchange values across the different global markets, buying a currency for a lower amount in one location and selling it for a higher amount in another, making the global currency market one global exchange.

The sophistication of modern currency markets also helps multinational firms protect themselves, or *hedge*, against *currency risk*. Because costs and revenues of multinational firms are often denominated in different currencies, currency risk is a fundamental part of international trade, and changes in the exchange rate affect the cash flow of the firm. For example, a Mexican manufacturer may enter into a contract with a U.S. firm, agreeing to sell its product at a fixed dollar price for a set period of time, for example, 1 year. The Mexican manufacturer must pay its employees in Mexican pesos but will receive a fixed dollar stream of revenue. If the peso appreciates over the year (that is, if the peso becomes more valuable so that it takes fewer pesos to buy one U.S. dollar), the manufacturer's dollar-denominated revenue will fall in value relative to his peso-denominated costs. If the peso appreciates sufficiently, the manufacturer may not be able to cover his costs. To see this dilemma more clearly, suppose that when the Mexican firm enters into the contract with its U.S. counterpart, the exchange rate is 10 pesos per dollar. If the firm has costs of 1,000 pesos, and it receives $110, then the firm is able to cover its costs and has 100 pesos of profit after the transaction. However, if the peso appreciates over the year from 10 pesos per dollar to 8 pesos per dollar, after the firm receives payment of $110, it will only hold 880 pesos. The firm would not be able to cover the costs from the revenue it receives. If the firm has no way to hedge this risk, its owner may be unable or unwilling to enter into the contract and thus the opportunity for Mexico and the United States to realize gains from this trade may not be realized. Advances in economic theory that have helped companies learn how to price risk appropriately have enabled financial markets to develop contracts that allow firms to sell their currency risk. Boxes 7-1 and 7-2 provide more detail.

Box 7-1: Types of Currency Market Transactions

A *spot transaction* is an immediate exchange of one currency for another. A tourist exchanging currency upon arrival at an airport is an example of a person making a spot transaction. Spot transactions between professional currency traders specify a *clearing date* that

requires the actual exchange of currency within 2 business days; the 2 days gives each side of the transaction ample time to move funds. As a share of total foreign-exchange market turnover, spot transactions have declined from 54 percent in 1989 to 33 percent in 2004. The share of spot market transactions has not shrunk because the spot market is smaller—the volume of spot transactions almost doubled between 1989 and 2004—but because the growth rate of other types of foreign-exchange transactions has grown at a much faster rate. For example, over the same time period, transactions with clearing dates in the future have increased almost eightfold.

A *forward transaction* is similar to a spot transaction except that the clearing date (also called the *settlement date*) is in the future. The price at which the parties agree to exchange currency on the settlement date is known as the forward exchange rate and it almost always differs from the spot rate at the time the contract is entered into. In a forward transaction, no currency changes hands until the settlement date. The primary purpose of a forward transaction is to allow multinational firms to hedge their currency market risk. A foreign-exchange *futures transaction* is virtually identical to a forward transaction. The main differences between a forward and a future transaction lie in the institutional details of the transaction. For example, futures contracts tend to be much more standardized than forward contracts and are sold on organized, centralized exchanges.

Foreign-exchange swaps combine a spot and a forward transaction into one transaction. Foreign-exchange swaps are typically used by banks and other dealers when they wish to temporarily reallocate their portfolio into or out of a currency without incurring any exchange-rate risk. In the swap, one currency is swapped for another for a prespecified period of time. In about two-thirds of foreign currency swaps, the swap period is less than 1 week. In 2004, foreign-exchange swaps accounted for about 50 percent of the foreign-exchange market turnover. A foreign-exchange swap is particularly useful for a firm that has payments and expenses payable in the same currency but payable at different dates. For example, a U.S. firm may receive a euro-denominated payment from its German affiliate. The firm plans to use the payment to purchase euro-denominated goods in 1-month's time. However, over the month, the firm would like to invest the money in the United States. This firm could use a foreign-exchange swap in which it trades the euros for dollars today and trades the dollars for euros at the end of the month.

A *foreign-exchange* or *currency option* gives the buyer the right, but not the obligation, to purchase a prespecified amount of currency at a prespecified price. Depending on the type of option, the contract can either specify a date on which the option may be exercised (European option) or may specify an expiration date, where the buyer may exercise the option anytime prior to the expiration date (American option).

Box 7-2: Hedging Against Foreign-Exchange Rate Fluctuations

In 2005 Volkswagen, a German automobile company, announced to the world that it was going to increase its hedging of foreign-exchange risk. Volkswagen was exposed to foreign-exchange risk because the majority of its operating costs, in particular a portion of its labor costs were denominated in euros, while a substantial share of its revenues were denominated in U.S. dollars. In other words, Volkswagen paid its workers in euros and received U.S. dollars for the cars it sold in the United States.

Between 2002 and 2004, the euro appreciated considerably relative to the dollar. That is, more dollars were required in order to purchase each euro. Since Volkswagen was unable or unwilling to change the price of cars sold in the United States enough to offset this swing in the exchange rate, the company's dollar revenues from sales in the United States lost substantial value in terms of euros. With costs holding steady and revenues falling, Volkswagen's profits on U.S. operations were reduced by an unfavorable change in the euro/dollar exchange rate.

To avoid similar losses in the future, the company chose to combat the appreciating euro by increasing its hedging of foreign-exchange risk. Between 2004 and 2005, Volkswagen more than doubled its use of a variety of currency market contracts. In essence, this hedging strategy involved buying forward contracts for euros at a predetermined rate so that if the euro were to appreciate relative to the dollar and cause an unexpected reduction in dollar revenue, the company would receive an offsetting profit from its forward contract. If the euro were to depreciate and cause an unexpected increase in dollar revenue, the company would incur an offsetting loss from its foreign currency position. In this way, Volkswagen was able to shield its revenue flow from foreign-exchange volatility for the duration of its futures contracts.

Volkswagen's strategy highlights the benefits of hedging against the currency risk posed by short-term fluctuations in exchange rates. When faced with a *permanent* shift in the exchange rate, however, companies operating in multiple currencies are forced to either change their prices, which are in one currency, or change their costs, which are in another. Volkswagen has therefore shifted some of its euro costs into dollar costs by expanding production facilities in the United States. This strategy, known as natural hedging, permanently eliminates the currency mismatch between revenues and costs.

What Determines Currency Values?

The exchange rate is a market price, and like other market prices it is determined by the interaction of buyers and sellers in the market. In the foreign-exchange market, the demand for a country's currency arises from two sources: demand for a country's assets and demand for a country's goods and services. When analyzing foreign-exchange markets, the supply of a country's currency is usually taken as given and fixed at an amount determined by the country's central bank. The role of the central bank and the supply of money will be revisited when exchange-rate policies are examined later in this chapter.

The concept of *parity* is central to any analysis of how exchange rates are determined in the foreign-exchange market. Two types of parity are particularly important: *interest rate parity* and *purchasing power parity (PPP)*. Exchange rates and prices that move too far from either concept of parity will tend to move back toward the level implied by interest rate parity and purchasing power parity as economic agents try to exploit pricing differences across countries. In this way, the prices for currencies in the foreign-exchange market adjust. Just as prices across markets within a country tend to move toward each other as buyers tend to go to the lower priced market and sellers tend to go to the higher priced market until prices are equalized. The absolute volume and speed of asset trading tends to make interest rate parity a short-term condition while purchasing power parity tends to hold over a somewhat longer time horizon.

Interest Rate Parity

For the United States, the volume of international trade in assets is many times larger than the volume of international trade in goods and services. As a result, day-to-day fluctuations in the exchange rate tend to be driven much more by the value and desirability of a nation's assets than by the value and the desirability of goods and services the nation is selling. That is, demand for assets tends to determine the value of a nation's currency in the very short run because asset trade drives such a large part of the day-to-day transactions in the foreign-exchange market.

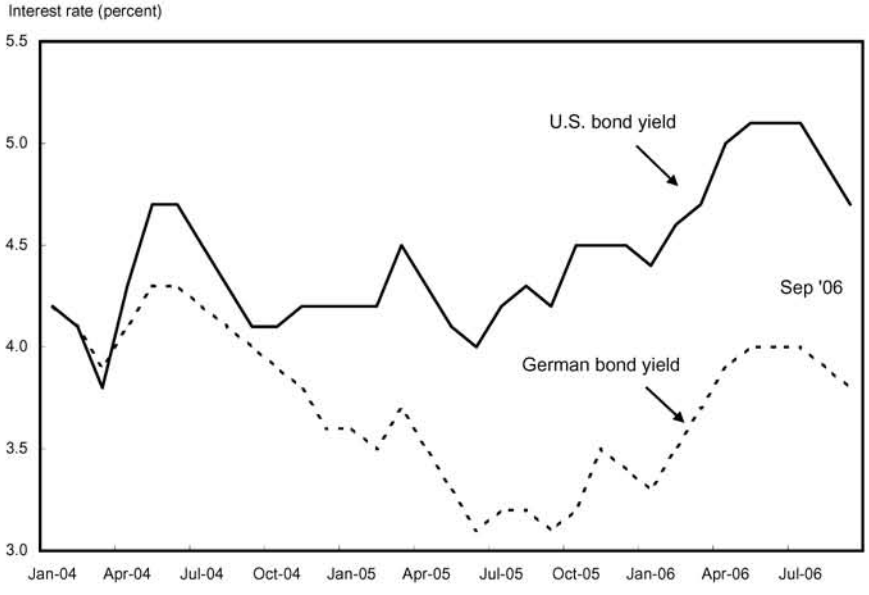
Goods and services are purchased for use today while assets are bought in order to purchase goods in the future. A financial asset is at its most basic a contract that offers a payment at some future date. For some assets, the contract is explicit: U.S. Treasury notes contain a promise to pay the face value of the bond at a certain date in the future as well as a fixed sequence of interest payments over the life of the note. For other assets, the contract is implicit: buying a stock in a company gives the holder the right to sell the stock at a future date but not at any explicit price. Because assets involve a future payment, the *return* on an asset—the return is the future payment

divided by the purchase price—is typically uncertain. Assets differ in the amount of risk they offer. For example, a Treasury bond is considered to be less risky than a stock. For any given level of risk, assets with higher future payments are more desirable and tend to have higher prices.

Further, because the payment of an asset may vary depending on the conditions at the time the payment is due—the stock may have a high price or a low price when the holder sells the stock—information about the likely amount of the future payment also affects how much of the asset people want to hold today. For example, when a firm announces an increase in future dividend payments, the price of the firm's stock often increases. This increase in price reflects an increase in the desire to hold the stock. Every time new information is released, investors reevaluate their holdings of assets.

The foreign-exchange market plays an important role in determining the value and return to foreign currency assets. When buying assets that are denominated in a foreign currency, investors must take into consideration both the future payment in terms of the foreign currency and any change in the relative values of the two currencies, the exchange rate. For example, in August 2006 the interest rate paid on 10-year U.S. Treasury bonds was 4.9 percent and the interest rate paid on 9- to 10- year German Treasury bonds was 3.9 percent, a difference of 1 percentage point (see Chart 7-1). Does this difference imply that investors should have preferred U.S. Treasury bonds to German Treasury bonds?

Chart 7-1 **Interest Rates on U.S. and German Long-Term Bonds**
U.S. bond yields were higher than German bond yields in 2006.



Source: U.S. Federal Reserve Board and Deutsche Bundesbank.

Not necessarily. The expected return for a U.S. resident who purchases a German bond includes both the interest paid on the bond, in euros, and the expected change in the exchange rate over the period during which the bond is held. In other words, the return on a German bond, from a U.S. investor's perspective, includes both the explicitly defined interest rate and the value of this return once converted back to U.S. dollars, an effect that can increase or decrease the return to the bond.

An example will clarify the concept. A German investor wishes to calculate the expected return on investing €100 in a savings deposit at a bank in the United States for 1 year. She needs three pieces of information to calculate the expected return: the current exchange rate between the dollar and the euro, the interest rate paid on the savings deposit, and the exchange rate that will prevail 1 year in the future. The investor knows the first two variables (today's exchange rate and the interest rate) with certainty. The one element of the calculation that is not readily available is the future exchange rate. For this example, let's first assume the investor knows all three variables: today's exchange rate is $1 per euro, the interest rate to be paid on the savings deposit is 5 percent, and the future exchange rate is $0.99 per euro (the euro *depreciates* relative to the dollar). The calculation of the investor's return is straightforward: after exchanging her €100 for dollars, she has $100 in hand and deposits it in the U.S. bank account. At the end of one year, she withdraws $105 from the bank account and takes it to the foreign-exchange market to trade the $105 dollars for ($105 / .99 =) €106.06. The effective return on the savings deposit was 6.06 percent: the $5.00 in interest earned by the $100 at 5 percent plus the €1.06 gained because the euro depreciated by 1 percent.

In the example, the future exchange rate was taken to be 0.99, a 1-percent depreciation of the euro relative to the dollar. Holding the U.S. interest rate fixed, changes in the future exchange rate have large implications for the rate of return. For example, if the euro had appreciated by 1 percent, the return would have been just under 4 percent: the $5.00 in interest earned by the $100 at 5 percent minus the €1.04 lost because the euro appreciated by 1 percent. Had the future exchange rate been the same as the initial exchange rate, the return would have been the 5 percent paid on the deposit. Investors must take into consideration future changes in the exchange rate in order to decide which asset has a higher expected return.

Now, what happens if investors all decide that the expected return—the return considering both the exchange rate and the interest rate—is higher on German bonds than on U.S. bonds? In this case, U.S. investors will sell U.S. dollars and purchase euros and then use the euros to purchase German bonds. The investors will keep doing this until they no longer perceive German bonds as having a higher return than U.S. bonds. That is, investors keep buying German bonds until prices adjust. In this example, there are three

prices: the two interest rates and the exchange rate. Here, the euro would appreciate because the demand for euros is rising; the yields on German bonds would fall; and the yields on U.S. bonds would tend to rise.

Interest rate parity is one of the key equilibrium relationships in international economics: The foreign-exchange market is in equilibrium when deposits of all currencies offer the same expected risk-adjusted rate of return. Interest parity is expected to hold except when countries prevent the free flow of assets. If, in the example above, German and U.S. residents could only buy their own domestic bonds, interest parity would not necessarily hold. The return on the bonds would be determined independently in each country. This issue is revisited in Box 7-4 later in the chapter.

Purchasing Power Parity

The last section focused on the influence the return on a country's assets tends to have on the country's exchange rates. Purchasing power parity is a second equilibrium concept that also helps determine exchange rate. PPP also relies on the concept that prices (and returns) must be consistent internationally. At a weekend farmer's market, the price of corn cannot vary too much between any two vendors. If there is a large difference in price for the same corn, most of the corn sales will be at the cheaper booth. In other words, people at the market, perceiving the corn to be the same quality, will tend to buy from the cheaper vendor until either that vendor's supply is exhausted or the prices at the two booths adjust so that they are closer together. Purchasing power parity is an extension of this simple concept on a global scale. That is, prices of goods sold in any two countries should exhibit about the same price once those prices are converted to a common currency. If goods are sold for different prices in different countries, then either the prices of those goods or the exchange rate would be expected to change until the exchange-adjusted prices in the two countries were similar.

An example may clarify how this process works. Imagine a farmer's market with three booths. One booth sells corn in U.S. dollars, the second booth sells identical corn in euros, and a third booth (the foreign-exchange market) sells and buys euros at a posted price. A buyer arrives at the market with a single U.S. dollar in his pocket and wishes to buy corn. The prices are as follows: 1 bushel of corn from the U.S. dollar booth sells for $1, the same bushel of corn sells for 1 at the euro booth, and at the foreign-exchange booth $1 can buy 1.1. Therefore, the buyer finds that euro-corn is cheaper; he exchanges his U.S. dollar for 1.1 and is able to buy 1.1 bushels of corn instead of the 1 bushel he could buy at the dollar market. If nothing changes, all buyers who show up to the market will prefer euro corn. In response to this preference, two things are likely to occur. The price of corn at the dollar booth will begin to fall as the dollar booth sees less demand for its corn, and the

foreign-exchange booth will raise the price of euros relative to dollars as it perceives an increased demand for euros.

The above example is quite stylized; however, the economic forces in the global marketplace work in exactly the same way. Buyers and sellers search for the best location to sell their goods. However, unlike asset markets in which the adjustments can happen on a large scale very quickly, purchasing power parity depends in part on the adjustment of goods markets, which tend to take place over a relatively long period of time. Therefore, purchasing power parity tends to hold over a very long time horizon—months and years rather than day-to-day. In addition, because there are real costs to shipping goods internationally, very small differences in purchasing power parity will not necessarily disappear. Nevertheless, purchasing power parity is a powerful concept.

Fixed versus Floating Exchange Rates

The previous sections assumed that currency values could immediately adjust as the demand for either goods or assets changes. In reality, some countries do not allow the value of their currencies to fluctuate. Instead, by systematically changing the supply of their own currency through changes in monetary policy, they control the changes in the value of their currencies and limit exchange-rate movements. The choice of exchange-rate policy is often called the exchange-rate regime of a country. This section discusses the two most basic categories of exchange-rate regimes, fixed and floating. Defining a country's exchange-rate regime is, in practice, not an easy task. For example, in 2004 the International Monetary Fund (IMF) identified eight distinct exchange-rate regimes (see Box 7-3). Using the simplification of fixed versus floating allows a simpler discussion of the links between the exchange rate and monetary policy, a topic discussed in the next section.

Floating Exchange-Rate Regimes

Floating exchange-rate regimes are regimes in which the government takes no action to influence the exchange rate. Under this regime, the exchange rate is completely determined by the general market forces discussed above. One advantage of a floating exchange rate is that the government does not have to have any knowledge over what the correct or true exchange rate should be. Market forces drive the exchange rate toward its true value.

Over the past 25 years, there has been a general trend away from fixed exchange rates and toward floating exchange rates. Chart 7-2 illustrates this general trend. The chart shows that the number of countries using floating exchange rates has risen gradually over time. In 1980, over 75 percent of the

Box 7-3: A Description of the IMF Classification of Exchange-Rate Regimes

Exchange arrangements with no separate legal tender: A country gives up its own currency and allows the currency of another country to circulate as the sole legal tender. This exchange regime is often referred to as *dollarization*. This classification includes countries, such as members of the euro area, that form *currency unions:* arrangements by which the same legal tender is shared by the member countries.

Currency board arrangements: An exchange-rate regime in which a country commits to exchange domestic currency for a foreign currency at a preannounced price. Currency board arrangements feature restrictions on the nation to ensure that it will abide by its legal obligation.

Conventional fixed peg arrangements: A regime in which a nation announces that it will buy or sell its currency in exchange for a foreign currency at a preannounced price. This regime differs from a currency board arrangement only in the legal structure of the regime.

Pegged exchange rates within horizontal bands: A regime in which a country allows only limited movements in the exchange rates. The nation announces a high and a low value for the currency and only agrees to sell the domestic currency at the high price and to buy the domestic currency at the low price.

Crawling pegs: A crawling peg is essentially the same as a pegged exchange rate except that the price at which the currency is traded changes over time. For example, a nation that wishes to allow a long-term appreciation of its currency may choose to do so by adopting a crawling peg that allows the currency to appreciate on average.

Exchange rates within crawling bands: This regime is a combination of a crawling peg and a pegged exchange rate with horizontal bands.

Independently floating: The exchange rate is driven by the market. The country does not attempt to influence the value of the exchange rate. For example, the United States has an independently floating exchange rate.

Managed floating: The exchange rate is driven by the market part of the time but on occasion the government seeks to systematically influence the exchange rate through purchases or sales of the currency.

countries listed in the IMF exchange classification maintained a specific target for their exchange rate. By 2005, this number had dropped to 55 percent.

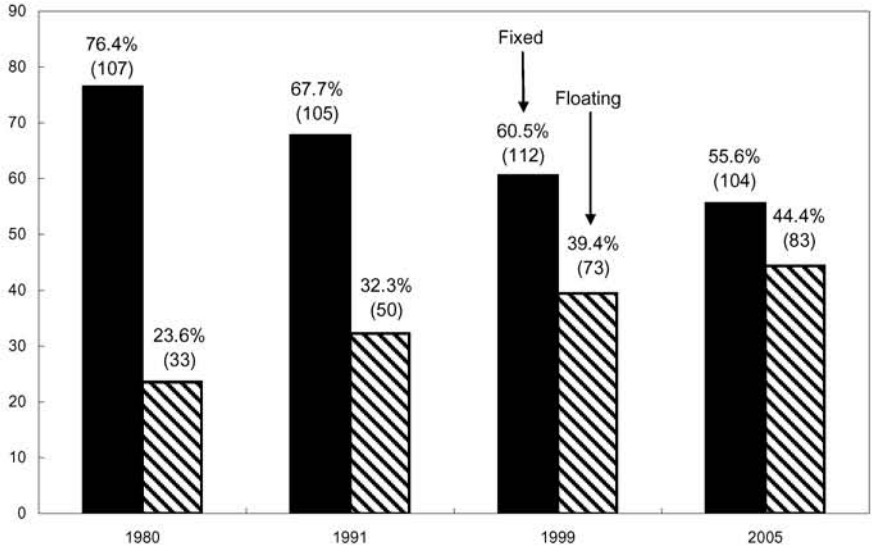
Even among countries that are considered to be freely floating, the government may occasionally or even periodically intervene in the exchange market. For example, Turkey, listed as freely floating in the IMF classification system, does not have a fixed exchange rate but reserves the right to intervene in the exchange market to limit volatility in its exchange rate (and has done so many times over the past few years).

Fixed Exchange-Rate Regimes

A fixed exchange-rate regime is a regime in which a nation's government announces the price at which its currency will trade for another currency. To maintain the exchange rate, the government must stand ready to buy or sell unlimited quantities of currency at the preannounced price. To keep the exchange rate from appreciating, the government sells its domestic currency in exchange for foreign currency. The increased supply of the currency lowers the value of the currency. To keep the exchange rate from depreciating, the government buys its domestic currency using foreign currency. To make these transactions, the government must have sufficient supplies of both domestic and foreign currency. Maintaining a supply of domestic currency is simple, as

Chart 7-2 **Exchange Rate Policy Has Moved Away from Fixed Rates**

Countries as a percentage of total



Note: The number of countries is listed in parenthesis.

Source: International Monetary Fund, *International Financial Statistics, Annual Report on Exchange Arrangements and Exchange Restrictions.*

the government has the right to print unlimited quantities of its own currency. However, supplies of foreign currency must be held in reserve and the government does not have the option of increasing its supply. The possibility of running out of foreign currency and being unable to keep the currency from depreciating is one of the reasons that many nations have given up fixed exchange-rate regimes.

Fixed exchange rates have been used by a large number of countries and for a large portion of modern economic history. Following World War II, the major industrialized countries agreed to fix the value of their currencies with respect to each other. This agreement was known as the Bretton-Woods agreement, and the IMF was established in 1949 to monitor this system of exchange rates. To a greater or lesser degree, this system remained in place until the early 1970s, when countries began to allow their exchange rates to drift.

Following the breakdown of the Bretton-Woods agreement, the Western European nations joined together in a fixed exchange-rate regime. After suffering several major exchange-rate crises, 12 of the European nations preferred so strongly to maintain a fixed exchange rate that they agreed to give up their national currencies and the euro area was established. By giving up their national currencies and forming a monetary union, the member nations hope to avoid future crises. While the euro area is still relatively young (it was formally established in 1999), the currency union has not yet suffered a major crisis.

The Links Between Monetary and Exchange-Rate Policies

A nation's choice of exchange-rate policy is tightly linked to a nation's choice of monetary policy. They are tightly linked because exchange-rate policy is a form of monetary policy. Monetary policy, broadly defined, is the policy that controls the growth rate of the money supply. In order to fix the exchange rate, a government must use its ability to control the money supply to sustain a fixed level of the exchange rate. If the supply of money is dedicated to controlling the level of the exchange rate, it cannot simultaneously be dedicated to controlling inflation. Given the earlier discussion of interest rate parity, the choice of monetary target is essentially a choice between stabilizing domestic prices and stabilizing the exchange rate. If the exchange rate is fixed, then domestic prices, both asset prices and goods prices, must do all of the adjusting.

The increase in the number of economies preferring floating exchange rates and the rise of independent central banks with mandates to maintain price stability is not a coincidence. An increasing number of countries have come to desire central banks charged with maintaining low and stable inflation. To achieve this goal, central banks need a nominal target to automatically stabilize the money supply. Most modern central banks have chosen a domestic short-term interest rate for the nominal target. The short-term

policy rate allows the central bank complete autonomy over choosing the rate of domestic inflation.

The short-term policy rate is not the only nominal anchor available to the central bank, however. The central bank could choose to fix the domestic price of gold or any other commodity. The use of the gold standard has a long and reputable history. A nation's exchange rate with another country can also be used as the nominal anchor for monetary policy. By fixing the value of the domestic currency against another currency, a country essentially adopts the monetary policy of the foreign country; one of the problems of using a strict fixed exchange rate is that the monetary policy of the foreign country may differ from what the central bank would have chosen given complete autonomy. That is, the bank could be forced to print either more or less currency than it would have otherwise chosen.

Thinking through a specific example will help clarify the relationship between exchange-rate policy and overall monetary policy. For a long time, China had a fixed exchange rate with the United States. To maintain its fixed exchange rate, the Chinese government had to stand ready to buy or sell yuan, China's domestic currency, for U.S. dollars at a fixed price. From 2000 to July 2005, this price was set at approximately 8.28 yuan per dollar. Over this time period, Chinese productivity growth was much higher than U.S. productivity growth and Chinese prices on average grew much more slowly than U.S. prices. High productivity growth implies a high return to investment in China relative to the United States. The slow growth of Chinese prices implies that, holding the exchange rate constant, Chinese goods were becoming cheaper relative to goods in the United States. Therefore, both in terms of maintaining interest rate parity and in terms of maintaining PPP, there was pressure for the yuan to appreciate relative to the U.S. dollar. How did the Chinese authorities prevent the appreciation?

The Chinese authorities prevented the appreciation by buying U.S. dollars and exchanging these dollars for yuan. The pressures for appreciation of the yuan implied that the yuan was facing higher demand—that more goods could be purchased for dollars converted to yuan, and investments in China delivered, on average, a higher return. To offset the increase in demand, the Chinese government effectively increased the supply of Chinese assets and decreased the supply of U.S. assets. Chinese foreign-exchange reserves increased from around $150 billion in early 2000 to almost $1 trillion by September 2006, a truly remarkable increase. In other words, the Chinese prevented an appreciation of the exchange rate by effectively printing yuan and using those yuan to accumulate U.S. dollar assets.

By fixing the exchange rate, the Chinese monetary authority is unable to use monetary policy for any other goal. By printing yuan, the Chinese raise the amount of currency in the country, which in turn, holding all else equal, raises the domestic price level, thus raising the economy's inflation rate.

But if they are just printing enough to buy and hold U.S. assets, from where does the domestic price pressure arise? The price pressure arises as the yuan, which are used to purchase the dollar assets, flow back into the Chinese economy. In other words, the prices increase because of foreign demand for Chinese goods. On the surface, this foreign demand appears to arise as a result of the Chinese exchange-rate regime; however, this demand is the same demand which was originally putting pressure on the Chinese exchange rate. At the old prices, there was not enough supply of Chinese goods to meet all of the demand. Because the exchange rate was unable to adjust, the price of Chinese goods had to adjust.

Could the Chinese conduct a monetary operation to lower inflation? To lower inflation, the Chinese would need to remove yuan from circulation, perhaps by selling domestic bonds. This transaction is sometimes referred to as sterilization. The action, however, will tend to raise the value of the currency: the currency would become scarcer as a result of the reduction in supply. As the currency becomes more valuable the foreign-exchange value of the currency would tend to appreciate. Any monetary action the Chinese undertake to reduce domestic inflation tends to undo their exchange-rate intervention (see Box 7-4).

This example also illustrates why the Chinese intervention does not systematically change the relative real prices between the United States and China. Had the Chinese government not intervened, Chinese domestic prices would have remained the same in terms of yuan and become more expensive in terms of dollars through a change in the exchange rate. With the intervention, Chinese domestic prices rose in terms of yuan and became more expensive in terms of dollars even though the value of the nominal exchange rate was unchanged. This outcome occurs any time a country takes actions to fix its exchange rate: fixing the nominal exchange rate does not necessarily have any impact on the relative prices between two countries. In other words, fixing the nominal exchange rate does not tend to move countries away from purchasing power parity. The only effect is that domestic goods prices have to do all of the adjustment since the exchange rate is fixed.

In the end, central banks that choose to fix the value of their exchange rate relative to another currency and central banks that choose to set a short-term interest rate are each choosing a different tool to conduct monetary policy. Economic theory does not dictate a clear preference between the two tools; however, by 2006 no central bank from any major industrialized nation has opted to use a fixed exchange rate, while maintaining their own domestic currency, as a monetary policy instrument. These central banks understandably believe that interest rate targeting, in practice, is a preferred tool in the conduct of monetary policy.

Box 7-4: The Impossible Trinity

A fixed exchange-rate regime forces a country to choose between allowing free flows of assets in and out of the country or restricting the flows in order to preserve independent monetary policy. This choice is forced on countries because only two of the following three policies—free asset flows, a fixed exchange rate, and an independent monetary policy—can be maintained at any point in time.

The underlying reason for this restriction is that free asset flows and monetary policy operations may yield a foreign-exchange value of the currency which is inconsistent with the fixed rate that the government is trying to maintain. The United States, for example, allows free asset flows and maintains an independent monetary policy. As a result, the U.S. central bank, the Federal Reserve Board, can influence domestic interest rates relative to foreign rates. If the Federal Reserve elects to raise domestic rates, however, then the United States becomes a more attractive investment environment relative to other countries, and assets flow into the U.S. economy. Because this shift in asset flows raises demand for the U.S. dollar, the exchange rate appreciates. Since the U.S. government lets the market determine the dollar's foreign-exchange value, the dollar's appreciation can occur without any active intervention by the Federal Reserve.

In this example, the only way to break the direct link between the exchange rate and the interest rate would be for the United States to restrict asset flows. If assets cannot flow into the United States, demand for the dollar does not rise with the increase in interest rates, and the exchange rate does not necessarily appreciate. In other words, one of the key assumptions of interest rate parity—that assets can flow to the location with the highest return—is broken.

Denmark, on the other hand, effectively pegs its domestic currency to the euro and allows free flows of assets, as evidenced by the nearly 632 billion kroner of foreign direct investment in Denmark in 2005 (over 40 percent of Denmark's GDP). By pegging its currency and allowing free asset flows, Denmark essentially loses the ability to independently determine its domestic inflation rate. If Denmark were to alter interest rates so that they deviated from world rates, assets would flow in or out of the Danish economy and lead to a shift in the exchange rate. To correct this shift and maintain its fixed exchange rate with the euro, Denmark would then have to buy or sell kroner, thus negating the interest rate changes it achieved through its monetary policy. In this sense, free asset flows and a fixed exchange rate make an independent monetary policy virtually impossible.

continued on the next page

Box 7-4 — *continued*

In the middle of the spectrum are countries such as China, which has pegged its exchange rate to the U.S. dollar. China can, to a limited extent, operate an independent monetary policy, however, because it restricts the ability of its residents to move capital out of the country. In China's case, world and domestic interest rates can differ since restrictions on the flow of funds out of the domestic economy limit the resulting changes in the money supply and the corresponding pressures on the exchange rate.

Conclusion

Currency markets facilitate global trade and investment by making it easy for firms and investors to buy or sell the currencies they need to do business globally. In the absence of global currency markets, the benefits of international openness would be nearly impossible to realize—international trade would effectively be reduced to barter arrangements. The growing importance of international trade and investment has been accompanied by an increasing number of transactions in the foreign-exchange markets.

The value of a nation's currency is determined like any other good, service, or asset. The more people demand the currency and the scarcer the supply of the currency, the higher the currency's value. The value of a currency is measured by its purchasing power relative to other currencies. In other words, the value of a currency is measured by its exchange rate with other currencies.

Exchange-rate policy is a form of monetary policy. When a country fixes its exchange rate relative to another country, that country must use its monetary policy to maintain the exchange rate. A country with a fixed exchange rate does not have the ability to use monetary policy for any other purpose, just as a nation which sets a short-term interest rate must devote its monetary policy to achieving that goal.

In addition, the value of a country's currency is in large part determined by the value of that country's goods, services, and assets and the ability of people and firms to freely trade these items across national borders. Any policy that restricts the free flow of these items will lower the value of the currency, in addition to lowering the value of the restricted asset. The value of a nation's currency is tied to people's ability to move assets and goods. Small changes in a nation's openness to trade and investment will likely have a small impact on the value of the currency; however, every movement towards more protectionist policies is likely to be associated with a lower value of a nation's currency than would have been true otherwise.

CHAPTER 8

International Trade and Investment

The United States derives substantial benefits from open trade and investment flows. Over many decades, increased trade and investment liberalization has been an important catalyst for greater productivity growth and rising average living standards in the United States.

Trade liberalization and globalization remain controversial subjects because competition invariably raises both anxieties and opportunities. Reducing obstacles to trade can help economies grow more rapidly in the long run and create better, higher paying jobs. Increased competition, however, can lead to hardships for others in the short run. Constructive policies that help displaced workers train for and find new work and increase the portability of pension and health benefits can help to ease adjustment.

The key points in this chapter are:

- Engagement in the global economy through increased trade has contributed to rising average living standards in the United States. Firms engaged in international trade are more productive, have higher employment growth, and are higher wage firms than domestically oriented firms. Looking ahead, international trade liberalization in services presents significant opportunities for U.S. workers, firms, and consumers.
- Foreign direct investment (FDI) flows into the United States benefit the U.S. economy by stimulating growth, creating jobs, and financing the current account deficit. FDI flows into the United States also stimulate investment in research and development in high-technology areas that promote innovation and competitiveness.
- U.S. direct investment abroad is an important channel of global market access for U.S. firms. U.S. multinational companies have contributed to productivity growth, job creation, and rising average living standards in the United States.

Trade Liberalization: A Key Contributor to the Strength of the U.S. Economy

Increased international trade has raised real incomes, restrained prices, introduced greater product variety, spurred technological advances and innovation, and raised living standards in the United States. Studies have estimated that the annual payoff from U.S. trade and investment

liberalization to date, including from the Kennedy Round, the Tokyo Round, the Uruguay Round, the North American Free Trade Agreement and other free-trade agreements, is up to $1.5 trillion. These gains arise through many channels: higher long-term levels of commerce in goods and services that come from trade and investment liberalization; increased product variety; more efficient allocation of resources; and better transportation and communication technology. Some economists have conjectured that trade liberalization alone has accounted for about half of these gains, which implies that the annual income gain from trade liberalization to date is over $2,500 per capita, or $10,000 for an average American family of four. Existing studies suggest that U.S. incomes could rise further by approximately $590 billion per year by moving all the way to global free trade in goods and services.

International trade in goods and services exposes firms to foreign competition and reduces their ability to charge high markups above production costs. International trade also increases the variety of goods available such as silk sweaters from China, wine from Australia, and winter blueberries from Chile. Consumers value variety and one study estimated that the U.S. economic value of increased varieties through imports over the past three decades is equivalent to $350 billion per year, or 2.8 percent of gross domestic product (GDP).

Engagement in the global economy through increased trade has contributed to rising average living standards in the United States. Research shows that firms engaged in the international marketplace tend to exhibit higher rates of productivity growth and pay higher wages and benefits to their workers than domestically oriented firms. Economists agree that the most important determinant of living standards in a country is the average level of productivity, or output per worker.

A free and open international trade regime is vital for a stable and growing economy, both here at home and throughout the world. The United States will continue to work aggressively toward multilateral trade liberalization through the World Trade Organization's Doha Development Agenda negotiations. The prospects for these negotiations to produce significant benefits for this country and our trading partners, particularly developing countries, demand that we promptly reach a balanced and ambitious outcome.

Firms That Engage in International Trade Are Strong Performers

At the microeconomic level, firms engaged in international trade outperform domestically oriented firms on many dimensions. Research has shown

that firms engaged in international trade have higher productivity than their counterparts engaged solely in domestic activity. One study found that value added per employee, one simple measure of productivity, was 15 percent higher in manufacturing exporting firms than in firms that did not export (controlling for industry effects, plant size, and geographic location). And these productivity effects are reflected in higher wages: the wages paid by manufacturing plants that export are 9 percent higher on average than wages paid by non-exporting plants of the same size. Wages in service-oriented firms that export are, on average, 13 percent higher than their purely domestic counterparts of the same size.

One recent study that examined the dynamics of globally engaged firms between 1993 and 2000 found that firms engaged in international trade had a higher survival rate (65 percent) than the average for all firms in the country (53 percent). In addition, a firm that began to trade during this time period increased employment by nearly 100 percent on average, while a firm that quit trading experienced a decline in employment.

An increasing number of American workers are employed by firms engaged in international trade. Between 1993 and 2000, firms that trade increased employment by 9.8 million workers, and the share of the American workforce employed by a firm engaged in trade increased from 40 percent to approximately 42 percent. Applied to today's workforce, this result implies that over 57 million American workers are currently employed by a firm that engages in international trade.

The Effects of Nontariff Barriers on International Trade

While trade can generate many economic benefits, governments at times set up barriers to international trade. One of the more common and harmful barriers is a *nontariff barrier*, a barrier behind the border that is a policy (other than a tariff or tax) or official practice that can unfairly inhibit competition. Unjustified nontariff barriers can distort the prices and quantities of goods and services traded internationally, restrict international investment, and reduce economic welfare in exporting and importing countries. As tariffs have fallen both in the United States and in many other countries, nontariff barriers have increased in importance and are often cited as more trade-restricting than tariffs. Nontariff barriers can arise as a result of government policies aimed explicitly at protecting domestic firms from international competition, or from rules or laws within a country that effectively hinder trade (see Box 8-1).

Box 8-1: Nontariff Barriers Restrict Trade

Unjustified nontariff barriers (NTBs) make it more difficult for international goods and services to compete freely and fairly with those produced domestically. Common examples of NTBs are burdensome or nontransparent product standards or regulations. For example, in Korea, pharmaceutical imports must be tested on Korean nationals, and each individual batch produced must undergo testing. In China, the process of standards certification for telecommunications and IT products can be burdensome and unpredictable, as two separate Chinese regulatory agencies each check for conformity to the same set of standards. Other often-cited NTBs include investment restrictions, government procurement laws, and lax enforcement of intellectual property rights.

Measuring the effects of NTBs on trade is more difficult than assessing the effects of tariffs, but some attempts have been made. A growing body of evidence consistently shows that the economic welfare gains from eliminating NTBs are at least as large as those obtained from further tariff liberalization. One study shows that the U.S. payoff from eliminating NTBs with just seven of our trading partners (Australia, Canada, Germany, Italy, Japan, the Netherlands, and Great Britain) would generate annual income gains of $90 billion for the United States (0.72 percent of GDP), compared with $37 billion from tariff liberalization (0.30 percent of GDP). These benefits arise largely from the pro-competitive effects of increased international trade and more efficient allocation of resources.

Tariff negotiations are fairly straightforward, and forums such as the World Trade Organization (WTO) exist for this purpose. Members are required to report their tariff schedule to the WTO each year, so members know the tariff rate for each product in every country. However, countries do not always agree on what constitutes a NTB and there is no formal, consistent notification process, thereby making negotiations aimed at addressing such barriers more complicated. Part of the policy problem is making distinctions as to whether NTBs are warranted for nontrade reasons (e.g., product safety standards) or whether they are simply covert barriers to imports (nontransparent licensing requirements for foreign firms). For instance, customary regulatory and legal procedures within one country might be seen as complex and overly burdensome to would-be exporters.

Apart from the challenges of identifying NTBs, policymakers face difficulties in knowing which NTBs they should seek to dismantle first. The U.S. Department of Commerce has surveyed its industry and trade experts and country desk officers in an effort to identify the most prevalent NTBs faced by U.S. exporters and to identify which export products

are most likely affected. The survey results suggest that, on average, at least one NTB affects U.S. exporters for each major product category in which they export to our main trading partners. For instance, a problematic regulatory environment was cited as a problem in 43 of the 49 countries covered by the survey, and was cited as the top problem in 14 of those countries. The industries facing the most NTBs included entertainment, pharmaceuticals, and information technology.

International Trade in Services

Liberalizing trade in services is important for economic growth here and abroad. As an economy grows and matures, services tend to increase as a share of GDP and as a share of trade. The United States has a global competitive advantage in services, yet services remain highly protected abroad.

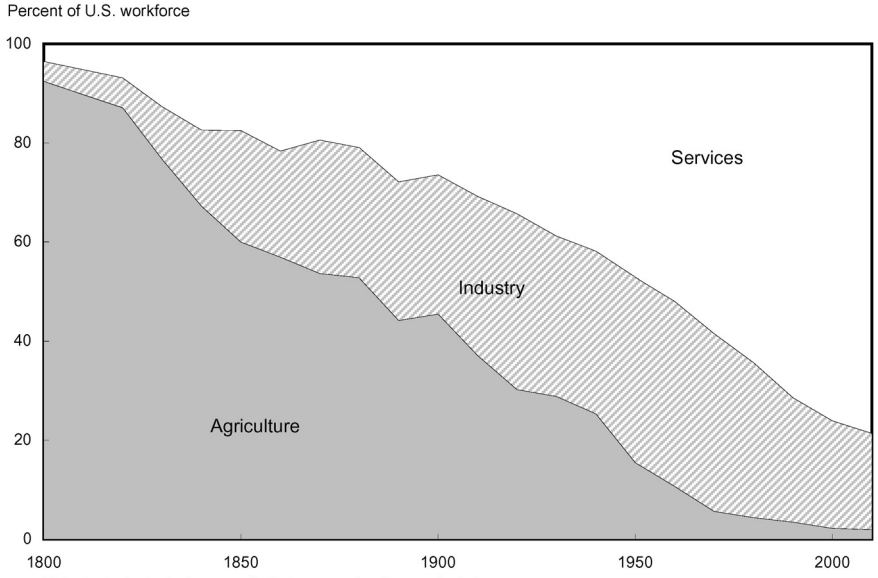
Services such as financial, insurance, transportation and storage, telecommunications, express delivery, and business services generate 68 percent of world GDP but account for just under 20 percent of global trade. While global advances in information and communications technology are making services increasingly tradable, existing trade barriers to services are significant. These barriers are currently subject to negotiation in a host of bilateral, regional, and multilateral trade talks.

U.S. Competitive Advantage in Services

A large and growing part of the U.S. economy and workforce is employed in services. In 1800, 9 out of 10 American workers were employed in agriculture; today that number is less than 1 in 10 (Chart 8-1). In contrast, nearly 8 in 10 American workers are employed today in the service sector.

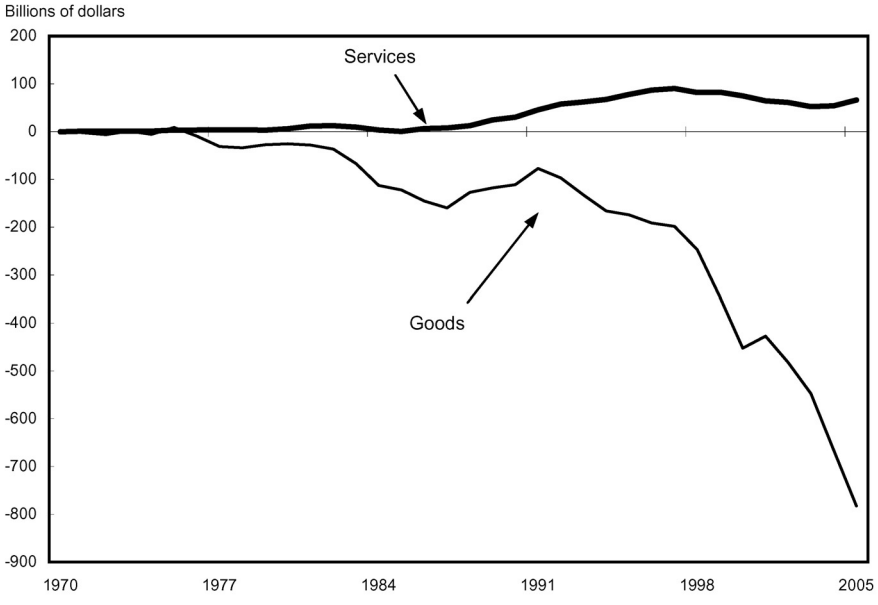
The vast economic benefits from trade liberalization for services stem in part from our competitive advantage in services. That is, the United States can produce many services at a lower cost than our trading partners, and our trading partners can produce some other set of goods and services at a lower cost than the United States. When we trade our lower cost services for their lower cost goods, we and our trading partners gain from trade. Chart 8-2 shows the changing structure of U.S. trade, which in part mirrors the changing structure of the U.S. economy. Since the 1970s, the United States has consistently run a surplus in services trade, with a $66 billion surplus in 2005.

Chart 8-1 **Percent of Private U.S. Workforce by Sector, 1800–2005**
A large and growing share of the private U.S. workforce is employed in services.



Note: Industry includes manufacturing, construction, and mining.
Source: Federal Reserve Bank of Dallas.

Chart 8-2 **Trade Balance by Sector, 1970–2005**
The U.S. trade deficit in goods and surplus in services have increased.



Source: Department of Commerce (Bureau of Economic Analysis).

Technological Change Is Fostering International Trade in Services

Services have become increasingly tradable, particularly knowledge-based or information technology-enabled services that are beyond the traditional notion of internationally traded services such as transportation, travel, and tourism. For many of these services, a physical commercial presence is necessary. For example, a financial institution is able to offer a host of financial products to international clients, but the multinational firm must still set up intermediary branches to serve their clients overseas. Other services can be delivered with virtually no physical presence. An increasingly wide range of commercial transactions ranging from stock trades, to manufacturing orders, to airline reservations, can occur almost entirely over networked digital media located in many countries around the world.

Trade in services previously involved high transaction costs between businesses and customers. Technological innovations and changes in global technology such as the Internet, information technology (IT) hardware such as personal computers, and IT networks have greatly reduced communication and transaction costs for trade in services.

Table 8-1 reports U.S. trade in private services. The largest subcategories in "other private services" trade, which captures many of the IT-enabled services, include financial and insurance services; computer, management, and consulting services; and other business, professional, and technical services.

TABLE 8-1.— *U.S. International Trade in Private Services, 2005*
(billions of dollars)

Total private services traded	Exports	Imports	Balance
Total private services traded	**$360.5**	**$280.6**	**$79.9**
Travel	81.7	69.2	12.5
Passenger fares	20.9	26.1	-5.1
Other transportation	42.2	62.1	-19.9
Royalties and license fees	57.4	24.5	32.9
Other private services	158.2	98.7	59.5
Education	14.1	4.0	10.1
Financial services	34.1	12.3	21.7
Insurance services	6.8	28.5	-21.7
Telecommunications	4.7	4.7	0.1
Business, professional, and technical services	80.8	47.7	33.1
Computer and information services	8.2	9.0	-0.7
Management and consulting services	6.4	5.9	0.5
Research and development and testing services	10.1	6.7	3.4
Operational leasing	9.4	1.3	8.1
Other business, professional, and technical services	46.6	24.8	21.8
Other services	17.7	1.5	16.2
Film and television tape rentals	10.4	0.9	9.5
Other	7.3	0.6	6.7

Source: Department of Commerce (Bureau of Economic Analysis).

Trade growth in "other private services" has far outpaced growth in the rest of services. From 1995 to 2005, U.S. exports of "other private services" grew 143 percent, compared with 44 percent growth in all other services. The bulk of the overall trade surplus in services comes from the "other private services" category, which accounted for 90 percent of the *overall* U.S. services trade surplus in 2005, up from 38 percent in 1995. In contrast, the surplus in more traditional services (e.g., travel and transportation) has fallen. The surplus in "other private services" has grown from $30 billion in 1995 to $60 billion in 2005, and the surplus in the rest of services has fallen from $48 billion to $7 billion. Many of these trends are consistent with the global IT advancements that have fostered international trade in services over the past decade.

High Barriers Restrict International Trade in Services

Barriers to trade in services are mostly regulatory and investment restrictions and tend to be higher than trade barriers in merchandise. For instance, U.S. banks that wish to offer retail banking services abroad face a host of barriers that limit their ability to compete in foreign markets. Examples of such barriers might be investment restrictions that limit the number of bank licenses the country will issue to a U.S. bank; requirements for U.S. banks to enter the banking market through a joint venture with a domestic bank; or limits on the degree of control that a U.S. bank can exercise over its foreign affiliate. Foreign firms wishing to enter the U.S. airline industry face ownership restrictions that limit their ability to compete with domestic firms.

Despite such barriers, services trade is expected to continue to grow. Research suggests that as countries' incomes grow, their demand for services and their trade in services will each grow more than one-for-one with income. U.S. producers are well-positioned to continue to engage in increased services trade, as many have already incorporated the technology in their operations to facilitate trade.

Looking Ahead to Larger Gains from Trade Liberalization

Despite decades of trade liberalization, the world economy is still far from a global marketplace of unfettered trade. Many of the remaining barriers lie in services, and the prospective gains for the United States from further trade reform are substantial. While global tariff liberalization in manufacturing and agriculture could generate over $16 billion in income for the United States each year, the prospective gains from services liberalization are immense: an estimated $575 billion in annual U.S. income (4.3 percent of GDP). Summing up, this is an additional $591 billion in annual income that will be foregone in the absence of further trade reform.

The magnitude of the payoff to the United States from services trade liberalization reflects a number of factors: the U.S. competitive advantage in many services, the large share of services in the global economy compared to the relatively small share of services in global trade, and the high barriers to services trade. These barriers are often regulatory in nature or involve restrictions on the form of investment, such as foreign equity restrictions that limit foreign investors' holdings and control in a company, transfer limitations on capital flows, and the repatriation of profits. Removing these barriers would free up capital to move across borders to the location with the highest rate of return.

Developing countries also stand to benefit greatly from global liberalization of services trade. The service sector share of GDP exceeds the manufacturing share in most developing countries. The increased availability and quality of services enhances the competitiveness of manufactured goods, agricultural products, and existing services. For instance, India stands to gain an estimated $12 billion in national income each year (1.7 percent of GDP) from removing barriers to trade in services, and China stands to gain an estimated $105 billion (4.0 percent of GDP) each year.

Foreign Direct Investment

International trade in goods and services is an important channel of international commerce, but it is not the largest channel. For many U.S. firms, foreign direct investment (FDI) is a more significant path to accessing foreign markets than are exports.

FDI is investment of foreign assets into domestic structures, equipment, and organizations (e.g., a manufacturing plant, an R&D facility, an office or a warehouse), whether in the form of acquisition or "greenfield" establishment. FDI is distinguished from passive portfolio investment (FDI does not include foreign investment in the stock market). Only the former can confer managerial or operational control. The two types of foreign direct investment are inward FDI and outward FDI. *Inward foreign direct investment* is generally understood to imply ownership by a foreign person or corporation of at least a 10-percent stake in a U.S. business enterprise. Similarly, *outward foreign direct investment* is ownership by a U.S. person or corporation of at least a 10-percent stake in a foreign business' operation abroad. A foreign automaker building or buying a production plant in the United States is an example of inward FDI, while a U.S. automaker building or buying a production plant in China is an example of outward FDI.

Before we examine each type of FDI and its importance to the U.S. economy, it is useful to define some of the terms that are commonly encountered when discussing FDI. A *multinational corporation* is a business enterprise

(i.e., the parent) headquartered in one country that has at least a 10-percent ownership stake in a foreign business enterprise (i.e., the affiliate) in another country. That 10-percent ownership stake is the minimum stake used by many statistical agencies around the world, including those in the United States, for identifying meaningful managerial influence over the affiliate.

A *majority-owned U.S. affiliate* is an affiliate of a foreign-owned company that is located in the United States and has at least 50 percent foreign ownership (we focus on majority-owned U.S. affiliates here but use the term "U.S. affiliates"). Similarly, a *majority-owned foreign affiliate* is a foreign affiliate with at least 50 percent U.S. ownership.

U.S. firms are more reliant on FDI for the international delivery of services than they are for the international delivery of goods. While services are becoming increasingly tradable, their actual delivery often requires some physical presence, for example, distribution and express delivery services. Even with widespread use of ATMs and electronic banking, financial or retail banking often requires physical presence in the country in which services are being offered. Based on data from the Bureau of Economic Analysis for 2004, the ratio of sales by U.S.-owned services affiliates abroad to total U.S. services exports was 5.5, compared to 2.5 for goods. That is, U.S. firms deliver over five times the value of services through their foreign affiliates as they do through cross-border trade. Similarly, U.S. firms deliver 2.5 times the value of goods through their foreign affiliates as they do through cross-border trade.

Contributions of Inward FDI to the U.S. Economy

The United States receives inward FDI from firms and individuals located in countries from all over the world. Countries with the largest FDI positions in the United States include Great Britain, Japan, Germany, and Canada. These funds support firms across the U.S. economic landscape, from food, mining, and manufacturing firms to service sectors such as finance, telecommunications, and wholesale and retail trade. Every state in the United States is a recipient of foreign direct investment.

Presence of U.S. Affiliates

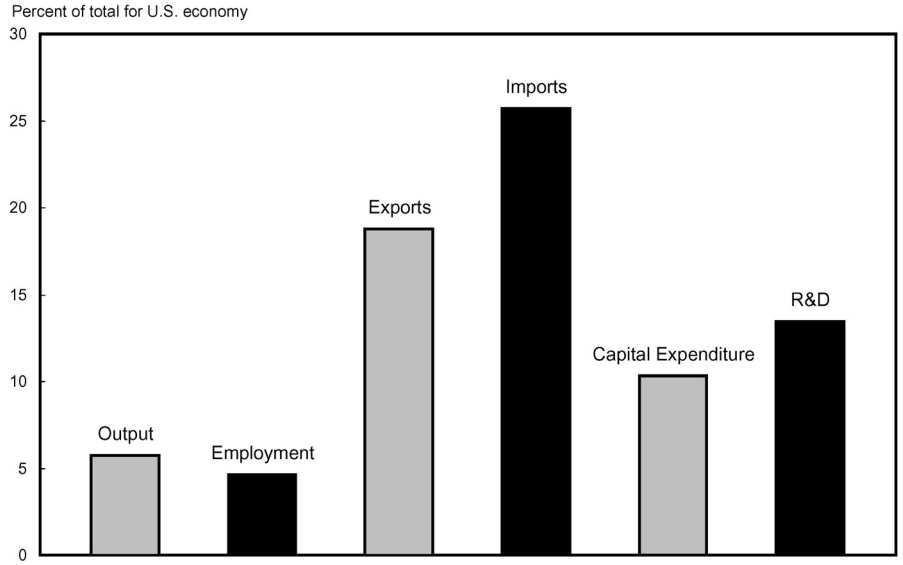
Decades of trade and investment liberalization both here and abroad have encouraged the growth of multinationals and global supply chains. Today, U.S. affiliates of foreign multinationals account for an important part of the U.S. economy. In 2004, the latest year for which data are available, U.S. affiliates owned $5.5 trillion in assets and had $2.3 trillion in sales. They produced $515 billion of goods and services inside the United States and accounted for 5.7 percent of total U.S. private output—up from 3.8 percent in 1988. U.S. affiliates employed 5.1 million workers or 4.7 percent of the

U.S. workforce in 2004—up from 3.6 percent in 1988. While historical data show upward trends in the presence of U.S. affiliates, since 2000 U.S. affiliate investment, output, and employment have leveled off or decreased slightly.

Microeconomic Benefits to the U.S. Economy

Inward FDI provides a number of benefits to the U.S. economy at the microeconomic level. Research has shown that multinationals are more productive than firms focused primarily on domestic markets. The relatively high productivity of U.S. affiliates of foreign-owned firms is attributable, in part, to their relatively high levels of investment in physical capital, R&D, and exporting and importing. Specifically, while U.S. affiliates account for 5.7 percent of output and 4.7 percent of employment, they account for a disproportionately high share of U.S. exports (19 percent), imports (26 percent), physical capital expenditures (10 percent), and R&D expenditures (13 percent) (see Chart 8-3). Studies show that all of these activities are correlated with strong productivity performance. (Chapter 2 discusses productivity growth and long-run effects on the standard of living.)

Chart 8-3 **Economic Activities of U.S. Affiliates of Foreign Companies (2004)**
U.S. affiliates account for a high share of U.S. trade, capital expenditures, and R&D expenditures relative to output and employment.



Sources: Department of Commerce (Bureau of Economic Analysis), Department of Labor (Bureau of Labor Statistics), National Science Foundation.

At the firm level, U.S. affiliates pay higher compensation (wages and benefits) on average than their counterparts in the rest of the U.S. economy. In 2004, an average U.S. worker employed by a U.S. affiliate of a foreign-owned firm received $63,400 in annual compensation compared to $48,200 for workers in the rest of the economy. Research suggests that this difference is largely attributable to above-average labor productivity at U.S. affiliates. Part of this productivity advantage reflects these firms' ability to integrate production processes across borders and their organizational efficiency. Another part reflects differences in plant size, capital intensity (that is, higher use of capital relative to other factors, such as labor, in the production process), and employee skill level. The data also suggest that these firms have higher levels of efficiency (how well labor and capital inputs are used), the gains of which are passed on, in part, to workers. In other words, firms can break up their production process across borders to lower average costs and realize increased productivity and revenues, which can be shared with workers through higher compensation and/or captured by firm owners as higher profits (see Box 8-2).

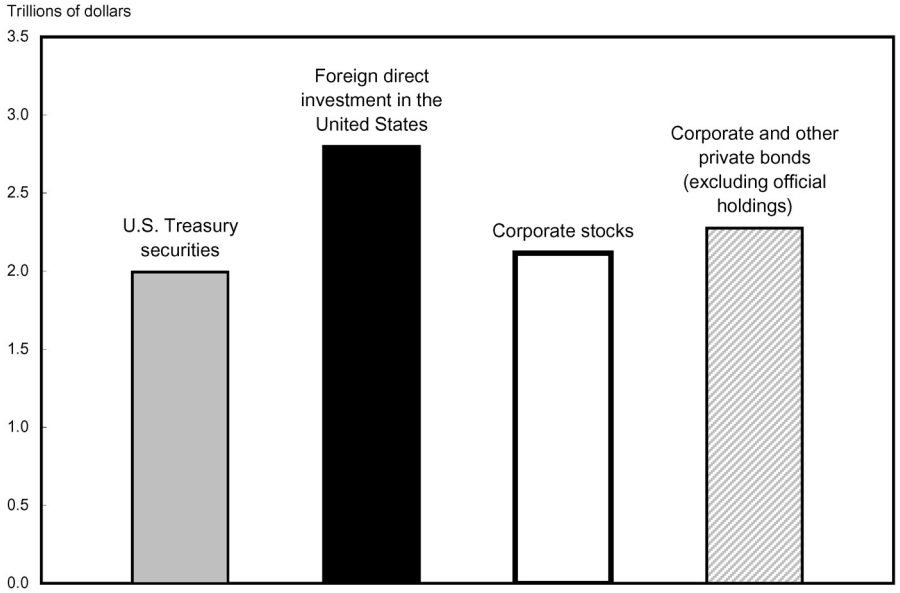
Macroeconomic Benefits to the U.S. Economy

Inward FDI provides a number of benefits to the U.S. economy at the macroeconomic level. For instance, inward FDI is an additional source of investment that helps to modernize the U.S. capital stock. Another benefit is that it provides a source of financing for the U.S. current account deficit, which measures net flows of goods and services between the United States and the rest of the world. As the United States continues to run a current account deficit, foreigners continue to accumulate U.S. assets, and inward FDI is one of the main ways in which they do so.

The accumulation of FDI flows over a period of time results in a stock of assets, or the gross foreign investment position. In 2005, the inward FDI position at market value totaled $2.8 trillion and was the largest component of foreign holdings of U.S. assets. Other components were U.S. Treasury securities ($2 trillion); corporate stocks ($2.1 trillion); and corporate and other private bonds, excluding official holdings ($2.3 trillion) (see Chart 8-4).

The share of foreign holdings is not concentrated in any particular class of assets, which implies a general broad-based confidence in the U.S. economy. Inward FDI is generally considered to be the most stable among the four types of assets shown in Chart 8-4—that is, the least subject to sudden withdrawal. FDI flows are generated by long-term risk–return considerations and are far less liquid and less reversible than portfolio investments. Therefore, FDI flows provide stability to U.S. capital flows because they are not easily reversed for short-term considerations.

Chart 8-4 **Foreign Investment Position in the U.S. by Asset Type (2005)**
Inward FDI (at market value) was the largest component of foreign holdings of U.S. assets in 2005.



Source: Department of Commerce (Bureau of Economic Analysis).

Box 8-2: Multinationals Bring New Products and Processes to the Host Country

The benefits to the U.S. economy from inward FDI mirror those of many other countries. A growing body of evidence across countries and industries demonstrates that globally engaged firms tend to be strong performers—such firms are more productive, pay higher wages, and generate beneficial productivity side effects that accrue to domestic competitors. The three case studies that follow provide a snapshot of the benefits of inward FDI.

Increasing Living Standards in the United States

Infineon Technologies of Munich, Germany, built a state-of-the-art manufacturing plant in Richmond, Virginia, using leading-edge technology to produce dynamic random access memory products that are used in computers. The Richmond company's annual payroll exceeds $100 million, with average wages that are nearly double average Virginia salaries. Over 3,000 North American workers are employed by

continued on the next page

Box 8-2 — *continued*

this German-headquartered multinational, with over 1,750 workers in Richmond alone. The firm has built extensive ties with its customers and suppliers worldwide, and many advanced technology suppliers have emerged in Virginia to support Infineon and other semiconductor firms. Semiconductors are now Virginia's second largest export.

Enhancing Productivity for Mexican Producers and Retailers

One case study documents impressive efficiency gains for Mexico's domestic soap producers once Wal-Mart entered its retail sector. Wal-Mart helped improve Mexico's retail sector by improving the way Mexican retailers interacted with their suppliers. These changes brought about efficiency improvements such as modernization of warehousing, distribution, and inventory management; triggered greater use of information technology in supply management; and required delivery trucks to have appointments and drivers to carry standard identification cards. These innovations have been adopted by other retailers and producers outside of Mexico's soap industry. Mexican soap producers improved their productivity and have gained market share in key export markets, including in the United States.

Improving Banking and Telecommunication Services for Czech Manufacturers

The change toward a freer and more open investment climate in the Czech Republic was followed by the entrance of foreign-owned banks and telecommunication firms. These foreign-owned service providers helped to improve the availability, range, and quality of services. These improved services contributed to better performance of Czech manufacturing firms that rely on services as inputs. For instance, foreign banks accelerated the processing of loan applications, offering decisions to small and medium Czech enterprises within 2 days, compared to a previous waiting period of several weeks. Foreign banks were among the first to offer Internet and remote banking services, including ATMs, which save individual customers and business clients days and sometimes weeks in transaction times. The time needed to send a fax went from hours (or sometimes days for rural areas) to just minutes following the liberalization of the telecommunication sector.

Is Inward FDI on the Decline?

The increase of inward FDI since the late 1980s has coincided with the generally solid performance of the U.S. economy, along with a surge in U.S. worker productivity that has occurred since 1995. Recently, however, some trends have developed with respect to FDI in the United States that may be cause for concern. First, while the U.S. affiliate share of U.S. output has grown over the past two decades, it has stagnated and even declined in recent years. Second, the U.S. affiliate share of employment has declined, from 5.1 percent in 2000 to 4.7 percent in 2004. Third, the share of inward FDI in the U.S. capital account—that is, FDI in the United States as a share of all the assets owned by foreign interests—has declined since 1999. It is not yet clear whether these are benign and temporary trends or whether this development is symptomatic of deeper issues with respect to the attractiveness of the United States as a country in which to make direct investment. To ensure that inward FDI remains a strong, positive force in the U.S. economy, foreign investors in the United States must continue to receive fair and equitable treatment as a matter of both law and practice.

Historically, the United States has opposed the use of government actions that distort, restrict, or place unreasonable burdens on foreign investment. No property can be expropriated pursuant to U.S. law unless it is done for a public use with payment of just compensation. The United States has historically provided a domestic environment conducive to investment by providing foreign investors fair and equitable treatment based on the national treatment principle: foreign investors should be treated no less favorably than domestic investors in like circumstances. Moreover, while taking every necessary step to ensure that foreign investments do not jeopardize national security, the Administration recognizes that our economic vitality depends on our openness.

The Contributions of Outward FDI to the U.S. Economy

A U.S. multinational company is headquartered in the United States and, through outward FDI, has affiliates (often production or marketing facilities) in other countries. Activities of U.S.-headquartered multinationals have contributed strongly to productivity growth in the United States, and thus to rising U.S. living standards.

Because multinationals are engaged in cross-border investment and production networks, they are better able to enhance their organizational efficiency. Studies have shown that multinationals are more productive than firms that are focused primarily on domestic markets. By combining domestic production with foreign production, multinationals can produce at lower costs, earn

higher profits, and pay higher wages and benefits. Domestic firms can benefit from outward FDI as multinationals are exposed to the world's best business practices that can be adopted by other U.S. firms.

Basic Facts About U.S. Multinational Companies

U.S. multinationals are relatively small in number but have a disproportionately large economic footprint. Less than 1 percent of U.S. firms are multinationals, but these multinationals account for 20 percent of total U.S. employment and 25 percent of total U.S. output. In 2004, there were 2,369 U.S. multinationals with 22,279 foreign affiliates, with 21.4 million employees in the United States and 9 million workers abroad. The operations of U.S. multinationals are concentrated in the United States. In 2004, the combined value-added output of U.S. multinationals was $3.04 trillion. U.S. parents accounted for over 70 percent of this output and foreign affiliates for less than 30 percent.

While U.S. multinationals have increased employment and output in an absolute sense, their share of the workforce has decreased slightly over the years while their share of output has remained fairly constant. U.S. multinationals employed 18.7 million American workers, or 25 percent of the workforce, in 1982 (the first year for which annual employment data are available). In 2004, those figures stood at 21.4 million workers and 20 percent, respectively. The value of output by U.S. parents was $1.3 trillion or 24 percent of the total private U.S. output in 1994 (the first year for which annual output data are available). In 2004, those figures were $2.2 trillion and 25 percent, respectively. In terms of recent trends, both employment and output by U.S. parents peaked in 2000 and then began to decline. Output rebounded in 2003 and employment rebounded in 2004, largely reflecting economy-wide trends.

Why Do U.S. Firms Become Multinational?

There are three conditions required for a firm to be willing to invest abroad: (1) the firm has specific assets that can be transported to foreign affiliates; (2) the host country has certain characteristics that make it attractive for the firm; and (3) the firm wishes to maintain control over its intellectual assets.

Multinationals often face large costs and barriers to doing business abroad compared with domestic firms in the host country that are familiar with the local business climate. Physical and human capital are needed to establish an affiliate, and additional resources are needed to understand the local business environment (for example, regulations and tax laws, supply networks, cultural differences, and property rights). Thus, a multinational firm must have certain advantages to compensate for these costs. Three types of compensating advantages are commonly cited. One advantage is firm-specific resources or knowledge-based assets and services (such as technology, patents, trademarks,

and managerial or engineering expertise) that can be used by the foreign affiliate. Another advantage is the location and characteristics of the host country such as market size, trade costs, and differences in the prices for key inputs such as land, labor, or capital. The existence of a large market or the high costs of trading with a certain country or region can motivate multinationals to produce and sell in foreign countries. Price differences in land, capital, or labor; transportation and telecommunications infrastructure; or good business practices can also motivate a multinational to invest and produce abroad.

The third type of advantage is known as *internalization advantage*. A firm may choose outward FDI over giving a foreign company a license to produce its goods so that it can retain control of its intellectual assets. For example, a firm may be reluctant to reveal the details of its product's construction or its production process to a prospective licensee. There is also the danger that a licensee may produce a lower quality product and consequently reduce the value of the multinational's trademark. The difficulty of guaranteeing quality control, monitoring and managing employees, achieving a satisfactory licensing agreement, and enforcing patent or trademark rights all tend to favor outward FDI.

The Organization of Multinational Production

There are two main organizational strategies for multinational production. One strategy is *vertical FDI,* whereby the multinational geographically fragments the production process and carries out different stages of production at different locations. In contrast, *horizontal FDI* occurs when the multinational conducts the entire production process in the host country to sell locally through its affiliates.

Vertical FDI establishes cross-border production networks. A multinational firm may perform many activities—for example, R&D, assembly, marketing, and sales—that require different mixes of capital, more- or less- skilled labor, land, and other inputs. Separating these activities across borders (and across the parent company and affiliate companies) enables the firm to locate each activity in countries with relatively low costs for each activity's intensively used inputs. Because each stage of the production process is carried out in the optimal location in terms of the input mix, vertical FDI production networks can allow firms to take advantage of differences in comparative advantages across countries and produce at an overall lower unit cost. Trade between U.S. parents and their affiliates ("intra-firm" trade) has risen over time, accounting for 20 percent of total U.S. goods exports in 2004, and 14 percent of total goods imports.

Horizontal FDI can allow U.S. multinationals better access to foreign markets. Ninety-five percent of the world's consumers live outside U.S. borders. Companies can reach foreign markets through FDI or exporting. But for U.S. multinationals, the predominant mode of serving foreign markets is

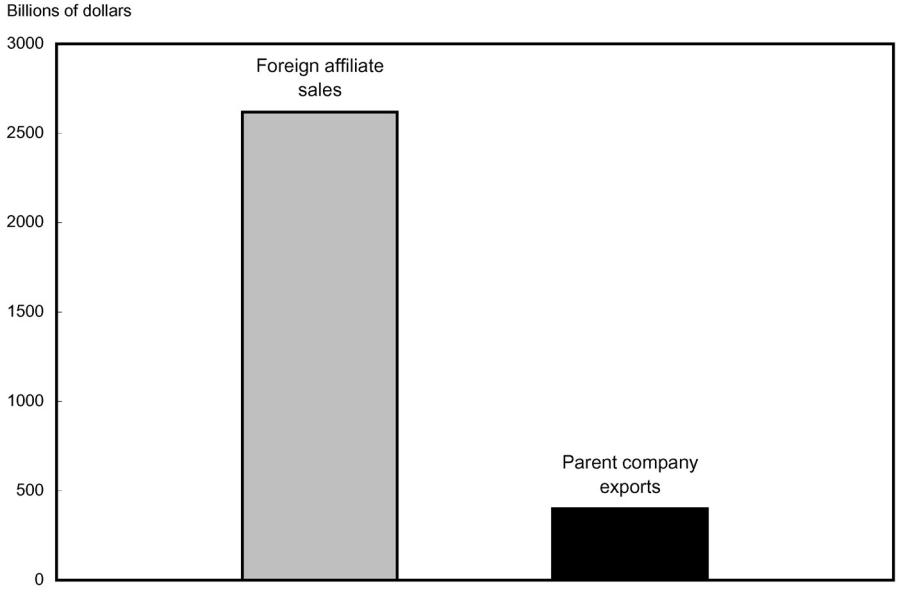
through FDI and affiliate sales (producing and selling locally), not exporting. In 2004, U.S. multinationals sold $2.3 trillion of goods abroad through affiliate sales compared to $400 billion through exports (see Chart 8-5). In other words, for every $1 of exports in goods, U.S. multinational firms sold $5.84 through their foreign affiliates, up from $3.40 ten years earlier.

A common allegation is that U.S. multinationals set up production plants to serve as export platforms back to the United States. However, the data do not support this claim. In 2004, sales by foreign affiliates of U.S. multinationals totaled $3.2 trillion. Most of these sales were to customers outside of the United States; 89.6 percent of total sales were to foreign customers and 10.4 percent were to U.S. customers.

Outward FDI Complements Domestic Economic Activity

Studies show that economic activity abroad by U.S. multinationals complements domestic economic activity. One dollar of additional foreign capital spending is associated with $3.50 of additional domestic capital spending. Firms combine home and foreign production to generate final output at a lower cost than would be possible in just one country, resulting in increased output and profits. Further, when multinationals hire abroad, they also expand employment here at home, making multinationals an important force behind job creation in the United States (see Box 8-3).

Chart 8-5 **U.S. Multinational Goods Sales through Foreign Affiliates and Exports (2004)**
U.S. multinationals serve foreign markets primarily through their foreign affiliates.



Source: Department of Commerce (Bureau of Economic Analysis).

From a broader perspective, U.S. multinationals enhance U.S. competitiveness by engaging in the same activities and possessing the same characteristics that make the U.S. economy competitive in world export markets. Research has shown that the competitiveness of U.S. multinationals tends to be driven by relatively high levels of R&D and highly skilled labor. Studies have also shown that U.S. firms tend to control larger shares of world markets in industries with high levels of R&D and highly skilled labor. Because their competitive interests largely coincide with broader U.S. economic interests, U.S. multinationals make the economy as a whole more competitive.

Box 8-3: U.S. Multinational Companies and U.S. Jobs

In recent years, many observers have expressed dismay that U.S. companies have expanded their operations overseas, claiming that when U.S. firms hire workers in foreign countries, they reduce the number of jobs available to U.S. workers. The idea that U.S. multinationals hiring abroad are "exporting jobs" relies on at least two assumptions: first, that jobs abroad at foreign affiliates are substitutes for domestic jobs at U.S. parent companies; and second, that when U.S. parent companies expand overseas, they do not change the overall scale or scope of their domestic activities. However, in looking at historical data regarding the activity of U.S. multinationals, we see exactly the opposite: when U.S. companies expand their employment abroad, they also tend to expand domestically.

When U.S. Multinationals Hire Abroad They Also Expand Domestic Employment

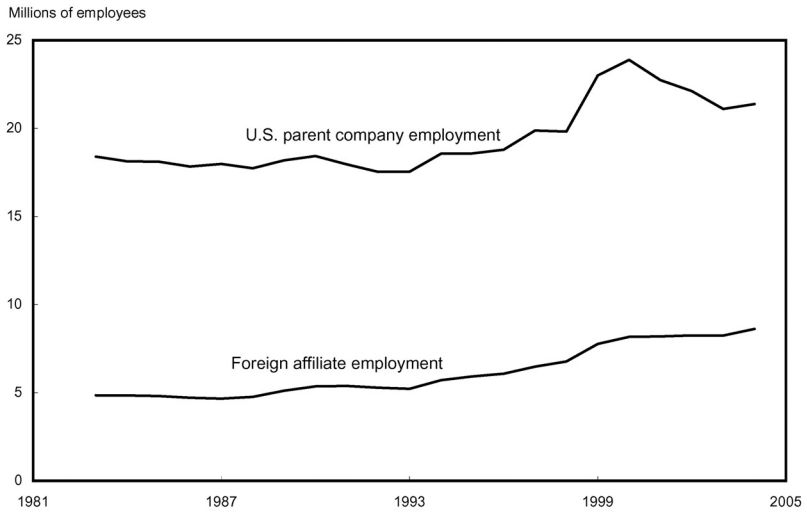
Over the last two decades (1984–2004), U.S. multinationals expanded employment at their foreign affiliates by 3.8 million and at their parents by 3.2 million (see chart). In other words, the long-run data show that when U.S. multinationals hire abroad they also expand domestic employment. There have been short-run anomalies to this historical trend that largely reflect economic business cycles both here and abroad. For instance, between 1990 and 2000, for each job U.S. multinationals created abroad they created nearly two at home. Between 2000 and 2003, U.S. multinationals continued to expand employment abroad, albeit at a slower pace, while decreasing their U.S. payrolls. Since 2003, both U.S. parent company and affiliate employment have risen.

One study found that as U.S. companies expand employment abroad, increase their compensation of foreign workers, and invest in their overseas operations, they also increase their hiring, employee compensation, and investment in the United States. Thus, rather than being

continued on the next page

Box 8-3 — *continued*

Employment by U.S. Parent Companies and their Majority-Owned Foreign Affiliates
Employment by U.S. parent companies and their foreign affiliates have both grown since the early 1980s.



Sources: Deparment of Commerce (Bureau of Economic Analysis), Department of Labor (Bureau of Labor Statistics).

substitutes for one another, the domestic and foreign operations of U.S. multinationals have tended to be complements. Consider the operations of General Electric. According to its latest annual report, since 2001 this multinational has expanded foreign employment by 3,000 while also expanding domestic employment by the same amount.

One reason for the complementary relationship between domestic and foreign activity is that a firm may change the overall size of its operations and expand both at home and abroad. Alternatively, a firm may change the scope of its operations and change the mix of its activities (for example, manufacturing, services, or R&D). In fact, it is common for parent companies in one industry to own foreign affiliates in another industry. In 2004, U.S. parent companies primarily engaged in manufacturing owned over 15,000 foreign affiliates, but over 6,500 of these affiliates specialized in areas outside of manufacturing.

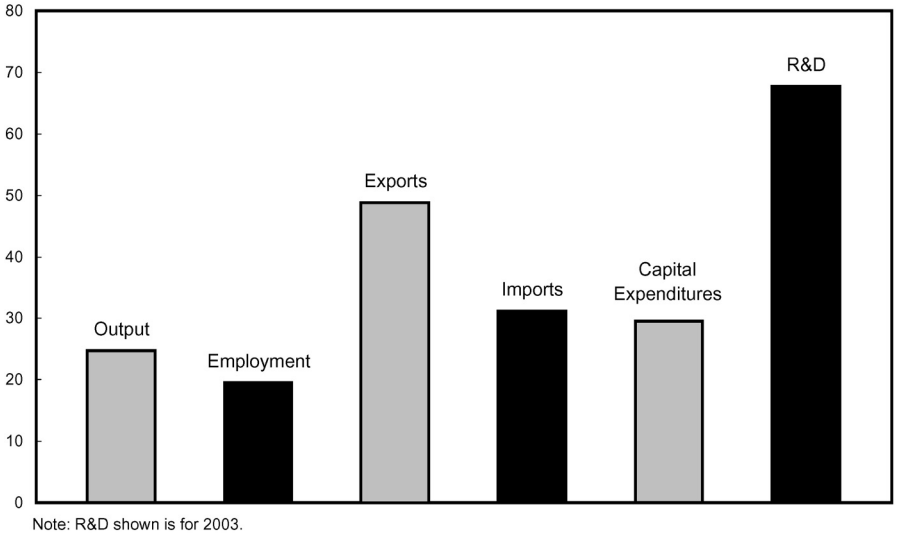
In sum, the decision of a firm to expand abroad is based on many factors, and it may be part of a larger overall expansion strategy or a change in the scope of its operations. It is difficult to predict beforehand what such an expansion means for U.S. workers and the U.S. economy. The only way to tell the effect is to examine the data, and thus far the data show that, over the long run, when U.S. multinational firms hire abroad, they also hire at home.

Good Performance Features of U.S. Multinationals

U.S. multinationals differ from the average U.S. firm in a number of ways. For example, while U.S. multinationals account for 25 percent of total U.S. output and 20 percent of employment, they account for a disproportionately high share of U.S. goods exports (49 percent), goods imports (31 percent), physical capital expenditures (29 percent), and research and development (68 percent) (see Chart 8-6). In fact, U.S. affiliates and multinationals combined conduct over 80 percent of all private sector R&D in the United States. Also, the plants operated by these companies tend to be larger in size than the U.S. average. These differences are important because each of them—international trade, capital expenditure, research and development, and plant size—is associated with high labor productivity. And because of the strong link between labor productivity and employee compensation (see Chapter 2), this higher productivity is a potential benefit to U.S. workers.

U.S. multinationals pay higher average compensation than firms in the rest of the economy. In 2004, U.S. workers employed by U.S. parent companies received an average of $57,800 in annual compensation, compared to about $46,800 for workers in the rest of the economy. The relatively high productivity of U.S. multinationals may be one of the causes for the difference in compensation.

Chart 8-6 **Economic Activities of U.S. Multinational Companies (2004)**
U.S. multinationals account for a high share of trade and R&D expenditures relative to output and employment in the United States.
Percent of total for U.S. economy



Note: R&D shown is for 2003.
Sources: Department of Commerce (Bureau of Economic Analysis), Department of Labor (Bureau of Labor Statistics), National Science Foundation.

U.S. multinationals have had high productivity growth over at least the last three decades, and because they make up a sizeable part of the overall U.S. economy, they have been one of the main drivers of overall U.S. productivity growth during this period. U.S. multinationals accounted for over half of U.S. productivity growth between 1977 and 2000, and for half of the *increase* in U.S. productivity growth between 1995 and 2000. During this 5-year period, productivity at U.S. multinationals surged, growing 6.0 percent annually.

Conclusion

Engagement in the global economy through increased trade and investment has contributed to rising average living standards in the United States. Further trade liberalization, particularly in services, could bring even larger gains to American consumers, firms, and workers. Advancing free and fair trade in multilateral, regional, and bilateral negotiations will help to ensure that America continues to derive benefits from international trade. This includes renewal of the Trade Promotion Authority and a successful outcome of current global trade talks, the World Trade Organization's Doha Development Agenda negotiations.

Both inward and outward FDI have contributed to higher levels of productivity in the United States. Inward FDI contributes to productivity growth, provides a source of financing for the current account deficit, and generates high-paying jobs for American workers. Outward FDI is an important channel of market access for U.S. multinational companies. U.S. multinationals are an important force behind job creation in the United States and have contributed to productivity growth and rising average living standards in the U.S. economy.

In order to continue to derive important economic benefits from global economic engagement, the United States must continue to break down barriers to trade and investment abroad, and keep our markets open to international trade and secure protections for foreign investors.

CHAPTER 9

Immigration

Immigrants play a vital role in the dynamic U.S. economy. Understanding the forces that drive immigration can help us design more effective immigration policies. This chapter discusses the economics of immigration; the incentive effects of immigration policies on migrants, native workers, and employers; and the benefits of comprehensive immigration policy reform.

The United States is a nation of immigrants and a nation of laws, and we value both historical legacies. Although immigrants continue to make positive contributions to our nation and our economy, our current immigration laws have proven difficult to enforce and are not fully serving the needs of the American economy. It is unofficially estimated that between 11 and 12 million foreign-born persons reside in the United States illegally, almost one-third of the total foreign-born population and about four percent of the total U.S. population.

Effective immigration policy can curtail illegal immigration and at the same time promote America's national and economic interests. Comprehensive immigration policy reform, which combines more effective enforcement capabilities and a temporary worker program, is the most promising route to an immigration system that is legally functional, security conscious, economically beneficial, and humane. In this comprehensive approach, the various elements of policy reform reinforce and enhance one another. In contrast, any given partial reform, standing alone and without the reinforcing measures that characterize the comprehensive approach, cannot fully address the problems and engage the opportunities that accompany immigration.

The key points of this chapter are:

- International differences in economic opportunities and standards of living create strong incentives for labor migration. Once established, migration flows from a certain region tend to be self-perpetuating because past migrants facilitate the movement of new migrants, employers become familiar with the migrant group, and U.S. immigration policy favors family reunification. A large supply of potential migrants will exist for decades to come.
- Foreign-born workers make significant contributions to the American economy, but not all Americans gain economically from immigration. Understanding the labor-market effects of immigration requires consideration of the migrants' skill mix and the capital-accumulation response to labor force growth. Foreign-born workers tend to be concentrated at

the low end and the high end of the educational spectrum relative to native-born workers.
- Immigration policy plays a key role in determining the volume and composition of the foreign-born workforce. Comprehensive immigration reform can help ensure an orderly, lawful flow of foreign-born workers whose presence benefits the American economy.

The Economics of Immigration

International migration patterns are strongly influenced by the interaction of economic forces and public policy. In this sense migration is similar to other aspects of international economic integration and exchange, such as trade in goods and services and investment flows. The fundamental motivation for such movement—whether of goods, capital, or workers—is that people perceive more profitable economic opportunities abroad. The ultimate results are that the world's economy functions more efficiently, entrepreneurship is rewarded, and many Americans reap economic gains.

Compared to barriers to the movement of goods, policy restrictions on the international movement of labor are tight. Immigration policy determines the volume and composition of both permanent immigrants and temporary workers legally admitted to the United States. But many more people would like to come to the United States than are legally permitted to do so, and millions manage to reside and work here illegally. There is broad agreement among U.S. citizens that immigration policy needs to be reformed. To this end, the reform of U.S. immigration policy should be based on an understanding of the forces that drive migration, relevant lessons from American immigration history, and the ways in which immigration affects the economy. This chapter highlights some facts and principles that can help guide the design of a better immigration policy.

The Migration Decision and the Volume of International Migration

Economic analyses of migration typically start by imagining an individual who has many choices about where to live and work at various times in his life. If this person perceives that job opportunities and living conditions are approximately the same everywhere, then he will not have an economic motive to choose one place over another. More realistically, because migration costs time and money and often requires leaving behind one's friends and family and adjusting to a new culture and language, our imaginary individual will be strongly inclined to live and work near his original home. On the other

hand, if the same person perceives that incomes and living conditions differ significantly across places for workers with similar skills, then he might find it worthwhile to incur the costs of migration to secure a higher standard of living. In this sense, migration is like an investment decision—a cost is borne today in return for an increased flow of income and well-being in the future. Essentially, the potential migrant must decide whether the expected benefits from migration outweigh the expected costs.

From the perspective of workers in many countries today, the potential income gains from migration are large. One study measured average wages for Mexican-born men who had recently moved to the United States and compared them to the wages of similar men who were still working in Mexico. The real wage ratios (that is, wages adjusted for international differences in prices) ranged from about 6-to-1 to 2-to-1 in favor of the U.S.-based workers, depending on the age and education group. For example, in 2000 those who were 18 to 22 years old with 5 to 8 years of education earned $7.60 per hour in the United States compared to the equivalent of $1.56 per hour in Mexico. Another study compared the earnings of fast-food restaurant workers who performed nearly identical jobs but in different countries. Again, the real wages in the United States were much higher than in several less advanced economies.

Facing such large international wage differences, a worker might hope to move abroad permanently or with the expectation of returning home after accumulating a nest egg. Indeed, migrants often work intensively at relatively high wages (compared to home) and save or send back home a portion of their earnings. In this scenario the opportunity to work abroad temporarily can help finance large purchases or investments (like a house, car, or new business) in home countries where credit markets are underdeveloped and where wealth accumulation is difficult due to low wages. Migration might also allow households to expand and diversify their income sources, thereby serving as a lifeline to a higher and more stable income level for family members who remain based in a less-developed economy. The large volume of international remittances of migrants' earnings testifies to the strength of the links that migrants maintain with their home country. A recent study estimated that U.S.-based workers from Latin America sent home $45 billion in remittances in 2006, about 10 percent of their total earnings. Nearly three quarters of the migrants in the survey remitted some portion of their earnings.

The decision framework described thus far emphasizes a potential migrant's expectations regarding the future stream of income at home compared to that available abroad, after accounting for broadly defined migration costs (including transportation costs, time spent out of work, difficulties adjusting to a new culture and labor market, and perhaps fees paid to "coyotes" or other smugglers who facilitate illegal migration). But these are not the only

determinants of the migration decision. A potential migrant might consider the risk of unemployment, uncertainties associated with illegal status, and other sources of income variability in different locations. The migrant might also consider factors that are not narrowly economic but that certainly would count as "benefits from migration," such as family reunification or safety from religious or political persecution.

Even if the incentives to migrate are strong, however, the economic costs of migration might be impossible for poor workers to meet by saving or borrowing. Moreover, immigration policies often make it difficult for workers to relocate to high-wage countries, especially if they are not highly skilled or closely related to someone in the high-wage country who can sponsor their application for admission. In this sense, immigration policy acts as a filter that selectively allows some workers to migrate but also deters many potential migrants.

This simplified model of an individual's migration decision is a useful starting point for understanding the economic pressures for labor to move internationally. To make sense of the overall volume and composition of immigration, we must expand our scope to consider the sum of many individuals' migration decisions and the role of immigration policy. Within any given country, some inhabitants might perceive promising economic opportunities abroad whereas others do not; some might have sufficient means to finance the move whereas others do not; and some might have family connections or skills that make it easy for them to relocate legally whereas others do not. Against this backdrop, events (such as economic or political crises) that widen international gaps in expected well-being or that lower the costs of international movement will tend to amplify the volume of international migration because a higher proportion of any given population will find it optimal or feasible to relocate. Working in the other direction, events that narrow gaps in expected well-being and policies that make it more difficult for people to relocate will tend to dampen the volume of international mobility.

The immigration pressures felt by virtually all high-income countries today reflect the ongoing tension between declining costs of migration and persistent international differences in material standards of living, on one hand, and policy responses that seek to manage the inflow of foreign-born persons, on the other. In this context, the flow of legal migration is determined by selective immigration policies. In the United States, these policies facilitate permanent immigration for family reunification and, to a lesser degree, for those with high levels of skill. For other workers, legal channels for migration are narrow while the economic incentives, underpinned by labor demand from U.S. employers and consumers, remain strong. Consequently, many seek employment through illegal channels.

Lessons from American Immigration History

The surge of immigration in recent decades is not unprecedented, and we can better understand the economics of immigration by examining the current situation in light of historical experience. In the decades after the Revolutionary War, migration to the United States was hindered by the high costs of international transport, the relative immobility and poverty of agrarian populations in potential emigrating regions, and political disruptions to international economic integration. By the 1840s, however, economic, technological, and political conditions had combined to launch the first era of voluntary mass migration. The first big waves of U.S.-bound migration originated in northwest Europe, but by the end of the nineteenth century migrants from eastern and southern Europe dominated the immigration flow. The foreign-born proportion of the U.S. population increased from 9.7 percent in 1850 (the earliest census to record place of birth) to 14.4 percent in 1870, and it hovered around 14 percent until 1910 when it began to decline steadily. In recent decades it has risen again, and in 2005 the foreign-born proportion of the population reached approximately 12.4 percent.

The mass migration of labor between 1840 and 1914, along with extensive trade in goods and capital mobility, contributed to a high degree of global economic integration that in many ways was a precursor to our more recent and familiar era of globalization. World War I abruptly curtailed the earlier era of globalization, and the political and economic turbulence of subsequent decades further disintegrated the international economy. Since World War II, policymakers have worked toward re-integrating the global flow of goods, services, and capital. However, in comparison with the pre-1914 era, significant policy restrictions on the international movement of labor remain in place.

Four historical lessons are especially relevant for contemporary thinking about American immigration and the policies that manage the inflow of foreign-born workers. First, migration to the United States has always reflected the relatively high level of labor productivity here. In the previous section, we cited the wage gap between the United States and Mexico. Similarly, estimates of real wage gaps in the late nineteenth century suggest that U.S. wages were often 1.5 to 4 times higher than those available in Europe. Thus, immigration is a sign of our economy's ongoing success and the relatively high rewards that it has long offered its workers. While immigration policy reform is surely necessary, we should be glad that after more than 200 years the United States is still a magnet for ambitious foreign workers.

Second, immigration flows are often self-propagating. From the perspective of a potential migrant, the cost of migration drops sharply when one has a number of friends and family abroad who can help locate employment and housing opportunities and who can provide a sense of community. One

consequence of this self-propagating mechanism is that macroeconomic and political shocks can have long-lasting ramifications for American immigration patterns. The Irish famine in the late 1840s is a salient example of how a dire economic situation abroad accelerated a process of mass migration that continued long after famine conditions had passed. Macroeconomic shocks in Mexico in recent decades, though far less severe than the Irish famine, may have had a similar effect. Durable networks of family, friends, and employers have always facilitated migration, especially given current policy preferences for family reunification.

The third historical lesson is that regions of emigration that are in the process of economic modernization and development often send out an increasing number of workers. Migration has always been a costly enterprise that the very poor cannot easily finance. As the process of modern economic development unfolds, a larger number of workers surpass the necessary threshold of wealth and education for long-distance migration; employment declines in the agricultural sector and young workers seek employment in urban areas at home and abroad; and stronger migrant networks and financial systems develop to facilitate long-distance movement. Along these lines, it has been argued that the spread of economic modernization in Mexico has promoted emigration even as it has raised gross domestic product (GDP) per worker. The ongoing process of economic development in many parts of the world may lead to a growing pool of potential international migrants for decades to come.

Eventually, at advanced stages of economic development when domestic wages rise to levels that are comparable to those that are available elsewhere, the rate of emigration from a particular place tends to decline. The long-run experience of parts of Europe that were massive exporters of labor in the late nineteenth and early twentieth centuries exemplifies this pattern of rising and then falling emigration rates. Thus, a secondary point is that the pool of potential migrants may change substantially as some countries enter into the process of economic modernization and as others reach comparatively high levels of economic development.

Fourth, the demographic structure of regions of emigration is relevant to the volume of international migration. Migrants to the United States have generally been drawn from the pool of relatively young workers. In 2005, for example, foreign-born persons who reported being in the United States for only one year (recent migrants) had a median age of 25, whereas the median age of native-born persons was 35. The young have the most to gain from migration, and they also have fewer ties binding them to a specific location in the home country. Relatively large groups of workers came of age in Mexico in the 1980s and 1990s, and emigration surged when the Mexican macroeconomy stumbled. Reinforcing the point made above, the sheer number of

young people in less advanced economies ensures that many foreign workers will be interested in migration opportunities in the future.

In sum, past experience and current economic and demographic realities suggest that the forces that attract migrants to the United States will continue to be strong in the twenty-first century. Managing the inflow of migrants is an important and complex challenge for policymakers. It demands a comprehensive immigration strategy that views the process for what it is and has always been for the United States—a significant contributor to labor force growth and vitality.

Foreign-Born Workers in the U.S. Labor Force

Foreign-born workers (the sum of both legal and illegal migrants) make up 15 percent of the total U.S. labor force, and since 1996 they have accounted for about half of the total growth in the labor force, thereby fueling macroeconomic growth. In 2005, foreign-born men had higher labor force participation rates than natives (81 percent compared to 72 percent), whereas foreign-born women worked somewhat less than their American counterparts (54 percent compared to 60 percent). Among those in the labor force, foreign-born men had lower unemployment rates than natives (4.1 percent compared to 5.3 percent), whereas foreign-born women had slightly higher unemployment rates than native women (5.4 percent compared to 5.0 percent).

At the high end of the skill spectrum, foreign-born workers were more likely than natives to work in computer, mathematics, architecture, engineering, and science occupations (6.5 percent of foreign born compared to 5.0 percent of natives). Lower in the skill spectrum, the foreign born were two to four times as likely as the native born to work in building and grounds cleaning and maintenance; farming, fishing and forestry; and construction and extraction occupations.

Tables 9-1 and 9-2 report more detailed occupational information for the foreign born. Table 9-1 lists the ten occupations that the foreign born are most likely to fill. For comparison, it also reports the proportion of native-born workers in the same set of occupations. Construction laborers, maids and housekeepers, janitors, and cooks are at the top of the foreign-born occupation list. Together these four occupational categories account for 11 percent of all foreign-born workers compared to about 4 percent of native-born workers. Table 9-2 lists the occupations that have the highest proportion of workers who are foreign born. Tailors and dressmakers, graders and sorters of agricultural products, miscellaneous personal appearance workers (such as manicurists), and plasterers and stucco masons are the occupations with the highest proportions of foreign-born workers, all with over 50 percent. The foreign born are also strongly represented among medical scientists (46 percent).

TABLE 9-1.— *Ten Most Common Occupations for Foreign-Born Workers, 2005*

Occupation	Proportion of Foreign Born (%)	Proportion of Native Born (%)
Construction labor	2.8	0.9
Maids and housekeepers	2.8	0.6
Janitors	2.7	1.4
Cooks	2.7	1.1
Cashiers	2.2	2.1
Drivers/sales workers and truck drivers	2.1	2.3
Grounds maintenance	2.1	0.6
Carpenters	2.0	1.0
Retail salesperson	1.8	2.5
Supervisors, retail sales	1.8	2.3

Note: The sample includes all employed individuals over the age of 15. The "Drivers/sales workers and truck drivers" category includes both truck drivers and those delivering goods in smaller vehicles.

Source: American Community Survey.

TABLE 9-2.— *Ten Occupations with the Highest Proportion of Foreign-Born Workers, 2005*

Occupation	Foreign-Born Proportion of All Workers (%)
Tailors, dressmakers, sewers	53
Graders and sorters (agriculture)	53
Miscellaneous personal appearance workers	52
Plasterers and stucco masons	52
Pressers, textile, garment, and related materials	49
Miscellaneous agriculture workers	49
Drywall, ceiling-tile installers and tapers	48
Sewing machine operators	48
Medical scientists	46
Maids and housekeepers	45

Note: The sample includes all employed individuals over the age of 15.

Source: American Community Survey.

In recent decades, a handful of states have absorbed the majority of foreign-born persons. In 2005, California, New York, Texas, and Florida together accounted for 57 percent of all the foreign born in the United States. The same states accounted for only 29 percent of the native-born U.S. population. These states still attract a large share of the foreign born, as one would expect given the importance of family and information networks in facilitating migration, but there is also evidence of significant gains in many other parts of the country. Georgia, for instance, gained more than 200,000 foreign-born persons between 2000 and 2005, raising its total foreign-born population by 38 percent. Several other states had comparable percentage increases, though smaller gains in absolute numbers. The largest percentage changes were in New Hampshire (51 percent) and South Carolina (50 percent). These geographic shifts reflect foreign-born workers' responsiveness to changes in labor demand across regions within the United States.

The Foreign-Born Skill Mix and the Labor Market Impact

The inflow of foreign-born labor has complex effects on the productivity and earnings of American factors of production—capital, land, and labor. To understand how immigration affects the labor market, it helps to consider the determinants of the skill mix among the foreign born and the nature of substitutability among different factors of production.

American immigration policy acts as a filter that strongly favors potential migrants with family connections to U.S. citizens and lawful permanent residents. In 2004, 946,142 persons were granted lawful permanent resident status. Forty-three percent were admitted as immediate relatives of U.S. citizens and an additional 23 percent were admitted under other family-based sponsorship. Only 16 percent were admitted under the employment-based preference category.

To some extent, this policy structure helps explain observed differences in the economic performance of immigrants from different countries. Most permanently admitted Mexican immigrants, for example, were selected on the basis of family connections rather than skills. Therefore, it is not surprising that as a group they do not fare as well economically as groups of migrants who were selected largely on the basis of their skills, such as those from India.

Out of the employment-based permanent admissions category, only 10,000 lawful permanent resident slots are reserved for less-skilled workers. For less-skilled seasonal workers, H-2A visas (for agriculture) and H-2B visas (for other sectors) admit workers for short durations and specific jobs. These visas help alleviate peak seasonal demands, but there is still demand for less-skilled workers to work for longer durations. In an environment in which unauthorized migrants can find employers without great difficulty, the mismatch between labor market forces and immigration policy has resulted in a large number of unauthorized migrant workers.

Standard surveys, such as the Current Population Survey, do not specifically identify the legal status of the foreign born. Therefore, it is difficult to measure and characterize the unauthorized population with precision. With this caveat in mind, Box 9-1 discusses current estimates of the illegal population's size and economic characteristics.

H-1B visas permit temporary employment for skilled professionals who are sponsored by a U.S. employer, typically in occupations in science, computers, or engineering. The worker can remain in H-1B status for up to six years. Current law permits only 65,000 new H-1B issuances per year, with some exceptions for those with advanced degrees from U.S. universities and those going to work for institutions of higher education or government research organizations. For fiscal year 2007, the H-1B application cap was reached in May 2006.

Box 9-1: The Number and Characteristics of Unauthorized Migrants

Due to the clandestine nature of illegal migration, the unauthorized foreign-born population cannot be precisely enumerated. Nonetheless, reasonable estimates have been made using data from the Census Bureau's Current Population Survey (CPS). The CPS data do not explicitly identify unauthorized individuals, but they do record a great deal of relevant information. Using an estimate of the number of *legal* foreign-born residents that is based on official U.S. immigration data, the total number of *illegal* migrants can then be estimated as the difference between the total foreign-born population and the number of foreign-born estimated to be present legally. In 2006, a study estimated that there were between 11 and 12 million unauthorized migrants residing in the United States, accounting for approximately 30 percent of the total foreign-born population. A related study estimated that between one third and one half of the unauthorized migrants entered the country legally but then overstayed their visas.

To provide more detailed characterizations, the study used statistical techniques to select a certain number of potentially unauthorized foreign-born residents from the March 2005 CPS. Keep in mind that the following conclusions are unofficial estimates. They are subject to error, but are also the best current characterization of the illegal population.

It appears that the labor force participation and occupational choices of unauthorized migrants differ substantially from that of the general U.S. population. Unauthorized adult males (ages 18 to 64) were more likely to participate in the labor force than their native counterparts (94 percent participation rate compared to 83 percent for natives). Unauthorized adult females were less likely than natives to participate in the labor force (54 percent participation rate compared to 72 percent for natives). In this case, the difference partly reflects the migrant women's higher likelihood of having young children in the household.

In general, unauthorized migrants were concentrated in jobs that require comparatively little formal education. Thus, they are under-represented relative to natives in "white collar" jobs in management, business, and professional occupations, and in sales and administrative support occupations. Relative to native-born workers, unauthorized migrants were highly concentrated in other service jobs (31 percent compared to 16); construction and extraction (19 percent compared to 6); production, installation, and repair (15 percent compared to 10); and farming (4 percent compared to 0.5). Although unauthorized migrants represented just 4.9 percent of the total U.S. labor force in 2005, they represented large proportions of the workforce in several specific occupations: 24 percent in

farming occupations, 17 percent in cleaning occupations, 14 percent in construction, and 12 percent in food preparation.

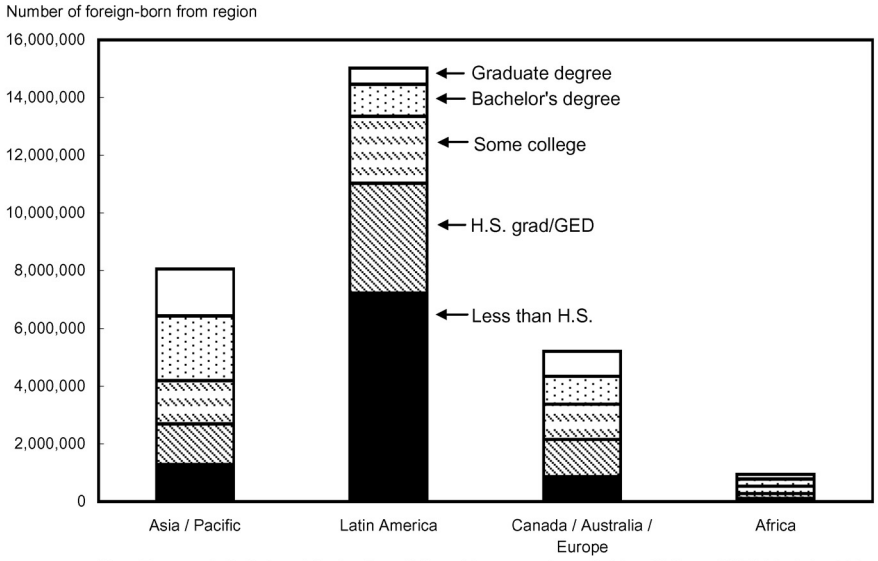
Approximately 40 percent of the unauthorized migrants had been in the country for five years or less. The vast majority of unauthorized migrants had come from Mexico (56 percent, or 6.2 million) and elsewhere in Latin America (22 percent, or 2.5 million).

Nearly half (5.4 million) of the unauthorized migrants were adult males, with a little less than half (2.4 million) of the adult males residing without a spouse or children. Adult females accounted for 35 percent (3.9 million) of the unauthorized migrants, and less than one-fifth of the women were residing without a spouse or children. Approximately 1.8 million children accounted for the remainder of the unauthorized population. In addition, approximately 3.1 million U.S.-born citizen children were living in households where the head or the head's spouse was an unauthorized migrant.

The interaction of migrant supply, labor demand, and policy structure results in a foreign-born skill mix that is described in Chart 9-1 (for all foreign born, age 25 and above). Educational attainment is only one component of productive capability and it does not fully capture ambition, reliability, or knowledge of a specific trade or language. Nonetheless, many jobs have strict educational requirements, and economists frequently study the labor market in terms of educational categories. The height of each bar in Chart 9-1 represents the number of foreign born from each region (age 25 and above). Clearly, Latin America supplies more migrants than any other region, and many from Latin America have less than a high school degree.

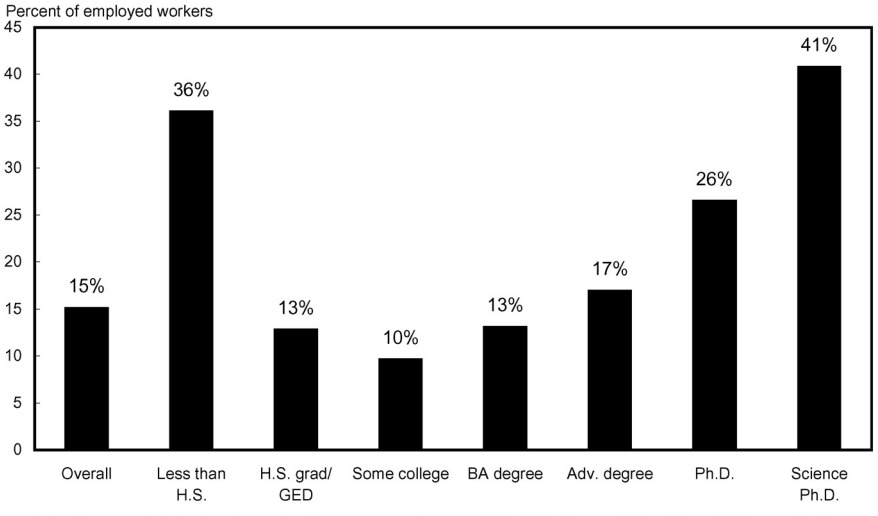
Foreign-born workers are found disproportionately at the extremes of the educational spectrum. The educational mix of foreign-born workers relative to native-born workers is shown in Chart 9-2. It differs from Chart 9-1 in that it pertains to all employed workers over age 15, it groups all foreign-born workers together, and it has more detailed information about the top end of the educational scale. The first bar indicates that 15 percent of all workers in the United States in 2005 were foreign born. The foreign born were heavily over-represented in the group of workers with less than a high school degree; they were slightly under-represented among workers with only a high school degree, those with some college, and those with only BA degrees; and they were over-represented among workers with advanced degrees, especially among those with Ph.D. degrees who worked in scientific and technological fields. All together, and remarkably, over 40 percent of Ph.D. workers in computer, mathematical, architectural, engineering, and science occupations were born outside the United States.

Chart 9-1 **Educational Attainment Among Foreign-Born U.S. Residents, 2005**
Latin America is the most common source of foreign-born U.S. residents.



Note: The sample includes all foreign-born U.S. residents ages 25 and older. "H.S. grad/GED" includes high school graduates and those who have passed the general educational development test (GED).
Source: American Community Survey.

Chart 9-2 **Foreign-Born Proportion of U.S. Workers by Education Level, 2005**
Foreign-born workers are concentrated at the top and bottom of the education distribution relative to native-born workers.



Note: The sample includes all employed persons over the age of 15. "Adv. Degree", "Ph.D.", and "Science Ph.D." are not mutually exclusive categories. The "Science Ph.D." group includes workers in computer, mathematical, architectural, engineering, and life, physical and social science occupations.

Source: American Community Survey.

Highly skilled migrants make many economic contributions to the United States, and a strong case can be made that policy should accommodate more of them. Skilled migrants, whether permanent or temporary, enrich our scientific and academic communities, boost the technical capabilities of U.S. firms (and the native-born workers employed there), augment the supply of healthcare providers, and pay far more in taxes than they absorb in government services. Many of these workers were educated at American universities, and nearly all adjust easily to life in the United States in terms of language skills and employment. They make major innovative contributions in science, medicine, and engineering, and help keep the United States at the forefront of technological capability. For example, between 1901 and 2005 approximately one third of U.S. Nobel Prize winners in medicine and physiology were born abroad.

Because the foreign born, as a group, do not have the same mix of skills as U.S. natives, they alter the relative supply of different types of labor in the economy. The extent to which this alteration of labor supply influences natives' wages depends in large part on whether the foreign born are complements or substitutes for natives in the labor market. When two inputs closely resemble one another, they are likely to be substitutes, and an increase in the supply of one will lower the earnings of the other. In some cases, however, inputs are likely to be complements, and an increase in the supply of one will raise the productivity and, therefore, the earnings of the other. For example, construction laborers may be complements to skilled craftsmen because additional laborers may raise craftsmen's productivity. Conversely, new construction laborers may be close substitutes for other construction laborers and for similar less-skilled workers, and so additional construction laborers would tend to make the services of less-skilled laborers less valuable on the labor market.

The impact of immigration on the labor market also depends on how other factors of production, such as capital, respond to the change in labor supply associated with immigration. In particular, in the short run an increase in the supply of labor puts downward pressure on wages, allows more hiring, and raises the productivity of capital. This increase in capital productivity, in turn, induces firms to invest in more physical capital which ultimately makes labor more productive. Thus, over time the capital accumulation response to immigration tends to offset the downward pressure on wages caused by an increase in the labor supply. The key point is that in trying to understand the effect of immigration on labor markets it does not make sense to suppose that all the other factors that influence labor markets remain the same over a long period of time; rather, these other factors adjust to immigration in important ways.

Economists have produced many data-intensive analyses of the response of native-born workers' wages to immigration, and the debate is still ongoing. To

some extent the estimates depend on the methodological approach that is used to isolate the effects of immigration. One recent study concluded that immigration between 1990 and 2004 slightly raised the wages of most native-born workers but slightly lowered the wages of those without high school degrees (who represent about 10 percent of the native-born labor force). If this finding is correct, then excluding foreign-born workers might give a small boost to the earnings of American high-school dropouts. But such a policy would be costly and counterproductive from the perspective of American consumers, businesses, and most native-born workers. Moreover, such a policy would not be a well-targeted or effective way to assist low-income Americans. The economic challenges facing low-income Americans are a serious concern, but sharp restrictions on immigration are not the remedy. A better policy is to ensure that all Americans have opportunities to acquire skills that will improve their labor market outcomes.

Comprehensive Immigration Policy Reform

Border security is a fundamental responsibility of a sovereign nation and an urgent requirement for our national security. Since 2001, funding for border security has more than doubled, from $4.6 billion in fiscal year 2001 to $10.4 billion in fiscal year 2007. We will have increased the number of Border Patrol agents by 63 percent, from 9,000 at the beginning of this Administration to nearly 15,000 at the end of fiscal year 2007, and we have deployed about 6,000 National Guard troops to assist our border security efforts at the southern border. We have also added 6,700 new detention beds, for a total of 27,500, and have been able to effectively end the practice of "catch and release" of illegal aliens apprehended at the border. The heightened efforts to control entry into the United States are one part of a larger strategy to improve the immigration system while bolstering national security.

The President believes that the best way to fix immigration policy is to adopt a comprehensive program that combines stronger border security, more effective worksite enforcement of employment eligibility laws, and expanded legal channels for the employment of foreign-born workers, including those who are not highly skilled. The comprehensive program would reduce the number of illegal workers and preserve the economic benefits associated with a flexible supply of hardworking foreign-born workers. The key features of comprehensive immigration policy reform would work together and reinforce one another to strengthen the incentives for both workers and employers to comply with immigration and employment laws.

A Legal Bridge between Employer Demand and Migrant Supply

By improving the technology that firms use to verify new workers' employment eligibility and expanding the channels for legal, temporary migration by less-skilled workers, comprehensive immigration policy reform can dramatically reduce incentives for illegal work. Effectively narrowing employment opportunities for illegal workers must be the keystone of immigration policy reform. Unfortunately, at present, it is often difficult for employers to verify the employment eligibility of migrant workers, some of whom have fraudulent documents or engage in identity theft. And as long as some firms employ illegal workers, other firms might do the same to compete on the basis of cost. The current situation with millions of illegal workers and many non-compliant employers is both unacceptable and unnecessary.

Comprehensive immigration reform should aim to establish an environment in which all employers can easily determine the legal status of newly hired workers, in which foreign-born workers can easily prove their identity and legal status, and in which firms can legally hire a foreign worker when no American worker is available to fill a given job. This reform requires an electronic employment eligibility verification system that is accurate, fast, and inexpensive. The Department of Homeland Security continues to refine and expand an internet-based system called the Basic Pilot Program that allows participating employers to verify the employment eligibility of their new hires by checking against Social Security Administration and immigration records. In addition, to curtail the use of fraudulent identity documents, the Department of Homeland Security now issues tamper-resistant, biometrically enhanced (with photograph and finger print) identity documents to most lawfully present foreign-born workers.

Employers also must be held accountable if they hire illegal workers. A rigorous system of verification checks in combination with strong enforcement and enhanced penalties can effectively promote compliance. In this regard, the new policy would remedy the comparatively lax enforcement of immigration law that followed the Immigration Reform and Control Act of 1986.

Electronic verification of new hires' eligibility, tamper-resistant and biometric identification cards for foreign-born workers, and stronger interior enforcement measures should be complemented by the establishment of a temporary worker program, initially proposed by the President on January 7, 2004. A temporary worker program would provide a legal channel for a foreign-born worker to enter the United States for a specific period of time, provided that the worker maintains a consistent work record, does not break the law, and follows the rules of the program. In addition, under certain conditions, some currently undocumented workers would be eligible to work here legally if they pay a substantial penalty for having violated the law. As

long as the costs for program participation are kept low, enforcement is robust, and the number of workers allowed to participate is sufficient, migrants and employers will choose this legal channel for finding matches rather than resorting to illegal means.

A temporary worker program should also endeavor to preserve the flexible role that foreign-born workers play in the American economy. Foreign-born workers are responsive to new economic opportunities and to variation in opportunities over time and space. This responsiveness tends to improve labor market efficiency and overall economic productivity. Administrative requirements that are burdensome for firms, migrants, or government agencies will raise the program's economic costs and, depending on the program's structure, result in either non-compliance with the new policy or a significant drain on government resources.

Finally, comprehensive immigration reform must ensure that highly-skilled immigrants are welcome to make contributions to the U.S. economy. For example, many of the world's best students come to American universities for advanced training in science and technology, and a large share of these students would like to stay and work in the United States after finishing their education. As discussed earlier in the chapter, their work helps keep the United States at the frontier of research and development, and their post-schooling employment depends upon their ability to acquire a temporary work visa or permanent resident status.

The Pitfalls of Partial Policy Reforms

Less-skilled workers are infrequently admitted to the United States unless they have a close relative who is already an American citizen or lawful permanent resident, or they are coming for a short-term, seasonal job. At the same time, America has a strong demand for the products and services that less-skilled workers provide and a declining number of less-skilled domestic-born workers to provide them. This combination acts as a powerful magnet for less-skilled foreign workers. While there is no excuse for breaking immigration and employment laws, the underlying economic forces that draw immigrants to the United States are powerful and deeply rooted. Comprehensive immigration reform can put the United States on a firm legal and economic footing to manage twenty-first century immigration, whereas partial reforms are likely to entail significant costs without yielding satisfactory results.

A policy that relies on more extensive border fencing or more intensive border patrols will make it more difficult for migrants to cross the border illegally. This is an important step in improving control over our borders. By itself, however, this approach will not undercut the existing demand from U.S. employers and consumers for the labor services of foreign-born workers. Therefore, it seems likely that in response to this partial reform the flow of

migrants would change its path rather than dry up completely. Building fences, for example, does not address the problem of lawful entrants overstaying their visas and working without permission, and according to a recent study, between one third and one half of all unauthorized migrants in the U.S. entered the country legally. Thus, even with substantial increases in border patrol resources and increases in the cost of "coyote" services (guides who lead illegal migrants across the southern border), the best efforts of our Border Patrol have not fully stemmed the tide of illegal immigration. Pursuing intensive fencing and patrolling approaches to extremes would be inordinately costly in terms of material and manpower, and still it would not achieve the goal of greatly reducing the employment of illegal workers.

A partial policy reform that targets current employers of illegal migrants might lower the demand for illegal workers, make it more difficult for illegal migrants to find work, and therefore lessen the illegal inflow. But if the supply of authorized foreign-born workers is not simultaneously augmented through a temporary worker program, this approach would hurt many American companies and consumers and, as discussed above, would hurt complementary American workers. It would also slow the growth of the labor force and the overall economy.

Alternatively, a partial policy reform that focuses primarily on detecting, apprehending, and removing illegal workers who are already present in the United States might reduce migrants' desire to live and work here, but would be very costly to carry out. Moreover, fundamental economic forces would still drive many foreign workers to try their luck in America, illegally if necessary. The likely outcome of such partial reform is that there would still be many illegal workers and, more than ever, they would be unwilling to communicate with local law enforcement officials, prone to work in the underground economy, and subject to exploitation by criminals, smugglers, and unscrupulous employers.

Unlike partial reforms, the President's comprehensive approach can succeed because it combines a number of elements that reinforce one another. This comprehensive approach gives employers access to a source of legal foreign-born workers when they cannot find Americans to fill jobs, gives them better tools to verify the employment eligibility of persons they hire, and strongly punishes non-compliance with enhanced civil and criminal penalties. This approach also provides potential temporary migrants a more expansive legal route to employment in the United States that does not depend so heavily on having high levels of education and skills or on having relatives in the United States to sponsor them. It also makes illegal border crossing more difficult to accomplish and makes unauthorized employment more difficult to find. By simultaneously narrowing illegal channels for migration and employment and widening legal channels, the comprehensive approach to immigration policy reform can significantly improve upon the current system.

Conclusion

Immigrants make important contributions to the American economy. They help the economy grow by adding to the labor force; they fill in jobs at the lower end of the skill distribution where relatively few native-born Americans are available to work; they also fill in jobs at the highest end of the skill distribution and help keep the United States at the forefront of technological and medical innovation; they respond quickly and flexibly to shifts in labor demand; and they work hard to make better lives for themselves and their children. Immigration is both a reflection of and a contributor to our economy's prosperity.

The foreign-born proportion of the population has steadily increased in recent decades, and now stands at about 12 percent of the total U.S. population. Over the same period, the U.S. economy has performed well in comparison with other advanced economies. Still the large number of unauthorized workers has made it clear that our current immigration policy is inadequate. At the same time, the economic forces that drive international migration are as strong as ever and will remain so for the foreseeable future.

Comprehensive immigration policy reform can improve border security, significantly reduce the number of illegal workers, and yield economic benefits for employers, workers, and consumers in the United States. Achieving these policy goals requires better interior enforcement which, in turn, requires better tools for employers to verify worker eligibility. It also requires the creation of better legal channels for the migration of hard-working foreign-born workers who are eager to fill jobs that contribute to the American economy. Such workers tend to enhance the productivity of American factors of production, but they currently have few avenues, aside from family reunification, to gain legal entry and employment for a sustained period of time. By mutually reinforcing one another, the various components of comprehensive immigration policy reform can support a legally and economically viable immigration system.

Appendix A
REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 2006

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS
Washington, D.C., December 29, 2006

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during calendar year 2006 in accordance with the requirements of the Congress, as set forth in section 10(d) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,

Edward P. Lazear, *Chairman*
Katherine Baicker, *Member*
Matthew J. Slaughter, *Member*

Council Members and Their Dates of Service

Name	Position	Oath of office date	Separation date
Edwin G. Nourse	Chairman	August 9, 1946	November 1, 1949.
Leon H. Keyserling	Vice Chairman	August 9, 1946	
	Acting Chairman	November 2, 1949	
	Chairman	May 10, 1950	January 20, 1953.
John D. Clark	Member	August 9, 1946	
	Vice Chairman	May 10, 1950	February 11, 1953.
Roy Blough	Member	June 29, 1950	August 20, 1952.
Robert C. Turner	Member	September 8, 1952	January 20, 1953.
Arthur F. Burns	Chairman	March 19, 1953	December 1, 1956.
Neil H. Jacoby	Member	September 15, 1953	February 9, 1955.
Walter W. Stewart	Member	December 2, 1953	April 29, 1955.
Raymond J. Saulnier	Member	April 4, 1955	
	Chairman	December 3, 1956	January 20, 1961.
Joseph S. Davis	Member	May 2, 1955	October 31, 1958.
Paul W. McCracken	Member	December 3, 1956	January 31, 1959.
Karl Brandt	Member	November 1, 1958	January 20, 1961.
Henry C. Wallich	Member	May 7, 1959	January 20, 1961.
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964.
James Tobin	Member	January 29, 1961	July 31, 1962.
Kermit Gordon	Member	January 29, 1961	December 27, 1962.
Gardner Ackley	Member	August 3, 1962	
	Chairman	November 16, 1964	February 15, 1968.
John P. Lewis	Member	May 17, 1963	August 31, 1964.
Otto Eckstein	Member	September 2, 1964	February 1, 1966.
Arthur M. Okun	Member	November 16, 1964	
	Chairman	February 15, 1968	January 20, 1969.
James S. Duesenberry	Member	February 2, 1966	June 30, 1968.
Merton J. Peck	Member	February 15, 1968	January 20, 1969.
Warren L. Smith	Member	July 1, 1968	January 20, 1969.
Paul W. McCracken	Chairman	February 4, 1969	December 31, 1971.
Hendrik S. Houthakker	Member	February 4, 1969	July 15, 1971.
Herbert Stein	Member	February 4, 1969	
	Chairman	January 1, 1972	August 31, 1974.
Ezra Solomon	Member	September 9, 1971	March 26, 1973.
Marina v.N. Whitman	Member	March 13, 1972	August 15, 1973.
Gary L. Seevers	Member	July 23, 1973	April 15, 1975.
William J. Fellner	Member	October 31, 1973	February 25, 1975.
Alan Greenspan	Chairman	September 4, 1974	January 20, 1977.
Paul W. MacAvoy	Member	June 13, 1975	November 15, 1976.
Burton G. Malkiel	Member	July 22, 1975	January 20, 1977.

Council Members and Their Dates of Service

Name	Position	Oath of office date	Separation date
Charles L. Schultze	Chairman	January 22, 1977	January 20, 1981.
William D. Nordhaus	Member	March 18, 1977	February 4, 1979.
Lyle E. Gramley	Member	March 18, 1977	May 27, 1980.
George C. Eads	Member	June 6, 1979	January 20, 1981.
Stephen M. Goldfeld	Member	August 20, 1980	January 20, 1981.
Murray L. Weidenbaum	Chairman	February 27, 1981	August 25, 1982.
William A. Niskanen	Member	June 12, 1981	March 30, 1985.
Jerry L. Jordan	Member	July 14, 1981	July 31, 1982.
Martin Feldstein	Chairman	October 14, 1982	July 10, 1984.
William Poole	Member	December 10, 1982	January 20, 1985.
Beryl W. Sprinkel	Chairman	April 18, 1985	January 20, 1989.
Thomas Gale Moore	Member	July 1, 1985	May 1, 1989.
Michael L. Mussa	Member	August 18, 1986	September 19, 1988.
Michael J. Boskin	Chairman	February 2, 1989	January 12, 1993.
John B. Taylor	Member	June 9, 1989	August 2, 1991.
Richard L. Schmalensee	Member	October 3, 1989	June 21, 1991.
David F. Bradford	Member	November 13, 1991	January 20, 1993.
Paul Wonnacott	Member	November 13, 1991	January 20, 1993.
Laura D'Andrea Tyson	Chair	February 5, 1993	April 22, 1995.
Alan S. Blinder	Member	July 27, 1993	June 26, 1994.
Joseph E. Stiglitz	Member	July 27, 1993	
	Chairman	June 28, 1995	February 10, 1997.
Martin N. Baily	Member	June 30, 1995	August 30, 1996.
Alicia H. Munnell	Member	January 29, 1996	August 1, 1997.
Janet L. Yellen	Chair	February 18, 1997	August 3, 1999.
Jeffrey A. Frankel	Member	April 23, 1997	March 2, 1999.
Rebecca M. Blank	Member	October 22, 1998	July 9, 1999.
Martin N. Baily	Chairman	August 12, 1999	January 19, 2001.
Robert Z. Lawrence	Member	August 12, 1999	January 12, 2001.
Kathryn L. Shaw	Member	May 31, 2000	January 19, 2001.
R. Glenn Hubbard	Chairman	May 11, 2001	February 28, 2003.
Mark B. McClellan	Member	July 25, 2001	November 13, 2002.
Randall S. Kroszner	Member	November 30, 2001	July 1, 2003.
N. Gregory Mankiw	Chairman	May 29, 2003	February 18, 2005.
Kristin J. Forbes	Member	November 21, 2003	June 3, 2005.
Harvey S. Rosen	Member	November 21, 2003	
	Chairman	February 23, 2005	June 10, 2005.
Ben S. Bernanke	Chairman	June 21, 2005	January 31, 2006
Katherine Baicker	Member	November 18, 2005	
Matthew J. Slaughter	Member	November 18, 2005	
Edward P. Lazear	Chairman	February 27, 2006	

Report to the President on the Activities of the Council of Economic Advisers During 2006

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues.

The Chairman of the Council

Edward P. Lazear was appointed by the President on February 24, 2006 as Chairman of the President's Council of Economic Advisers. Dr. Lazear succeeded Ben S. Bernanke, who was appointed by the President as Chairman of the Federal Reserve Board on February 1, 2006.

Dr. Lazear is on a leave of absence from the Stanford Graduate School of Business where he is the Jack Steele Parker Professor of Human Resources Management and Economics. He also serves as the Morris Arnold Cox Senior Fellow at the Hoover Institution.

Dr. Lazear is responsible for communicating the Council's views on economic matters directly to the President through personal discussions and written reports. He represents the Council at daily White House senior staff meetings, a variety of inter-agency meetings, Cabinet meetings, and other formal and informal meetings with the President. He also travels within the United States and overseas to present the Administration's views on the economy. Dr. Lazear is the Council's chief public spokesperson. He directs the work of the Council and exercises ultimate responsibility for the work of the professional staff.

The Members of the Council

Katherine Baicker and Matthew J. Slaughter are Members of the Council of Economic Advisers. Dr. Baicker is on leave from the University of California in Los Angeles, where she is an Associate Professor in the Department of Public Policy. She also served as a Faculty Research Fellow for the National Bureau of Economic Research. At the Council, Dr. Baicker's responsibilities include work on public finance, labor, and health issues.

Dr. Slaughter is on leave from the Tuck School of Business at Dartmouth College where he is an Associate Professor of Business Administration. He also serves as a visiting Fellow at the Institute for International Economics and has served as a Research Associate at the National Bureau of Economic Research. Dr. Slaughter's responsibilities at the Council include work on international finance and trade, and industrial organization issues.

Macroeconomic Policies

As is its tradition, the Council devoted much time during 2006 to assisting the President in formulating economic policy objectives and designing programs to implement them. In this regard the Chairman kept the President informed, on a continuing basis, of important macroeconomic developments and other major policy issues through regular macroeconomic briefings. The Council prepares for the President, the Vice President, and the White House senior staff regular memoranda that report key economic data and analyze current economic events. Council staff also regularly provides assistance with economic data to other offices of the Executive Office of the President.

The Council, the Department of the Treasury, and the Office of Management and Budget (OMB)—the Administration's economic "troika"—are responsible for producing the economic forecasts that underlie the Administration's budget proposals. The Council, under the leadership of the Chairman and the Chief Economist, initiates the forecasting process twice each year. In preparing these forecasts, the Council consults with a variety of outside sources, including leading private sector forecasters.

In 2006, the Council took part in discussions on a range of macroeconomic issues. The Council contributed significantly to discussions of the macroeconomic impact of unexpected oil supply shocks, the effects of a potential pandemic flu, and proposed mitigation plans.

The Council works closely with the Department of the Treasury, the Federal Reserve, and other government agencies in providing analyses to the Administration on these topics of concern. It also works closely with the National Economic Council, the Office of Management and Budget, and other offices within the Executive Office of the President in assessing the economy and economic policy proposals.

International Economic Policies

The Council was involved in a range of international trade and finance issues, and was an active participant in discussions at the global, regional, and bilateral levels. On the international trade front, the Council provided

empirical analysis of forthcoming free trade agreements and the recently released top-to-bottom review of U.S.-China bilateral economic relations spearheaded by the United States Trade Representative. Staff also conducted a landmark study exploring the prevalence and effects of non-tariff barriers in conjunction with the Department of Commerce.

Further involvement included extensive analysis and participation in deliberations related to the U.S. economic interaction with China. The Council participated in the inaugural U.S. Treasury-led Strategic Economic Dialogue in Beijing where a host of bilateral economic issues with China were discussed, ranging from financial liberalization, to energy and the environment, to bilateral trade relations.

The Council participated in the development of U.S. proposals for securing global energy security and combating the spread of pandemic disease at this year's G8 Summit held in St. Petersburg, Russia. The Council also prepared in-depth analyses for the President's international itinerary, including the annual Asia-Pacific Economic Cooperation (APEC) summit, and travel to Europe, India, and Mexico. The Council participated in discussions concerning the need for greater international financial and trade liberalization with both advanced and emerging market economies. Council members regularly met with representatives of the Council's counterpart agencies in foreign countries, as well as with finance ministers, other government officials, and members of the private sector.

The Council is a leading participant in the Organization for Economic Cooperation and Development (OECD), the principal forum for economic cooperation among the high-income industrial economies. Chairman Lazear and Dr. Slaughter participated in meetings of the OECD's Economic Policy Committee (EPC), as well as meetings of the OECD's Working Party 3 on macroeconomic policy and coordination.

Microeconomic Policies

A wide variety of microeconomic issues received Council attention during 2006. The Council actively participated in the Cabinet-level National Economic Council and Domestic Policy Council, dealing with issues including health care, labor issues, energy policy, legal reform, the environment, homeland security, education, pensions, transportation, and technology among others.

The Council was involved in a plethora of discussions related to health care. These included examination and policy proposals relating to the tax treatment of health insurance, analysis and development of Administration efforts to enhance Health Savings Accounts, analysis of potential Medicare and

Medicaid reforms, and promotion of transparency in health price and quality. The Council investigated the causes and consequences of rising health care costs and examined potenial remedies including greater consumer involvement in health care, opening access to insurance across state lines, Association Health Plans, and encouraging high quality health care when the government is the payer.

The Council was also especially active in energy and environmental policy discussions, where it analyzed energy markets, fuel economy issues, and alternatives to oil. This included issues such as the President's Advanced Energy Initiative, bio-energy, the Outer-Continental Shelf, the Renewable Fuels Standard, CAFE, the Strategic Petroleum Reserve, regulatory reforms, global climate change, and the international trade of energy.

The Council examined transportation policies relating to airports, hybrid vehicles, and congestion pricing. The Council also played a role in the analysis of policy for telecommunications, broadband, and spectrum allocation. Council staff also provided analyses related to agricultural issues.

The Council participated in discussions related to catastrophic risk insurance relating to natural disasters and attacks. The Council also participated in ongoing policy discussions relating to the government's role in terrorism risk insurance.

On labor policy, the Council was involved in the development of the President's comprehensive immigration policy and other proposed immigration reforms. The Council also assisted in Administration evaluation of higher education policies, as well as in the examination of the No Child Left Behind program.

The Council was active in tax policy discussions relating to comprehensive tax reforms, business tax credits, and corporate taxation, as well as tax issues related to entitlement programs such as Social Security. Many additional tax policy discussions were involved in other microeconomic discussions including labor, insurance, pensions, and health care.

The Staff of the Council of Economic Advisers

The professional staff of the Council consists of the Chief of Staff, the Chief Economist, the Director of Macroeconomic Forecasting, eight senior economists and one economist, and seven junior staff of analysts and research assistants. The professional staff and their areas of concentration at the end of 2006 were:

Chief of Staff
Gary D. Blank

Chief Economist
Keith Hall

Director
of
Macroeconomic Forecasting and Statistics
Steven N. Braun

Senior Economists

William J. Collins	Labor, Immigration, Education, Welfare
Erik A. Heitfield	Finance, Telecommunications
Bradley J. Herring	Health
Kristin McCue	Labor, Small Business, Economic Development
Robert F. Martin	Macroeconomics, International Finance and Development
Christine A. McDaniel	International Trade
David P. Richardson	Public Finance
Wolverton, Maryann	Agriculture, Environment, Natural Resources

Economist

Benjamin T. Ho	Energy, Transportation, Legal Reform

Analysts

Dagmara K. Tchalakov	International Finance and Trade
Diana C. Wielocha	Public Finance, Finance, Legal Reform
Jonathan A. Wolfson	Health

Research Assistants

Eric B. Cragun	Labor, Macroeconomics
Nikola D. Kojucharov	Macroeconomics
Gregory E. Stein	Energy, Transportation, Environment, Agriculture
Lucas D. Threinen	International Finance and Trade, Technology

Statistical Office

The Statistical Office maintains and updates the Council's statistical information, oversees the publication of the monthly *Economic Indicators* and the statistical appendix to the *Economic Report of the President,* and verifies statistics in Presidential and Council memoranda, testimony, and speeches.

Linda A. Reilly	Program Analyst (Statistical)
Brian A. Amorosi	Program Analyst (Statistical)
Dagmara A. Mocala	Research Assistant

Linda Reilly retired from Federal service on December 29, 2006. She had worked at the Council for 36 years and had been with the Statistical Office since 1981. Linda's dedication to the Council has been extraordinary, and her knowledge of statistics and their applications are greatly appreciated by CEA staff past and present.

Administrative Office

The Administrative Office provides general support for the Council's activities. This includes financial management, human resource management, and travel, facility, security, information, and telecommunications management support.

Rosemary M. Rogers	Administrative Officer
Archana A. Snyder	Financial Manager
Doris T. Searles	Information Management Specialist

Office of the Chairman

Alice H. Williams	Executive Assistant to the Chairman
Sandra F. Daigle	Executive Assistant to the Chairman and Assistant to the Chief of Staff
Lisa D. Branch	Executive Assistant to Dr. Slaughter
Mary E. Jones	Executive Assistant to Dr. Baicker

Staff Support

Sharon K. Thomas	Administrative Support Assistant and Assistant to the Chief Economist

Jane Tufts and Anna Paganelli provided editorial assistance in the preparation of the 2007 *Economic Report of the President*.

Student Interns during the year were: Daniel M. Cohen, Shana N. Dougherty, Stacy L. Droms, George Kim, Bryan C. Hoppe, Grace C. Hou, Lindsay A. Philbrick, Joni Perdue, Jennifer Scallion, Timothy Simmons, Michael S. Verne, and Sajid S. Zaidi.

Fellows during the year were: Michael Chow and Therese C. Scharlemann.

Departures

The Council's senior economists, in most cases, are on leave of absence from academic institutions, government agencies, or private research institutions. Their tenure with the Council is usually limited to one or two years. The senior economists who resigned during the year and returned to their previous affiliations were: John Anderson (University of Nebraska), William Block (Department of the Treasury), Daniel Covitz (Federal Reserve Board), Joseph Cooper (Department of Agriculture), William H. Dow (University of California, Berkeley), Wayne Dunham (Department of Justice), Dino Falaschetti (Montana State University), and Richard Newell (Resources for the Future). Rebecca Kalmus, an economist, resigned to pursue studies at the University of Texas.

The economists are supported by a team of junior staff made up of staff economists, analysts, and research assistants who generally work with the Council for one or two years before returning to school. Those who served as staff economists at the Council and resigned during 2006 were: Soren Anderson, Faisal Z. Ahmed, and Andrew Hanson. Those who served as research assistants at the Council and resigned during 2006 were: Jeffrey P. Clemens and Sarena F. Goodman.

Public Information

The Council's annual *Economic Report of the President* is an important vehicle for presenting the Administration's domestic and international economic policies. It is available for distribution as a bound volume and on the Internet, where it is accessible at www.gpoaccess.gov/eop. The Council also publishes the monthly *Economic Indicators*, which is available on-line at www.gpoaccess.gov/indicators. The Council's home page is located at www.whitehouse.gov/cea.

Appendix B
STATISTICAL TABLES RELATING TO INCOME, EMPLOYMENT, AND PRODUCTION

C O N T E N T S

Page

NATIONAL INCOME OR EXPENDITURE:

B–1. Gross domestic product, 1959–2006 228
B–2. Real gross domestic product, 1959–2006 230
B–3. Quantity and price indexes for gross domestic product, and percent changes, 1959–2006 232
B–4. Percent changes in real gross domestic product, 1959–2006 233
B–5. Contributions to percent change in real gross domestic product, 1959–2006 234
B–6. Chain-type quantity indexes for gross domestic product, 1959–2006 236
B–7. Chain-type price indexes for gross domestic product, 1959–2006 238
B–8. Gross domestic product by major type of product, 1959–2006 240
B–9. Real gross domestic product by major type of product, 1959–2006 241
B–10. Gross value added by sector, 1959–2006 242
B–11. Real gross value added by sector, 1959–2006 243
B–12. Gross domestic product (GDP) by industry, value added, in current dollars and as a percentage of GDP, 1975–2005 244
B–13. Real gross domestic product by industry, value added, and percent changes, 1975–2005 246
B–14. Gross value added of nonfinancial corporate business, 1959–2006 248
B–15. Gross value added and price, costs, and profits of nonfinancial corporate business, 1959–2006 249
B–16. Personal consumption expenditures, 1959–2006 250
B–17. Real personal consumption expenditures, 1990–2006 251
B–18. Private fixed investment by type, 1959–2006 252
B–19. Real private fixed investment by type, 1990–2006 253
B–20. Government consumption expenditures and gross investment by type, 1959–2006 254
B–21. Real government consumption expenditures and gross investment by type, 1990–2006 255
B–22. Private inventories and domestic final sales by industry, 1959–2006 256
B–23. Real private inventories and domestic final sales by industry, 1959–2006 257
B–24. Foreign transactions in the national income and product accounts, 1959–2006 258
B–25. Real exports and imports of goods and services, 1990–2006 259
B–26. Relation of gross domestic product, gross national product, net national product, and national income, 1959–2006 260
B–27. Relation of national income and personal income, 1959–2006 261
B–28. National income by type of income, 1959–2006 262
B–29. Sources of personal income, 1959–2006 264
B–30. Disposition of personal income, 1959–2006 266
B–31. Total and per capita disposable personal income and personal consumption expenditures, and per capita gross domestic product, in current and real dollars, 1959–2006 267

Page

B–32. Gross saving and investment, 1959–2006 268
B–33. Median money income (in 2005 dollars) and poverty status of families and persons, by race, selected years, 1993–2005 270

POPULATION, EMPLOYMENT, WAGES, AND PRODUCTIVITY:
B–34. Population by age group, 1929–2006 271
B–35. Civilian population and labor force, 1929–2006 272
B–36. Civilian employment and unemployment by sex and age, 1959–2006 274
B–37. Civilian employment by demographic characteristic, 1959–2006 .. 275
B–38. Unemployment by demographic characteristic, 1959–2006 276
B–39. Civilian labor force participation rate and employment/population ratio, 1959–2006 277
B–40. Civilian labor force participation rate by demographic characteristic, 1965–2006 278
B–41. Civilian employment/population ratio by demographic characteristic, 1965–2006 279
B–42. Civilian unemployment rate, 1959–2006 280
B–43. Civilian unemployment rate by demographic characteristic, 1965–2006 281
B–44. Unemployment by duration and reason, 1959–2006 282
B–45. Unemployment insurance programs, selected data, 1978–2006 283
B–46. Employees on nonagricultural payrolls, by major industry, 1959–2006 284
B–47. Hours and earnings in private nonagricultural industries, 1959–2006 286
B–48. Employment cost index, private industry, 1990–2006 287
B–49. Productivity and related data, business sector, 1959–2006 288
B–50. Changes in productivity and related data, business sector, 1959–2006 289

PRODUCTION AND BUSINESS ACTIVITY:
B–51. Industrial production indexes, major industry divisions, 1959–2006 290
B–52. Industrial production indexes, market groupings, 1959–2006 291
B–53. Industrial production indexes, selected manufacturing industries, 1967–2006 292
B–54. Capacity utilization rates, 1959–2006 293
B–55. New construction activity, 1964–2006 294
B–56. New private housing units started, authorized, completed and houses sold, 1959–2006 295
B–57. Manufacturing and trade sales and inventories, 1967–2006 296
B–58. Manufacturers' shipments and inventories, 1967–2006 297
B–59. Manufacturers' new and unfilled orders, 1967–2006 298

PRICES:
B–60. Consumer price indexes for major expenditure classes, 1959–2006 299
B–61. Consumer price indexes for selected expenditure classes, 1959–2006 300
B–62. Consumer price indexes for commodities, services, and special groups, 1960–2006 302
B–63. Changes in special consumer price indexes, 1960–2006 303
B–64. Changes in consumer price indexes for commodities and services, 1929–2006 304

Page

B–65. Producer price indexes by stage of processing, 1959–2006 305
B–66. Producer price indexes by stage of processing, special groups, 1974–2006 307
B–67. Producer price indexes for major commodity groups, 1959–2006 308
B–68. Changes in producer price indexes for finished goods, 1965–2006 310

MONEY STOCK, CREDIT, AND FINANCE:
B–69. Money stock and debt measures, 1965–2006 311
B–70. Components of money stock measures, 1965–2006 312
B–71. Aggregate reserves of depository institutions and the monetary base, 1965–2006 314
B–72. Bank credit at all commercial banks, 1965–2006 315
B–73. Bond yields and interest rates, 1929–2006 316
B–74. Credit market borrowing, 1998–2006 318
B–75. Mortgage debt outstanding by type of property and of financing, 1949–2006 320
B–76. Mortgage debt outstanding by holder, 1949–2006 321
B–77. Consumer credit outstanding, 1959–2006 322

GOVERNMENT FINANCE:
B–78. Federal receipts, outlays, surplus or deficit, and debt, fiscal years, 1940–2008 323
B–79. Federal receipts, outlays, surplus or deficit, and debt, as percent of gross domestic product, fiscal years 1934–2008 324
B–80. Federal receipts and outlays, by major category, and surplus or deficit, fiscal years 1940–2008 325
B–81. Federal receipts, outlays, surplus or deficit, and debt, fiscal years 2003–2008 326
B–82. Federal and State and local government current receipts and expenditures, national income and product accounts (NIPA), 1959–2006 327
B–83. Federal and State and local government current receipts and expenditures, national income and product accounts (NIPA), by major type, 1959–2006 328
B–84. Federal Government current receipts and expenditures, national income and product accounts (NIPA), 1959–2006 329
B–85. State and local government current receipts and expenditures, national income and product accounts (NIPA), 1959–2006 330
B–86. State and local government revenues and expenditures, selected fiscal years, 1938–2004 331
B–87. U.S. Treasury securities outstanding by kind of obligation, 1969–2006 332
B–88. Maturity distribution and average length of marketable interest-bearing public debt securities held by private investors, 1969–2006 333
B–89. Estimated ownership of U.S. Treasury securities, 1995–2006 334

CORPORATE PROFITS AND FINANCE:
B–90. Corporate profits with inventory valuation and capital consumption adjustments, 1959–2006 335
B–91. Corporate profits by industry, 1959–2006 336
B–92. Corporate profits of manufacturing industries, 1959–2006 337
B–93. Sales, profits, and stockholders' equity, all manufacturing corporations, 1965–2006 338

Page

B–94. Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, 1959–2006 339
B–95. Historical stock prices and yields, 1949–2003 340
B–96. Common stock prices and yields, 2000–2006 341

AGRICULTURE:
B–97. Farm income, 1945–2006 342
B–98. Farm business balance sheet, 1950–2005 343
B–99. Farm output and productivity indexes, 1948–2004 344
B–100. Farm input use, selected inputs, 1948–2006 345
B–101. Agricultural price indexes and farm real estate value, 1975–2006 346
B–102. U.S. exports and imports of agricultural commodities, 1950–2006 347

INTERNATIONAL STATISTICS:
B–103. U.S. international transactions, 1946–2006 348
B–104. U.S. international trade in goods by principal end-use category, 1965–2006 350
B–105. U.S. international trade in goods by area, 1999–2006 351
B–106. U.S. international trade in goods on balance of payments (BOP) and Census basis, and trade in services on BOP basis, 1981–2006 352
B–107. International investment position of the United States at year-end, 1998–2005 353
B–108. Industrial production and consumer prices, major industrial countries, 1980–2006 354
B–109. Civilian unemployment rate, and hourly compensation, major industrial countries, 1980–2006 355
B–110. Foreign exchange rates, 1985–2006 356
B–111. International reserves, selected years, 1962–2006 357
B–112. Growth rates in real gross domestic product, 1988–2006 358

General Notes

Detail in these tables may not add to totals because of rounding.

Because of the formula used for calculating real gross domestic product (GDP), the chained (2000) dollar estimates for the detailed components do not add to the chained-dollar value of GDP or to any intermediate aggregate. The Department of Commerce (Bureau of Economic Analysis) no longer publishes chained-dollar estimates prior to 1990, except for selected series.

Unless otherwise noted, all dollar figures are in current dollars.

Symbols used:

P Preliminary.

... Not available (also, not applicable).

Data in these tables reflect revisions made by the source agencies through January 29, 2007. In particular, tables containing national income and product accounts (NIPA) estimates reflect revisions released by the Department of Commerce in July 2006.

TABLE B–1.—*Gross domestic product, 1959–2006*

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment						
		Total	Durable goods	Nondurable goods	Services	Total	Fixed investment					Change in private inventories
							Total	Nonresidential			Residential	
								Total	Structures	Equipment and software		
1959	506.6	317.6	42.7	148.5	126.5	78.5	74.6	46.5	18.1	28.4	28.1	3.9
1960	526.4	331.7	43.3	152.8	135.6	78.9	75.7	49.4	19.6	29.8	26.3	3.2
1961	544.7	342.1	41.8	156.6	143.8	78.2	75.2	48.8	19.7	29.1	26.4	3.0
1962	585.6	363.3	46.9	162.8	153.6	88.1	82.0	53.1	20.8	32.3	29.0	6.1
1963	617.7	382.7	51.6	168.2	162.9	93.8	88.1	56.0	21.2	34.8	32.1	5.6
1964	663.6	411.4	56.7	178.6	176.1	102.1	97.2	63.0	23.7	39.2	34.3	4.8
1965	719.1	443.8	63.3	191.5	189.0	118.2	109.0	74.8	28.3	46.5	34.2	9.2
1966	787.8	480.9	68.3	208.7	203.8	131.3	117.7	85.4	31.3	54.0	32.3	13.6
1967	832.6	507.8	70.4	217.1	220.3	128.6	118.7	86.4	31.5	54.9	32.4	9.9
1968	910.0	558.0	80.8	235.7	241.6	141.2	132.1	93.4	33.6	59.9	38.7	9.1
1969	984.6	605.2	85.9	253.1	266.1	156.4	147.3	104.7	37.7	67.0	42.6	9.2
1970	1,038.5	648.5	85.0	272.0	291.5	152.4	150.4	109.0	40.3	68.7	41.4	2.0
1971	1,127.1	701.9	96.9	285.5	319.5	178.2	169.9	114.1	42.7	71.5	55.8	8.3
1972	1,238.3	770.6	110.4	308.0	352.2	207.6	198.5	128.8	47.2	81.7	69.7	9.1
1973	1,382.7	852.4	123.5	343.1	385.8	244.5	228.6	153.3	55.0	98.3	75.3	15.9
1974	1,500.0	933.4	122.3	384.5	426.6	249.4	235.4	169.5	61.2	108.2	66.0	14.0
1975	1,638.3	1,034.4	133.5	420.7	480.2	230.2	236.5	173.7	61.4	112.4	62.7	–6.3
1976	1,825.3	1,151.9	158.9	458.3	534.7	292.0	274.8	192.4	65.9	126.4	82.5	17.1
1977	2,030.9	1,278.6	181.2	497.1	600.2	361.3	339.0	228.7	74.6	154.1	110.3	22.3
1978	2,294.7	1,428.5	201.7	550.2	676.6	438.0	412.2	280.6	93.6	187.0	131.6	25.8
1979	2,563.3	1,592.2	214.4	624.5	753.3	492.9	474.9	333.9	117.7	216.2	141.0	18.0
1980	2,789.5	1,757.1	214.2	696.1	846.9	479.3	485.6	362.4	136.2	226.2	123.2	–6.3
1981	3,128.4	1,941.1	231.3	758.9	950.8	572.4	542.6	420.0	167.3	252.7	122.6	29.8
1982	3,255.0	2,077.3	240.2	787.6	1,049.4	517.2	532.1	426.5	177.6	248.9	105.7	–14.9
1983	3,536.7	2,290.6	280.8	831.2	1,178.6	564.3	570.1	417.2	154.3	262.9	152.9	–5.8
1984	3,933.2	2,503.3	326.5	884.6	1,292.2	735.6	670.2	489.6	177.4	312.2	180.6	65.4
1985	4,220.3	2,720.3	363.5	928.7	1,428.1	736.2	714.4	526.2	194.5	331.7	188.2	21.8
1986	4,462.8	2,899.7	403.0	958.4	1,538.3	746.5	739.9	519.8	176.5	343.3	220.1	6.6
1987	4,739.5	3,100.2	421.7	1,015.3	1,663.3	785.0	757.8	524.1	174.2	349.9	233.7	27.1
1988	5,103.8	3,353.6	453.6	1,083.5	1,816.5	821.6	803.1	563.8	182.8	381.0	239.3	18.5
1989	5,484.4	3,598.5	471.8	1,166.7	1,960.0	874.9	847.3	607.7	193.7	414.0	239.5	27.7
1990	5,803.1	3,839.9	474.2	1,249.9	2,115.9	861.0	846.4	622.4	202.9	419.5	224.0	14.5
1991	5,995.9	3,986.1	453.9	1,284.8	2,247.4	802.9	803.3	598.2	183.6	414.6	205.1	–.4
1992	6,337.7	4,235.3	483.6	1,330.5	2,421.2	864.8	848.5	612.1	172.6	439.6	236.3	16.3
1993	6,657.4	4,477.9	526.7	1,379.4	2,571.8	953.4	932.5	666.6	177.2	489.4	266.0	20.8
1994	7,072.2	4,743.3	582.2	1,437.2	2,723.9	1,097.1	1,033.3	731.4	186.8	544.6	301.9	63.8
1995	7,397.7	4,975.8	611.6	1,485.1	2,879.1	1,144.0	1,112.9	810.0	207.3	602.8	302.8	31.1
1996	7,816.9	5,256.8	652.6	1,555.5	3,048.7	1,240.3	1,209.5	875.4	224.6	650.8	334.1	30.8
1997	8,304.3	5,547.4	692.7	1,619.0	3,235.8	1,389.8	1,317.8	968.7	250.3	718.3	349.1	72.0
1998	8,747.0	5,879.5	750.2	1,683.6	3,445.7	1,509.1	1,438.4	1,052.6	275.2	777.3	385.8	70.8
1999	9,268.4	6,282.5	817.6	1,804.8	3,660.0	1,625.7	1,558.8	1,133.9	282.2	851.7	424.9	66.9
2000	9,817.0	6,739.4	863.3	1,947.2	3,928.8	1,735.5	1,679.0	1,232.1	313.2	918.9	446.9	56.5
2001	10,128.0	7,055.0	883.7	2,017.1	4,154.3	1,614.3	1,646.1	1,176.8	322.6	854.2	469.3	–31.7
2002	10,469.6	7,350.7	923.9	2,079.6	4,347.2	1,582.1	1,570.2	1,066.3	279.2	787.1	503.9	11.9
2003	10,960.8	7,703.6	942.7	2,190.2	4,570.8	1,664.1	1,649.8	1,077.4	277.2	800.2	572.4	14.3
2004	11,712.5	8,211.5	986.3	2,345.2	4,880.1	1,888.0	1,830.6	1,155.3	300.8	854.5	675.3	57.3
2005	12,455.8	8,742.4	1,033.1	2,539.3	5,170.0	2,057.4	2,036.2	1,265.7	338.6	927.1	770.4	21.3
2003: I	10,705.6	7,548.1	911.5	2,159.0	4,477.7	1,606.4	1,583.3	1,044.0	269.9	774.1	539.3	23.0
II	10,831.8	7,628.4	937.3	2,155.4	4,535.6	1,617.1	1,620.6	1,067.4	279.2	788.2	553.2	–3.5
III	11,086.1	7,782.6	964.4	2,216.8	4,601.4	1,690.5	1,678.7	1,093.3	280.2	813.2	585.4	11.8
IV	11,219.5	7,855.3	957.4	2,229.5	4,668.4	1,742.3	1,716.4	1,104.8	279.6	825.2	611.6	25.9
2004: I	11,430.9	8,018.0	971.5	2,284.7	4,761.8	1,781.9	1,743.9	1,112.1	286.5	825.6	631.8	38.0
II	11,649.3	8,148.1	976.2	2,327.8	4,844.2	1,892.2	1,812.8	1,137.6	296.8	840.8	675.2	79.3
III	11,799.4	8,265.0	990.9	2,355.5	4,918.6	1,917.7	1,862.9	1,170.0	306.4	863.6	692.9	54.8
IV	11,970.3	8,414.8	1,006.4	2,412.7	4,995.7	1,960.2	1,902.9	1,201.5	313.6	887.9	701.4	57.3
2005: I	12,173.2	8,519.7	1,013.1	2,450.2	5,056.4	2,013.5	1,954.1	1,230.0	326.5	903.5	724.1	59.4
II	12,346.1	8,674.6	1,042.3	2,508.6	5,123.7	2,009.1	2,016.7	1,251.8	332.0	919.8	764.9	–7.6
III	12,573.5	8,847.3	1,057.3	2,584.9	5,205.1	2,052.6	2,067.9	1,276.7	336.3	940.4	791.2	–15.3
IV	12,730.5	8,927.8	1,019.6	2,613.5	5,294.7	2,154.5	2,105.8	1,304.3	359.7	944.7	801.5	48.6
2006: I	13,008.4	9,079.2	1,064.1	2,658.2	5,356.8	2,214.8	2,167.7	1,359.2	378.2	981.0	808.5	47.2
II	13,197.3	9,228.1	1,061.8	2,721.4	5,444.9	2,237.1	2,174.8	1,384.3	406.3	977.9	790.6	62.3
III	13,322.6	9,346.7	1,075.5	2,747.7	5,523.5	2,235.5	2,171.4	1,420.8	426.9	994.0	750.5	64.2

See next page for continuation of table.

TABLE B–1.—*Gross domestic product, 1959–2006*—Continued

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Net exports of goods and services			Government consumption expenditures and gross investment					Final sales of domestic product	Gross domestic purchases [1]	Addendum: Gross national product [2]	Percent change from preceding period	
					Federal								
	Net exports	Exports	Imports	Total	Total	National defense	Nondefense	State and local				Gross domestic product	Gross domestic purchases [1]
1959	0.4	22.7	22.3	110.0	65.4	53.8	11.5	44.7	502.7	506.2	509.3	8.4	8.5
1960	4.2	27.0	22.8	111.6	64.1	53.4	10.7	47.5	523.2	522.2	529.5	3.9	3.2
1961	4.9	27.6	22.7	119.5	67.9	56.5	11.4	51.6	541.7	539.8	548.2	3.5	3.4
1962	4.1	29.1	25.0	130.1	75.3	61.1	14.2	54.9	579.5	581.5	589.7	7.5	7.7
1963	4.9	31.1	26.1	136.4	76.9	61.0	15.9	59.5	612.1	612.8	622.2	5.5	5.4
1964	6.9	35.0	28.1	143.2	78.5	60.3	18.2	64.8	658.8	656.7	668.5	7.4	7.2
1965	5.6	37.1	31.5	151.5	80.4	60.6	19.8	71.0	709.9	713.5	724.4	8.4	8.6
1966	3.9	40.9	37.1	171.8	92.5	71.7	20.8	79.2	774.2	783.9	792.9	9.5	9.9
1967	3.6	43.5	39.9	192.7	104.8	83.5	21.3	87.9	822.7	829.0	838.0	5.7	5.8
1968	1.4	47.9	46.6	209.4	111.4	89.3	22.1	98.0	900.9	908.6	916.1	9.3	9.6
1969	1.4	51.9	50.5	221.5	113.4	89.5	23.8	108.2	975.4	983.2	990.7	8.2	8.2
1970	4.0	59.7	55.8	233.8	113.5	87.6	25.8	120.3	1,036.5	1,034.6	1,044.9	5.5	5.2
1971	.6	63.0	62.3	246.5	113.7	84.6	29.1	132.8	1,118.9	1,126.5	1,134.7	8.5	8.9
1972	–3.4	70.8	74.2	263.5	119.7	87.0	32.7	143.8	1,229.2	1,241.7	1,246.8	9.9	10.2
1973	4.1	95.3	91.2	281.7	122.5	88.2	34.3	159.2	1,366.8	1,378.6	1,395.3	11.7	11.0
1974	–.8	126.7	127.5	317.9	134.6	95.6	39.0	183.4	1,486.0	1,500.8	1,515.5	8.5	8.9
1975	16.0	138.7	122.7	357.7	149.1	103.9	45.1	208.7	1,644.6	1,622.4	1,651.3	9.2	8.1
1976	–1.6	149.5	151.1	383.0	159.7	111.1	48.6	223.3	1,808.2	1,826.9	1,842.1	11.4	12.6
1977	–23.1	159.4	182.4	414.1	175.4	120.9	54.5	238.7	2,008.6	2,054.0	2,051.2	11.3	12.4
1978	–25.4	186.9	212.3	453.6	190.9	130.5	60.4	262.6	2,268.9	2,320.1	2,316.3	13.0	13.0
1979	–22.5	230.1	252.7	500.8	210.6	145.2	65.4	290.2	2,545.3	2,585.9	2,595.3	11.7	11.5
1980	–13.1	280.8	293.8	566.2	243.8	168.0	75.8	322.4	2,795.8	2,802.6	2,823.7	8.8	8.4
1981	–12.5	305.2	317.8	627.5	280.2	196.3	84.0	347.3	3,098.6	3,141.0	3,161.4	12.2	12.1
1982	–20.0	283.2	303.2	680.5	310.8	225.9	84.9	369.7	3,269.9	3,275.0	3,291.5	4.0	4.3
1983	–51.7	277.0	328.6	733.5	342.9	250.7	92.3	390.5	3,542.4	3,588.3	3,573.8	8.7	9.6
1984	–102.7	302.4	405.1	797.0	374.4	281.6	92.8	422.6	3,867.8	4,035.9	3,969.5	11.2	12.5
1985	–115.2	302.0	417.2	879.0	412.8	311.2	101.6	466.2	4,198.4	4,335.5	4,246.8	7.3	7.4
1986	–132.7	320.5	453.3	949.3	438.6	330.9	107.8	510.7	4,456.3	4,595.6	4,480.6	5.7	6.0
1987	–145.2	363.9	509.1	999.5	460.1	350.0	110.0	539.4	4,712.3	4,884.7	4,757.4	6.2	6.3
1988	–110.4	444.1	554.5	1,039.0	462.3	354.9	107.4	576.7	5,085.3	5,214.2	5,127.4	7.7	6.7
1989	–88.2	503.3	591.5	1,099.1	482.2	362.2	120.0	616.9	5,456.7	5,572.5	5,510.6	7.5	6.9
1990	–78.0	552.4	630.3	1,180.2	508.3	374.0	134.3	671.9	5,788.5	5,881.1	5,837.9	5.8	5.5
1991	–27.5	596.8	624.3	1,234.4	527.7	383.2	144.5	706.7	5,996.3	6,023.4	6,026.3	3.3	2.4
1992	–33.2	635.3	668.6	1,271.0	533.9	376.9	157.0	737.0	6,321.4	6,371.0	6,367.4	5.7	5.8
1993	–65.0	655.8	720.9	1,291.2	525.2	362.9	162.4	766.0	6,636.6	6,722.4	6,689.3	5.0	5.5
1994	–93.6	720.9	814.5	1,325.5	519.1	353.7	165.5	806.3	7,008.4	7,165.8	7,098.4	6.2	6.6
1995	–91.4	812.2	903.6	1,369.2	519.2	348.7	170.5	850.0	7,366.5	7,489.0	7,433.4	4.6	4.5
1996	–96.2	868.6	964.8	1,416.0	527.4	354.6	172.8	888.6	7,786.1	7,913.1	7,851.9	5.7	5.7
1997	–101.6	955.3	1,056.9	1,468.7	530.9	349.6	181.3	937.8	8,232.3	8,405.9	8,337.3	6.2	6.2
1998	–159.9	955.9	1,115.9	1,518.3	530.4	345.7	184.7	987.9	8,676.2	8,906.9	8,768.3	5.3	6.0
1999	–260.5	991.2	1,251.7	1,620.8	555.8	360.6	195.2	1,065.0	9,201.5	9,528.9	9,302.2	6.0	7.0
2000	–379.5	1,096.3	1,475.8	1,721.6	578.8	370.3	208.5	1,142.8	9,760.5	10,196.4	9,855.9	5.9	7.0
2001	–367.0	1,032.8	1,399.8	1,825.6	612.9	392.6	220.3	1,212.8	10,159.7	10,495.0	10,171.6	3.2	2.9
2002	–424.4	1,005.9	1,430.3	1,961.1	679.7	437.1	242.5	1,281.5	10,457.7	10,894.0	10,500.2	3.4	3.8
2003	–499.4	1,040.8	1,540.2	2,092.5	756.4	497.2	259.2	1,336.0	10,946.5	11,460.2	11,017.6	4.7	5.2
2004	–613.2	1,178.1	1,791.4	2,226.2	825.9	551.2	274.7	1,400.3	11,655.1	12,325.7	11,758.7	6.9	7.6
2005	–716.7	1,303.1	2,019.9	2,372.8	878.3	589.3	289.0	1,494.4	12,434.6	13,172.5	12,487.7	6.3	6.9
2003: I	–499.3	1,012.4	1,511.7	2,050.3	725.9	467.4	258.5	1,324.4	10,682.6	11,204.8	10,744.9	4.4	5.1
II	–501.3	1,010.8	1,512.1	2,087.7	762.2	506.9	255.3	1,325.5	10,835.4	11,333.1	10,888.4	4.8	4.7
III	–495.2	1,040.7	1,535.9	2,108.2	764.8	501.5	263.3	1,343.3	11,074.3	11,581.3	11,139.8	9.7	9.1
IV	–501.8	1,099.1	1,600.9	2,123.7	772.8	513.1	259.7	1,350.9	11,193.6	11,721.3	11,297.3	4.9	4.9
2004: I	–543.4	1,135.1	1,678.5	2,174.4	808.2	537.7	270.5	1,366.3	11,392.9	11,974.4	11,501.5	7.8	8.9
II	–606.2	1,166.3	1,772.5	2,215.1	823.8	548.1	275.7	1,391.4	11,569.9	12,255.4	11,689.7	7.9	9.7
III	–630.7	1,185.3	1,815.9	2,247.3	838.4	564.1	274.3	1,409.0	11,744.6	12,430.1	11,845.3	5.3	5.8
IV	–672.7	1,225.8	1,898.5	2,268.0	833.2	555.1	278.1	1,434.8	11,913.0	12,643.0	11,998.5	5.9	7.0
2005: I	–676.2	1,254.0	1,930.2	2,316.2	862.9	576.8	286.0	1,453.3	12,113.8	12,849.4	12,207.5	7.0	6.7
II	–686.4	1,293.8	1,980.2	2,348.9	868.4	584.3	284.1	1,480.5	12,353.7	13,032.6	12,374.6	5.8	5.8
III	–728.8	1,312.4	2,041.2	2,402.4	895.8	605.0	290.7	1,506.6	12,588.8	13,302.3	12,625.7	7.6	8.5
IV	–775.4	1,352.4	2,127.8	2,423.6	886.2	590.9	295.3	1,537.4	12,681.9	13,505.9	12,743.0	5.1	6.3
2006: I	–765.2	1,405.4	2,170.6	2,479.6	921.7	613.5	308.2	1,557.9	12,961.2	13,773.6	13,037.4	9.0	8.2
II	–781.8	1,448.1	2,229.8	2,513.9	919.7	616.5	303.2	1,594.2	13,135.1	13,979.1	13,220.1	5.9	6.1
III	–801.7	1,488.3	2,290.1	2,542.1	927.2	618.1	309.0	1,614.9	13,258.4	14,124.3	13,339.2	3.8	4.2

[1] Gross domestic product (GDP) less exports of goods and services plus imports of goods and services.

[2] GDP plus net income receipts from rest of the world.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–2.—*Real gross domestic product, 1959–2006*

[Billions of chained (2000) dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment						
							Fixed investment					Change in private inventories
								Nonresidential			Residential	
		Total	Durable goods	Nondurable goods	Services	Total	Total	Total	Structures	Equipment and software		
1959	2,441.3	1,554.6				266.7						
1960	2,501.8	1,597.4				266.6						
1961	2,560.0	1,630.3				264.9						
1962	2,715.2	1,711.1				298.4						
1963	2,834.0	1,781.6				318.5						
1964	2,998.6	1,888.4				344.7						
1965	3,191.1	2,007.7				393.1						
1966	3,399.1	2,121.8				427.7						
1967	3,484.6	2,185.0				408.1						
1968	3,652.7	2,310.5				431.9						
1969	3,765.4	2,396.4				457.1						
1970	3,771.9	2,451.9				427.1						
1971	3,898.6	2,545.5				475.7						
1972	4,105.0	2,701.3				532.1						
1973	4,341.5	2,833.8				594.4						
1974	4,319.6	2,812.3				550.6						
1975	4,311.2	2,876.9				453.1						
1976	4,540.9	3,035.5				544.7						
1977	4,750.5	3,164.1				627.0						
1978	5,015.0	3,303.1				702.6						
1979	5,173.4	3,383.4				725.0						
1980	5,161.7	3,374.1				645.3						
1981	5,291.7	3,422.2				704.9						
1982	5,189.3	3,470.3				606.0						
1983	5,423.8	3,668.6				662.5						
1984	5,813.6	3,863.3				857.7						
1985	6,053.7	4,064.0				849.7						
1986	6,263.6	4,228.9				843.9						
1987	6,475.1	4,369.8				870.0						
1988	6,742.7	4,546.9				890.5						
1989	6,981.4	4,675.0				926.2						
1990	7,112.5	4,770.3	453.5	1,484.0	2,851.7	895.1	886.6	595.1	275.2	355.0	298.9	15.4
1991	7,100.5	4,778.4	427.9	1,480.5	2,900.0	822.2	829.1	563.2	244.6	345.9	270.2	–.5
1992	7,336.6	4,934.8	453.0	1,510.1	3,000.8	889.0	878.3	581.3	229.9	371.1	307.6	16.5
1993	7,532.7	5,099.8	488.4	1,550.4	3,085.7	968.3	953.5	631.9	228.3	417.4	332.7	20.6
1994	7,835.5	5,290.7	529.4	1,603.9	3,176.6	1,099.6	1,042.3	689.9	232.3	467.2	364.8	63.6
1995	8,031.7	5,433.5	552.6	1,638.6	3,259.9	1,134.0	1,109.6	762.5	247.1	523.1	353.1	29.9
1996	8,328.9	5,619.4	595.9	1,680.4	3,356.0	1,234.3	1,209.2	833.6	261.1	578.7	381.3	28.7
1997	8,703.5	5,831.8	646.9	1,725.3	3,468.0	1,387.7	1,320.6	934.2	280.1	658.3	388.6	71.2
1998	9,066.9	6,125.8	720.3	1,794.4	3,615.0	1,524.1	1,455.0	1,037.8	294.5	745.6	418.3	72.6
1999	9,470.3	6,438.6	804.6	1,876.6	3,758.0	1,642.6	1,576.3	1,133.3	293.2	840.2	443.6	68.9
2000	9,817.0	6,739.4	863.3	1,947.2	3,928.8	1,735.5	1,679.0	1,232.1	313.2	918.9	446.9	56.5
2001	9,890.7	6,910.4	900.7	1,986.7	4,023.2	1,598.4	1,629.4	1,180.5	306.1	874.2	448.5	–31.7
2002	10,048.8	7,099.3	964.8	2,037.1	4,100.4	1,557.1	1,544.6	1,071.5	253.8	820.2	469.9	12.5
2003	10,301.0	7,295.3	1,020.6	2,103.0	4,178.8	1,613.1	1,596.9	1,081.8	243.5	843.1	509.4	14.3
2004	10,703.5	7,577.1	1,085.7	2,179.2	4,323.9	1,770.6	1,713.9	1,145.8	248.7	904.2	559.9	53.4
2005	11,048.6	7,841.2	1,145.3	2,276.8	4,436.6	1,866.3	1,842.0	1,223.8	251.5	984.9	608.0	19.6
2003: I	10,126.0	7,184.9	971.4	2,072.5	4,143.3	1,561.8	1,536.3	1,047.5	238.2	813.3	484.1	24.3
II	10,212.7	7,249.3	1,009.8	2,084.2	4,161.3	1,574.4	1,575.6	1,074.5	246.5	831.7	496.3	–2.7
III	10,398.7	7,352.9	1,049.6	2,123.0	4,190.7	1,639.7	1,626.7	1,098.8	246.0	857.8	521.8	10.5
IV	10,467.0	7,394.3	1,051.4	2,132.5	4,220.2	1,676.5	1,648.9	1,106.5	243.1	869.5	535.2	25.0
2004: I	10,566.3	7,479.8	1,067.0	2,155.3	4,268.2	1,696.4	1,658.0	1,111.2	245.0	872.0	539.2	35.9
II	10,671.5	7,534.4	1,071.4	2,164.3	4,308.4	1,781.9	1,704.4	1,130.7	249.1	887.6	564.1	74.7
III	10,753.3	7,607.1	1,093.9	2,184.0	4,341.5	1,790.8	1,736.1	1,158.8	251.0	915.1	568.6	50.8
IV	10,822.9	7,687.1	1,110.3	2,213.1	4,377.4	1,813.4	1,757.1	1,182.3	249.7	942.0	567.7	52.0
2005: I	10,913.8	7,739.4	1,116.8	2,241.5	4,395.3	1,849.6	1,790.6	1,199.7	253.0	956.5	582.8	55.2
II	11,001.8	7,819.8	1,150.8	2,268.4	4,420.0	1,832.6	1,835.8	1,214.8	251.7	974.8	609.9	–7.4
III	11,115.1	7,895.3	1,175.9	2,287.6	4,454.5	1,855.9	1,864.2	1,232.4	247.1	1,000.6	620.4	–12.7
IV	11,163.8	7,910.2	1,137.9	2,309.6	4,476.7	1,927.0	1,877.3	1,248.2	254.2	1,007.6	618.9	43.5
2006: I	11,316.4	8,003.8	1,190.5	2,342.8	4,494.5	1,963.6	1,914.6	1,288.8	259.6	1,044.8	618.5	41.2
II	11,388.1	8,055.0	1,190.3	2,351.1	4,535.4	1,968.5	1,906.8	1,302.8	271.9	1,041.2	600.5	53.7
III	11,443.5	8,111.2	1,208.8	2,360.1	4,566.6	1,964.8	1,901.3	1,334.2	282.0	1,060.7	570.3	55.4

See next page for continuation of table.

TABLE B–2.—*Real gross domestic product, 1959–2006*—Continued

[Billions of chained (2000) dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Net exports of goods and services			Government consumption expenditures and gross investment					Final sales of domestic product	Gross domestic purchases [1]	Addendum: Gross national product [2]	Percent change from preceding period	
	Net exports	Exports	Imports	Total	Federal			State and local				Gross domestic product	Gross domestic purchases [1]
					Total	National defense	Nondefense						
1959		77.2	101.9	714.3					2,442.7	2,485.9	2,457.4	7.1	7.1
1960		90.6	103.3	715.4					2,506.8	2,529.6	2,519.4	2.5	1.8
1961		91.1	102.6	751.3					2,566.8	2,587.6	2,579.3	2.3	2.3
1962		95.7	114.3	797.6					2,708.5	2,751.4	2,736.9	6.1	6.3
1963		102.5	117.3	818.1					2,830.3	2,866.0	2,857.2	4.4	4.2
1964		114.6	123.6	836.1					2,999.9	3,023.2	3,023.6	5.8	5.5
1965		117.8	136.7	861.3					3,173.8	3,228.6	3,217.3	6.4	6.8
1966		126.0	157.1	937.1					3,364.8	3,450.3	3,423.7	6.5	6.9
1967		128.9	168.5	1,008.9					3,467.6	3,545.1	3,510.1	2.5	2.7
1968		139.0	193.6	1,040.5					3,640.3	3,727.5	3,680.0	4.8	5.1
1969		145.7	204.6	1,038.0					3,753.7	3,844.1	3,792.0	3.1	3.1
1970		161.4	213.4	1,012.9					3,787.7	3,837.4	3,798.2	.2	–.2
1971		164.1	224.7	990.8					3,893.4	3,974.2	3,927.8	3.4	3.6
1972		176.5	250.0	983.5					4,098.6	4,192.8	4,136.2	5.3	5.5
1973		209.7	261.6	980.0					4,315.9	4,399.1	4,383.6	5.8	4.9
1974		226.3	255.7	1,004.7					4,305.5	4,343.8	4,367.5	–.5	–1.3
1975		224.9	227.3	1,027.4					4,352.5	4,297.0	4,348.4	–.2	–1.1
1976		234.7	271.7	1,031.9					4,522.3	4,575.0	4,585.3	5.3	6.5
1977		240.3	301.4	1,043.3					4,721.6	4,818.5	4,800.3	4.6	5.3
1978		265.7	327.6	1,074.0					4,981.6	5,081.5	5,064.4	5.6	5.5
1979		292.0	333.0	1,094.1					5,161.2	5,206.8	5,240.1	3.2	2.5
1980		323.5	310.9	1,115.4					5,196.7	5,108.9	5,227.6	–.2	–1.9
1981		327.4	319.1	1,125.6					5,265.1	5,244.7	5,349.7	2.5	2.7
1982		302.4	315.0	1,145.4					5,233.4	5,175.1	5,249.7	–1.9	–1.3
1983		294.6	354.8	1,187.3					5,454.0	5,477.6	5,482.5	4.5	5.8
1984		318.7	441.1	1,227.0					5,739.2	5,951.6	5,869.3	7.2	8.7
1985		328.3	469.8	1,312.5					6,042.1	6,215.8	6,093.4	4.1	4.4
1986		353.7	510.0	1,392.5					6,271.8	6,443.6	6,290.6	3.5	3.7
1987		391.8	540.2	1,426.7					6,457.2	6,644.1	6,500.9	3.4	3.1
1988		454.6	561.4	1,445.1					6,734.5	6,857.9	6,775.2	4.1	3.2
1989		506.8	586.0	1,482.5					6,962.2	7,060.8	7,015.4	3.5	3.0
1990	–54.7	552.5	607.1	1,530.0	659.1	479.4	178.6	868.4	7,108.5	7,161.6	7,155.2	1.9	1.4
1991	–14.6	589.1	603.7	1,547.2	658.0	474.2	182.8	886.8	7,115.0	7,101.2	7,136.8	–.2	–.8
1992	–15.9	629.7	645.6	1,555.3	646.6	450.7	195.4	906.5	7,331.1	7,338.9	7,371.8	3.3	3.3
1993	–52.1	650.0	702.1	1,541.1	619.6	425.3	194.1	919.5	7,522.3	7,577.2	7,568.6	2.7	3.2
1994	–79.4	706.5	785.9	1,541.3	596.4	404.6	191.7	943.3	7,777.8	7,911.3	7,864.2	4.0	4.4
1995	–71.0	778.2	849.1	1,549.7	580.3	389.2	191.0	968.3	8,010.2	8,098.4	8,069.8	2.5	2.4
1996	–79.6	843.4	923.0	1,564.9	573.5	383.8	189.6	990.5	8,306.5	8,405.7	8,365.3	3.7	3.8
1997	–104.6	943.7	1,048.3	1,594.0	567.6	373.0	194.5	1,025.9	8,636.6	8,807.6	8,737.5	4.5	4.8
1998	–203.7	966.5	1,170.3	1,624.4	561.2	365.3	195.9	1,063.0	8,997.6	9,272.5	9,088.7	4.2	5.3
1999	–296.2	1,008.2	1,304.4	1,686.9	573.7	372.2	201.5	1,113.2	9,404.0	9,767.7	9,504.7	4.5	5.3
2000	–379.5	1,096.3	1,475.8	1,721.6	578.8	370.3	208.5	1,142.8	9,760.5	10,196.4	9,855.9	3.7	4.4
2001	–399.1	1,036.7	1,435.8	1,780.3	601.4	384.9	216.5	1,179.0	9,920.9	10,290.1	9,933.6	.8	.9
2002	–471.3	1,013.3	1,484.6	1,858.8	643.4	413.2	230.2	1,215.4	10,036.5	10,517.7	10,079.0	1.6	2.2
2003	–518.9	1,026.1	1,545.0	1,904.8	687.1	449.0	238.0	1,217.8	10,285.1	10,815.5	10,355.3	2.5	2.8
2004	–590.9	1,120.4	1,711.3	1,940.6	716.6	475.4	241.0	1,223.9	10,648.3	11,286.5	10,746.8	3.9	4.4
2005	–619.2	1,196.1	1,815.3	1,958.0	727.5	483.6	243.7	1,230.4	11,025.2	11,659.7	11,077.9	3.2	3.3
2003: I	–507.2	1,003.3	1,510.5	1,879.3	662.5	424.2	238.4	1,216.9	10,100.9	10,629.0	10,163.8	1.2	.9
II	–526.9	999.0	1,525.9	1,907.5	693.0	458.4	234.5	1,214.4	10,213.7	10,734.6	10,266.9	3.5	4.0
III	–513.8	1,026.3	1,540.0	1,914.5	693.7	452.2	241.5	1,220.8	10,385.9	10,908.7	10,449.9	7.5	6.6
IV	–527.8	1,075.8	1,603.6	1,918.0	699.0	461.1	237.8	1,219.0	10,440.0	10,989.5	10,540.5	2.7	3.0
2004: I	–548.5	1,094.8	1,643.2	1,931.8	711.3	471.3	239.9	1,220.4	10,528.7	11,108.5	10,632.2	3.9	4.4
II	–593.9	1,111.3	1,705.2	1,942.6	715.7	473.6	241.9	1,226.8	10,596.1	11,257.2	10,709.4	4.0	5.5
III	–599.4	1,124.3	1,723.7	1,948.7	724.5	484.0	240.1	1,224.1	10,700.1	11,344.5	10,796.3	3.1	3.1
IV	–621.9	1,151.3	1,773.1	1,939.3	714.9	472.6	242.1	1,224.3	10,768.2	11,435.9	10,849.3	2.6	3.3
2005: I	–626.4	1,164.5	1,790.9	1,947.2	720.8	477.8	242.8	1,226.3	10,856.5	11,531.5	10,946.0	3.4	3.4
II	–606.1	1,191.0	1,797.1	1,952.6	721.6	481.1	240.1	1,230.9	11,005.3	11,599.9	11,028.2	3.3	2.4
III	–607.6	1,200.5	1,808.1	1,968.8	738.2	494.1	243.8	1,230.5	11,123.5	11,714.6	11,162.0	4.2	4.0
IV	–636.6	1,228.4	1,865.0	1,963.5	729.6	481.4	248.0	1,233.7	11,115.5	11,792.9	11,175.6	1.8	2.7
2006: I	–636.6	1,269.3	1,905.9	1,987.1	745.1	491.8	253.1	1,242.0	11,269.0	11,946.3	11,342.7	5.6	5.3
II	–624.2	1,288.5	1,912.7	1,991.2	736.6	489.3	247.0	1,254.4	11,328.0	12,005.9	11,408.5	2.6	2.0
III	–628.8	1,310.0	1,938.8	1,999.4	738.9	487.9	250.9	1,260.3	11,381.6	12,066.6	11,458.5	2.0	2.0

[1] Gross domestic product (GDP) less exports of goods and services plus imports of goods and services.
[2] GDP plus net income receipts from rest of the world.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–3.—*Quantity and price indexes for gross domestic product, and percent changes, 1959–2006*

[Quarterly data are seasonally adjusted]

Year or quarter	Gross domestic product (GDP)						
	Index numbers, 2000=100			Percent change from preceding period [1]			
	Real GDP (chain-type quantity index)	GDP chain-type price index	GDP implicit price deflator	GDP (current dollars)	Real GDP (chain-type quantity index)	GDP chain-type price index	GDP implicit price deflator
1959	24.868	20.754	20.751	8.4	7.1	1.2	1.2
1960	25.484	21.044	21.041	3.9	2.5	1.4	1.4
1961	26.077	21.281	21.278	3.5	2.3	1.1	1.1
1962	27.658	21.572	21.569	7.5	6.1	1.4	1.4
1963	28.868	21.801	21.798	5.5	4.4	1.1	1.1
1964	30.545	22.134	22.131	7.4	5.8	1.5	1.5
1965	32.506	22.538	22.535	8.4	6.4	1.8	1.8
1966	34.625	23.180	23.176	9.5	6.5	2.8	2.8
1967	35.496	23.897	23.893	5.7	2.5	3.1	3.1
1968	37.208	24.916	24.913	9.3	4.8	4.3	4.3
1969	38.356	26.153	26.149	8.2	3.1	5.0	5.0
1970	38.422	27.538	27.534	5.5	.2	5.3	5.3
1971	39.713	28.916	28.911	8.5	3.4	5.0	5.0
1972	41.815	30.171	30.166	9.9	5.3	4.3	4.3
1973	44.224	31.854	31.849	11.7	5.8	5.6	5.6
1974	44.001	34.721	34.725	8.5	–.5	9.0	9.0
1975	43.916	38.007	38.002	9.2	–.2	9.5	9.4
1976	46.256	40.202	40.196	11.4	5.3	5.8	5.8
1977	48.391	42.758	42.752	11.3	4.6	6.4	6.4
1978	51.085	45.762	45.757	13.0	5.6	7.0	7.0
1979	52.699	49.553	49.548	11.7	3.2	8.3	8.3
1980	52.579	54.062	54.043	8.8	–.2	9.1	9.1
1981	53.904	59.128	59.119	12.2	2.5	9.4	9.4
1982	52.860	62.738	62.726	4.0	–1.9	6.1	6.1
1983	55.249	65.214	65.207	8.7	4.5	3.9	4.0
1984	59.220	67.664	67.655	11.2	7.2	3.8	3.8
1985	61.666	69.724	69.713	7.3	4.1	3.0	3.0
1986	63.804	71.269	71.250	5.7	3.5	2.2	2.2
1987	65.958	73.204	73.196	6.2	3.4	2.7	2.7
1988	68.684	75.706	75.694	7.7	4.1	3.4	3.4
1989	71.116	78.569	78.556	7.5	3.5	3.8	3.8
1990	72.451	81.614	81.590	5.8	1.9	3.9	3.9
1991	72.329	84.457	84.444	3.3	–.2	3.5	3.5
1992	74.734	86.402	86.385	5.7	3.3	2.3	2.3
1993	76.731	88.390	88.381	5.0	2.7	2.3	2.3
1994	79.816	90.265	90.259	6.2	4.0	2.1	2.1
1995	81.814	92.115	92.106	4.6	2.5	2.0	2.0
1996	84.842	93.859	93.852	5.7	3.7	1.9	1.9
1997	88.658	95.415	95.414	6.2	4.5	1.7	1.7
1998	92.359	96.475	96.472	5.3	4.2	1.1	1.1
1999	96.469	97.868	97.868	6.0	4.5	1.4	1.4
2000	100.000	100.000	100.000	5.9	3.7	2.2	2.2
2001	100.751	102.402	102.399	3.2	.8	2.4	2.4
2002	102.362	104.193	104.187	3.4	1.6	1.7	1.7
2003	104.931	106.409	106.404	4.7	2.5	2.1	2.1
2004	109.031	109.429	109.426	6.9	3.9	2.8	2.8
2005	112.546	112.744	112.737	6.3	3.2	3.0	3.0
2003: I	103.148	105.742	105.724	4.4	1.2	3.1	3.2
II	104.031	106.076	106.062	4.8	3.5	1.3	1.3
III	105.926	106.616	106.611	9.7	7.5	2.1	2.1
IV	106.621	107.204	107.190	4.9	2.7	2.2	2.2
2004: I	107.633	108.190	108.183	7.8	3.9	3.7	3.8
II	108.705	109.172	109.162	7.9	4.0	3.7	3.7
III	109.538	109.744	109.728	5.3	3.1	2.1	2.1
IV	110.247	110.610	110.601	5.9	2.6	3.2	3.2
2005: I	111.173	111.558	111.539	7.0	3.4	3.5	3.4
II	112.069	112.229	112.219	5.8	3.3	2.4	2.5
III	113.223	113.139	113.121	7.6	4.2	3.3	3.3
IV	113.719	114.048	114.034	5.1	1.8	3.3	3.3
2006: I	115.274	114.967	114.951	9.0	5.6	3.3	3.3
II	116.004	115.905	115.887	5.9	2.6	3.3	3.3
III	116.569	116.446	116.420	3.8	2.0	1.9	1.9

[1] Quarterly percent changes are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–4.—*Percent changes in real gross domestic product, 1959–2006*

[Percent change from preceding period; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment				Exports and imports of goods and services		Government consumption expenditures and gross investment		
						Nonresidential fixed								
		Total	Durable goods	Nondurable goods	Services	Total	Structures	Equipment and software	Residential fixed	Exports	Imports	Total	Federal	State and local
1959	7.1	5.6	12.1	4.1	5.3	8.0	2.4	11.9	25.4	10.3	10.5	3.4	3.1	3.8
1960	2.5	2.8	2.0	1.5	4.5	5.7	7.9	4.2	–7.1	17.4	1.3	.2	–2.7	4.4
1961	2.3	2.1	–3.8	1.8	4.2	–.6	1.4	–1.9	.3	.5	–.7	5.0	4.2	6.2
1962	6.1	5.0	11.7	3.1	5.0	8.7	4.5	11.6	9.6	5.1	11.3	6.2	8.5	3.1
1963	4.4	4.1	9.7	2.1	4.6	5.6	1.1	8.4	11.8	7.1	2.7	2.6	.1	6.0
1964	5.8	6.0	9.3	4.9	6.1	11.9	10.4	12.8	5.8	11.8	5.3	2.2	–1.3	6.8
1965	6.4	6.3	12.7	5.3	5.3	17.4	15.9	18.3	–2.9	2.8	10.6	3.0	.0	6.7
1966	6.5	5.7	8.4	5.5	5.0	12.5	6.8	16.0	–8.9	6.9	14.9	8.8	11.0	6.3
1967	2.5	3.0	1.6	1.6	4.9	–1.4	–2.5	–.7	–3.1	2.3	7.3	7.7	9.9	5.0
1968	4.8	5.7	11.0	4.6	5.2	4.5	1.5	6.2	13.6	7.9	14.9	3.1	.8	5.9
1969	3.1	3.7	3.5	2.7	4.8	7.6	5.4	8.8	3.0	4.8	5.7	–.2	–3.4	3.4
1970	.2	2.3	–3.2	2.4	4.0	–.5	.3	–1.0	–6.0	10.7	4.3	–2.4	–7.4	2.8
1971	3.4	3.8	10.0	1.8	3.9	.0	–1.6	1.0	27.4	1.7	5.3	–2.2	–7.7	3.1
1972	5.3	6.1	12.7	4.4	5.7	9.2	3.1	12.9	17.8	7.5	11.3	–.7	–4.1	2.2
1973	5.8	4.9	10.3	3.3	4.7	14.6	8.2	18.3	–.6	18.9	4.6	–.4	–4.2	2.8
1974	–.5	–.8	–6.9	–2.0	2.3	.8	–2.1	2.6	–20.6	7.9	–2.3	2.5	.9	3.8
1975	–.2	2.3	.0	1.5	3.7	–9.9	–10.5	–9.5	–13.0	–.6	–11.1	2.3	.3	3.7
1976	5.3	5.5	12.8	4.9	4.1	4.9	2.4	6.2	23.6	4.4	19.5	.4	.0	.7
1977	4.6	4.2	9.3	2.4	4.3	11.3	4.1	15.1	21.5	2.4	10.9	1.1	2.1	.4
1978	5.6	4.4	5.3	3.7	4.7	15.0	14.4	15.2	6.3	10.5	8.7	2.9	2.5	3.3
1979	3.2	2.4	–.3	2.7	3.1	10.1	12.7	8.7	–3.7	9.9	1.7	1.9	2.4	1.5
1980	–.2	–.3	–7.8	–.2	1.8	–.3	5.8	–3.6	–21.2	10.8	–6.6	2.0	4.7	–.1
1981	2.5	1.4	1.2	1.2	1.7	5.7	8.0	4.3	–8.0	1.2	2.6	.9	4.8	–2.0
1982	–1.9	1.4	–.1	1.0	2.1	–3.8	–1.7	–5.2	–18.2	–7.6	–1.3	1.8	3.9	.1
1983	4.5	5.7	14.6	3.3	5.5	–1.3	–10.8	5.4	41.4	–2.6	12.6	3.7	6.6	1.2
1984	7.2	5.3	14.6	4.0	4.1	17.7	14.0	19.8	14.8	8.2	24.3	3.3	3.1	3.6
1985	4.1	5.2	10.1	2.7	5.6	6.6	7.1	6.4	1.6	3.0	6.5	7.0	7.8	6.2
1986	3.5	4.1	9.7	3.6	2.9	–2.9	–11.0	1.9	12.3	7.7	8.6	6.1	5.7	6.4
1987	3.4	3.3	1.7	2.4	4.3	–.1	–2.9	1.4	2.0	10.8	5.9	2.5	3.6	1.5
1988	4.1	4.1	6.0	3.3	4.0	5.2	.6	7.5	–1.0	16.0	3.9	1.3	–1.6	3.7
1989	3.5	2.8	2.2	2.8	3.0	5.6	2.0	7.3	–3.0	11.5	4.4	2.6	1.5	3.4
1990	1.9	2.0	–.3	1.6	2.9	.5	1.5	.0	–8.6	9.0	3.6	3.2	2.0	4.1
1991	–.2	.2	–5.6	–.2	1.7	–5.4	–11.1	–2.6	–9.6	6.6	–.6	1.1	–.2	2.1
1992	3.3	3.3	5.9	2.0	3.5	3.2	–6.0	7.3	13.8	6.9	7.0	.5	–1.7	2.2
1993	2.7	3.3	7.8	2.7	2.8	8.7	–.7	12.5	8.2	3.2	8.8	–.9	–4.2	1.4
1994	4.0	3.7	8.4	3.5	2.9	9.2	1.8	11.9	9.6	8.7	11.9	.0	–3.7	2.6
1995	2.5	2.7	4.4	2.2	2.6	10.5	6.4	12.0	–3.2	10.1	8.0	.5	–2.7	2.6
1996	3.7	3.4	7.8	2.6	2.9	9.3	5.6	10.6	8.0	8.4	8.7	1.0	–1.2	2.3
1997	4.5	3.8	8.6	2.7	3.3	12.1	7.3	13.8	1.9	11.9	13.6	1.9	–1.0	3.6
1998	4.2	5.0	11.3	4.0	4.2	11.1	5.1	13.3	7.6	2.4	11.6	1.9	–1.1	3.6
1999	4.5	5.1	11.7	4.6	4.0	9.2	–.4	12.7	6.0	4.3	11.5	3.9	2.2	4.7
2000	3.7	4.7	7.3	3.8	4.5	8.7	6.8	9.4	.8	8.7	13.1	2.1	.9	2.7
2001	.8	2.5	4.3	2.0	2.4	–4.2	–2.3	–4.9	.4	–5.4	–2.7	3.4	3.9	3.2
2002	1.6	2.7	7.1	2.5	1.9	–9.2	–17.1	–6.2	4.8	–2.3	3.4	4.4	7.0	3.1
2003	2.5	2.8	5.8	3.2	1.9	1.0	–4.1	2.8	8.4	1.3	4.1	2.5	6.8	.2
2004	3.9	3.9	6.4	3.6	3.5	5.9	2.2	7.3	9.9	9.2	10.8	1.9	4.3	.5
2005	3.2	3.5	5.5	4.5	2.6	6.8	1.1	8.9	8.6	6.8	6.1	.9	1.5	.5
2003: I	1.2	2.1	.4	3.8	1.5	–2.6	–6.9	–1.0	4.1	–5.3	–5.0	–1.4	.1	–2.2
II	3.5	3.6	16.8	2.3	1.8	10.7	14.7	9.3	10.5	–1.7	4.1	6.1	19.7	–.8
III	7.5	5.8	16.7	7.7	2.9	9.4	–.8	13.2	22.2	11.4	3.7	1.5	.4	2.1
IV	2.7	2.3	.7	1.8	2.8	2.8	–4.7	5.6	10.6	20.8	17.6	.7	3.1	–.6
2004: I	3.9	4.7	6.1	4.3	4.6	1.7	3.3	1.2	3.1	7.2	10.2	2.9	7.2	.5
II	4.0	2.9	1.7	1.7	3.8	7.2	6.9	7.3	19.8	6.2	16.0	2.2	2.5	2.1
III	3.1	3.9	8.7	3.7	3.1	10.3	3.1	13.0	3.2	4.8	4.4	1.3	5.0	–.9
IV	2.6	4.3	6.1	5.4	3.4	8.3	–2.0	12.3	–.6	9.9	12.0	–1.9	–5.2	.1
2005: I	3.4	2.7	2.4	5.2	1.6	6.0	5.3	6.3	11.1	4.7	4.1	1.6	3.4	.6
II	3.3	4.2	12.8	4.9	2.3	5.2	–2.0	7.9	20.0	9.4	1.4	1.1	.4	1.5
III	4.2	3.9	9.0	3.4	3.2	5.9	–7.0	11.0	7.1	3.2	2.5	3.4	9.6	–.1
IV	1.8	.8	–12.3	3.9	2.0	5.2	12.0	2.8	–.9	9.6	13.2	–1.1	–4.6	1.0
2006: I	5.6	4.8	19.8	5.9	1.6	13.7	8.7	15.6	–.3	14.0	9.1	4.9	8.8	2.7
II	2.6	2.6	–.1	1.4	3.7	4.4	20.3	–1.4	–11.1	6.2	1.4	.8	–4.5	4.0
III	2.0	2.8	6.4	1.5	2.8	10.0	15.7	7.7	–18.7	6.8	5.6	1.7	1.3	1.9

Note.—Percent changes based on unrounded data.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–5.—*Contributions to percent change in real gross domestic product, 1959–2006*

[Percentage points, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product (percent change)	Personal consumption expenditures				Gross private domestic investment						
		Total	Durable goods	Nondurable goods	Services	Total	Fixed investment					Change in private inventories
							Total	Nonresidential			Residential	
								Total	Structures	Equipment and software		
1959	7.1	3.55	0.97	1.25	1.33	2.80	1.94	0.73	0.09	0.64	1.21	0.86
1960	2.5	1.73	.17	.44	1.12	.00	.13	.52	.28	.24	–.39	–.13
1961	2.3	1.30	–.31	.53	1.08	–.10	–.04	–.06	.05	–.11	.01	–.05
1962	6.1	3.11	.89	.90	1.31	1.81	1.24	.78	.16	.61	.46	.57
1963	4.4	2.56	.77	.59	1.20	1.00	1.08	.50	.04	.46	.58	–.08
1964	5.8	3.71	.77	1.33	1.61	1.25	1.37	1.07	.36	.71	.30	–.13
1965	6.4	3.91	1.07	1.43	1.42	2.16	1.50	1.65	.57	1.07	–.15	.66
1966	6.5	3.50	.73	1.46	1.31	1.44	.87	1.29	.27	1.02	–.43	.58
1967	2.5	1.81	.13	.42	1.26	–.76	–.28	–.15	–.10	–.05	–.13	–.49
1968	4.8	3.50	.93	1.19	1.38	.90	1.00	.46	.06	.41	.53	–.10
1969	3.1	2.27	.31	.69	1.28	.90	.90	.78	.20	.58	.13	.00
1970	.2	1.42	–.28	.61	1.08	–1.04	–.31	–.06	.01	–.07	–.26	–.73
1971	3.4	2.38	.81	.47	1.09	1.67	1.10	.00	–.06	.07	1.10	.58
1972	5.3	3.80	1.07	1.11	1.61	1.87	1.81	.92	.12	.81	.89	.06
1973	5.8	3.05	.90	.82	1.33	1.96	1.46	1.50	.31	1.19	–.04	.50
1974	–.5	–.47	–.61	–.51	.65	–1.30	–1.04	.09	–.09	.18	–1.13	–.27
1975	–.2	1.42	.00	.37	1.05	–2.98	–1.71	–1.14	–.43	–.70	–.57	–1.27
1976	5.3	3.48	1.04	1.24	1.19	2.84	1.42	.52	.09	.43	.90	1.41
1977	4.6	2.68	.80	.60	1.27	2.43	2.18	1.19	.15	1.04	.99	.25
1978	5.6	2.76	.47	.91	1.38	2.16	2.04	1.69	.54	1.15	.35	.12
1979	3.2	1.52	–.03	.65	.90	.61	1.02	1.23	.52	.71	–.21	–.41
1980	–.2	–.17	–.65	–.04	.52	–2.12	–1.21	–.04	.27	–.30	–1.17	–.91
1981	2.5	.90	.09	.29	.51	1.59	.39	.74	.40	.34	–.35	1.20
1982	–1.9	.87	.00	.23	.65	–2.55	–1.22	–.51	–.09	–.42	–.71	–1.34
1983	4.5	3.65	1.07	.80	1.79	1.45	1.17	–.16	–.57	.41	1.33	.29
1984	7.2	3.44	1.15	.93	1.36	4.63	2.68	2.05	.60	1.44	.64	1.95
1985	4.1	3.31	.83	.61	1.87	–.17	.89	.82	.32	.50	.07	–1.06
1986	3.5	2.62	.83	.78	1.01	–.12	.20	–.36	–.50	.15	.55	–.32
1987	3.4	2.17	.16	.52	1.50	.51	.09	–.01	–.11	.10	.10	.42
1988	4.1	2.66	.53	.70	1.43	.39	.52	.57	.02	.55	–.05	–.14
1989	3.5	1.86	.19	.59	1.07	.64	.47	.61	.07	.54	–.14	.17
1990	1.9	1.34	–.02	.33	1.03	–.53	–.32	.05	.05	.00	–.37	–.21
1991	–.2	.11	–.46	–.05	.62	–1.20	–.94	–.57	–.39	–.18	–.37	–.26
1992	3.3	2.18	.44	.43	1.31	1.07	.79	.32	–.18	.50	.47	.29
1993	2.7	2.23	.59	.56	1.09	1.21	1.14	.83	–.02	.85	.31	.07
1994	4.0	2.52	.66	.71	1.14	1.93	1.30	.91	.05	.87	.39	.63
1995	2.5	1.81	.36	.44	1.01	.48	.94	1.08	.17	.91	–.14	–.46
1996	3.7	2.31	.64	.51	1.15	1.35	1.34	1.01	.16	.85	.33	.02
1997	4.5	2.54	.70	.53	1.31	1.95	1.42	1.33	.21	1.12	.08	.54
1998	4.2	3.36	.93	.78	1.66	1.63	1.60	1.28	.16	1.12	.32	.03
1999	4.5	3.44	.99	.89	1.56	1.33	1.36	1.09	–.01	1.11	.27	–.03
2000	3.7	3.17	.63	.74	1.80	.99	1.09	1.06	.21	.85	.03	–.10
2001	.8	1.74	.37	.40	.97	–1.39	–.50	–.52	–.07	–.44	.02	–.88
2002	1.6	1.90	.61	.50	.79	–.41	–.84	–1.06	–.55	–.51	.22	.43
2003	2.5	1.94	.50	.64	.80	.54	.51	.10	–.11	.21	.41	.04
2004	3.9	2.71	.54	.73	1.45	1.49	1.11	.58	.06	.52	.53	.38
2005	3.2	2.44	.45	.90	1.09	.87	1.17	.67	.03	.64	.50	–.30
2003: I	1.2	1.41	.03	.75	.63	–.16	–.04	–.24	–.18	–.06	.20	–.12
II	3.5	2.53	1.35	.45	.73	.51	1.52	1.01	.35	.66	.51	–1.01
III	7.5	4.13	1.39	1.53	1.21	2.56	2.00	.92	–.02	.95	1.08	.56
IV	2.7	1.59	.06	.36	1.18	1.39	.83	.29	–.12	.41	.55	.56
2004: I	3.9	3.30	.51	.86	1.92	.74	.34	.18	.08	.10	.16	.40
II	4.0	2.07	.14	.34	1.59	3.17	1.72	.69	.17	.52	1.03	1.44
III	3.1	2.74	.71	.74	1.30	.32	1.16	.97	.08	.90	.18	–.84
IV	2.6	2.97	.50	1.07	1.39	.82	.77	.81	–.05	.86	–.04	.05
2005: I	3.4	1.94	.20	1.04	.70	1.32	1.22	.59	.14	.45	.63	.09
II	3.3	2.94	1.02	.98	.94	–.61	1.62	.51	–.06	.56	1.11	–2.23
III	4.2	2.76	.74	.70	1.32	.84	1.02	.59	–.20	.78	.43	–.18
IV	1.8	.53	–1.08	.79	.83	2.51	.46	.52	.31	.21	–.06	2.05
2006: I	5.6	3.38	1.50	1.20	.67	1.31	1.34	1.36	.25	1.11	–.02	–.03
II	2.6	1.81	–.01	.30	1.52	.17	–.27	.45	.56	–.10	–.72	.44
III	2.0	1.96	.50	.32	1.14	–.13	–.19	1.01	.46	.55	–1.20	.06

See next page for continuation of table.

TABLE B–5.—*Contributions to percent change in real gross domestic product, 1959–2006*—Continued

[Percentage points, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Net exports of goods and services							Government consumption expenditures and gross investment				
	Net exports	Exports			Imports			Total	Federal			State and local
		Total	Goods	Services	Total	Goods	Services		Total	National defense	Nondefense	
1959	0.00	0.45	–0.02	0.48	–0.45	–0.48	0.03	0.76	0.42	–0.23	0.65	0.34
1960	.72	.78	.76	.02	–.06	.05	–.11	.03	–.35	–.17	–.18	.39
1961	.06	.03	.02	.01	.03	.00	.02	1.07	.51	.45	.06	.56
1962	–.21	.25	.17	.08	–.47	–.40	–.07	1.36	1.07	.63	.44	.29
1963	.24	.35	.29	.06	–.12	–.12	.00	.58	.01	–.25	.26	.57
1964	.36	.59	.52	.07	–.23	–.19	–.04	.49	–.17	–.40	.23	.65
1965	–.30	.15	.02	.13	–.45	–.41	–.04	.65	.00	–.19	.19	.66
1966	–.29	.36	.27	.09	–.65	–.49	–.16	1.87	1.24	1.21	.03	.63
1967	–.22	.12	.02	.10	–.34	–.17	–.16	1.68	1.17	1.19	–.02	.51
1968	–.30	.41	.30	.10	–.70	–.68	–.03	.73	.10	.16	–.06	.63
1969	–.04	.25	.20	.05	–.29	–.20	–.09	–.06	–.42	–.49	.06	.37
1970	.34	.56	.44	.12	–.22	–.15	–.07	–.55	–.86	–.83	–.03	.31
1971	–.19	.10	–.02	.11	–.29	–.33	.04	–.50	–.85	–.97	.12	.36
1972	–.21	.42	.43	–.01	–.63	–.57	–.06	–.16	–.42	–.61	.18	.26
1973	.82	1.12	1.01	.11	–.29	–.34	.05	–.08	–.41	–.39	–.02	.33
1974	.75	.58	.46	.12	.18	.17	.00	.52	.08	–.05	.13	.44
1975	.89	–.05	–.16	.10	.94	.87	.07	.48	.03	–.06	.09	.45
1976	–1.08	.37	.31	.05	–1.45	–1.35	–.10	.10	.00	–.02	.03	.09
1977	–.72	.20	.08	.11	–.92	–.84	–.07	.23	.19	.07	.12	.04
1978	.05	.82	.68	.15	–.78	–.67	–.11	.60	.22	.05	.16	.38
1979	.66	.82	.77	.06	–.16	–.14	–.02	.37	.20	.17	.03	.17
1980	1.68	.97	.86	.11	.71	.67	.04	.38	.39	.25	.14	–.01
1981	–.15	.12	–.09	.21	–.27	–.18	–.09	.19	.42	.38	.04	–.23
1982	–.60	–.73	–.67	–.06	.12	.20	–.08	.35	.35	.48	–.13	.01
1983	–1.35	–.22	–.19	–.03	–1.13	–1.00	–.13	.77	.63	.50	.13	.13
1984	–1.58	.63	.46	.17	–2.21	–1.83	–.39	.70	.30	.35	–.05	.40
1985	–.42	.23	.20	.02	–.65	–.52	–.13	1.41	.74	.60	.14	.67
1986	–.30	.54	.26	.28	–.84	–.82	–.02	1.27	.55	.47	.08	.71
1987	.17	.78	.56	.21	–.61	–.39	–.22	.52	.36	.35	.01	.17
1988	.82	1.24	1.04	.20	–.42	–.36	–.07	.27	–.15	–.03	–.12	.42
1989	.52	.99	.75	.24	–.47	–.38	–.10	.52	.14	–.03	.17	.39
1990	.43	.81	.56	.26	–.39	–.26	–.13	.64	.18	.00	.18	.46
1991	.69	.63	.46	.16	.06	.01	.05	.23	–.02	–.07	.06	.24
1992	–.04	.68	.52	.16	–.72	–.77	.05	.11	–.15	–.32	.17	.26
1993	–.59	.32	.23	.09	–.91	–.85	–.06	–.18	–.35	–.33	–.02	.17
1994	–.43	.85	.67	.18	–1.29	–1.18	–.11	.00	–.30	–.27	–.03	.30
1995	.11	1.04	.85	.19	–.93	–.87	–.06	.10	–.20	–.19	–.01	.30
1996	–.14	.91	.68	.22	–1.05	–.94	–.11	.18	–.08	–.07	–.02	.26
1997	–.34	1.30	1.11	.19	–1.64	–1.45	–.19	.34	–.07	–.13	.06	.41
1998	–1.16	.27	.18	.09	–1.43	–1.20	–.23	.34	–.07	–.09	.02	.41
1999	–.99	.47	.29	.18	–1.46	–1.31	–.15	.67	.14	.08	.06	.54
2000	–.86	.93	.84	.09	–1.79	–1.55	–.25	.36	.05	–.02	.07	.31
2001	–.20	–.60	–.48	–.12	.40	.39	.01	.60	.23	.15	.08	.37
2002	–.69	–.23	–.28	.06	–.46	–.41	–.05	.80	.43	.29	.14	.37
2003	–.44	.12	.12	.00	–.56	–.56	.00	.47	.44	.37	.08	.02
2004	–.65	.88	.60	.28	–1.53	–1.29	–.24	.36	.30	.27	.03	.06
2005	–.26	.68	.52	.16	–.94	–.87	–.07	.17	.11	.08	.03	.06
2003: I	.21	–.53	.13	–.65	.74	.47	.27	–.26	.01	–.20	.21	–.27
II	–.73	–.16	–.08	–.08	–.57	–.97	.40	1.16	1.26	1.41	–.16	–.10
III	.51	1.02	.55	.47	–.51	–.07	–.44	.29	.03	–.25	.28	.26
IV	–.47	1.81	1.20	.61	–2.29	–1.86	–.43	.14	.21	.35	–.14	–.07
2004: I	–.73	.69	.47	.22	–1.42	–1.17	–.25	.55	.49	.41	.09	.06
II	–1.62	.60	.43	.17	–2.22	–2.03	–.18	.43	.18	.09	.08	.25
III	–.20	.46	.55	–.09	–.66	–.59	–.08	.24	.34	.41	–.07	–.10
IV	–.81	.96	.42	.54	–1.77	–1.55	–.22	–.37	–.38	–.45	.08	.01
2005: I	–.16	.47	.38	.09	–.63	–.64	.01	.31	.23	.21	.03	.08
II	.72	.94	.88	.06	–.22	–.26	.04	.21	.03	.13	–.11	.18
III	–.06	.33	.27	.06	–.39	–.36	–.03	.64	.66	.52	.14	–.01
IV	–1.07	.97	.80	.17	–2.04	–1.84	–.20	–.21	–.33	–.49	.16	.13
2006: I	–.04	1.41	1.20	.21	–1.46	–1.27	–.19	.94	.61	.41	.20	.33
II	.42	.66	.45	.21	–.24	.01	–.25	.16	–.32	–.09	–.23	.48
III	–.19	.73	.71	.03	–.93	–1.00	.07	.32	.09	–.06	.15	.23

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–6.—*Chain-type quantity indexes for gross domestic product, 1959–2006*

[Index numbers, 2000=100; quarterly data seasonally adjusted]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment					
							Fixed investment				
								Nonresidential			
		Total	Durable goods	Nondurable goods	Services	Total	Total	Total	Structures	Equipment and software	Residential
1959	24.868	23.067	10.822	33.491	20.794	15.367	15.736	10.760	36.530	6.065	37.820
1960	25.484	23.702	11.041	33.994	21.720	15.362	15.870	11.371	39.433	6.322	35.129
1961	26.077	24.191	10.622	34.621	22.626	15.261	15.820	11.299	39.966	6.200	35.227
1962	27.658	25.389	11.865	35.710	23.747	17.197	17.248	12.284	41.775	6.917	38.604
1963	28.868	26.436	13.017	36.463	24.830	18.351	18.584	12.966	42.239	7.500	43.154
1964	30.545	28.020	14.222	38.248	26.345	19.863	20.378	14.504	46.626	8.457	45.662
1965	32.506	29.791	16.025	40.277	27.749	22.650	22.459	17.031	54.058	10.007	44.329
1966	34.625	31.484	17.377	42.487	29.129	24.644	23.745	19.160	57.751	11.609	40.362
1967	35.496	32.422	17.648	43.157	30.552	23.517	23.306	18.900	56.284	11.532	39.092
1968	37.208	34.284	19.594	45.126	32.148	24.887	24.935	19.746	57.102	12.250	44.421
1969	38.356	35.558	20.289	46.326	33.691	26.338	26.486	21.246	60.189	13.334	45.733
1970	38.422	36.381	19.631	47.436	35.038	24.608	25.931	21.134	60.364	13.201	42.998
1971	39.713	37.770	21.593	48.294	36.400	27.413	27.894	21.135	59.370	13.332	54.789
1972	41.815	40.082	24.336	50.422	38.469	30.658	31.246	23.072	61.201	15.052	64.526
1973	44.224	42.048	26.849	52.068	40.274	34.249	34.101	26.429	66.200	17.812	64.112
1974	44.001	41.729	25.001	51.020	41.216	31.729	31.971	26.653	64.785	18.268	50.877
1975	43.916	42.688	24.996	51.771	42.743	26.111	28.541	24.022	57.984	16.529	44.271
1976	46.256	45.041	28.187	54.301	44.475	31.387	31.356	25.200	59.390	17.562	54.698
1977	48.391	46.950	30.809	55.609	46.392	36.130	35.863	28.045	61.841	20.208	66.440
1978	51.085	49.012	32.435	57.687	48.558	40.486	40.205	32.243	70.769	23.284	70.623
1979	52.699	50.204	32.325	59.226	50.044	41.776	42.473	35.489	79.731	25.318	68.032
1980	52.579	50.065	29.788	59.137	50.921	37.182	39.708	35.388	84.350	24.407	53.636
1981	53.904	50.779	30.149	59.839	51.773	40.615	40.591	37.398	91.074	25.445	49.336
1982	52.860	51.493	30.128	60.409	52.865	34.918	37.737	35.981	89.528	24.122	40.378
1983	55.249	54.436	34.535	62.417	55.760	38.172	40.491	35.518	79.865	25.420	57.093
1984	59.220	57.325	39.577	64.898	58.026	49.420	47.331	41.788	91.016	30.462	65.566
1985	61.666	60.303	43.577	66.665	61.303	48.963	49.823	44.561	97.502	32.397	66.604
1986	63.804	62.749	47.785	69.060	63.111	48.629	50.403	43.287	86.817	33.011	74.776
1987	65.958	64.840	48.616	70.715	65.843	50.130	50.682	43.259	84.340	33.463	76.269
1988	68.684	67.468	51.549	73.016	68.506	51.309	52.352	45.520	84.885	35.987	75.496
1989	71.116	69.369	52.686	75.044	70.555	53.369	53.928	48.063	86.583	38.624	73.204
1990	72.451	70.782	52.532	76.209	72.583	51.574	52.803	48.302	87.867	38.636	66.887
1991	72.329	70.903	49.564	76.033	73.812	47.378	49.379	45.712	78.091	37.643	60.460
1992	74.734	73.224	52.470	77.553	76.379	51.223	52.312	47.179	73.423	40.387	68.825
1993	76.731	75.672	56.577	79.619	78.540	55.795	56.788	51.287	72.891	45.428	74.446
1994	79.816	78.504	61.321	82.369	80.854	63.358	62.079	55.999	74.180	50.846	81.621
1995	81.814	80.623	64.011	84.152	82.973	65.340	66.090	61.885	78.903	56.930	79.005
1996	84.842	83.382	69.025	86.300	85.420	71.123	72.018	67.661	83.354	62.981	85.331
1997	88.658	86.533	74.935	88.605	88.270	79.961	78.657	75.820	89.432	71.641	86.947
1998	92.359	90.896	83.432	92.154	92.011	87.821	86.657	84.232	94.019	81.137	93.597
1999	96.469	95.537	93.192	96.374	95.652	94.647	93.884	91.980	93.619	91.437	99.254
2000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2001	100.751	102.537	104.327	102.027	102.403	92.103	97.047	95.817	97.737	95.136	100.357
2002	102.362	105.340	111.752	104.614	104.366	89.724	91.997	86.969	81.029	89.265	105.149
2003	104.931	108.249	118.214	108.002	106.363	92.949	95.110	87.804	77.735	91.747	113.977
2004	109.031	112.430	125.753	111.913	110.055	102.026	102.080	92.995	79.418	98.400	125.281
2005	112.546	116.349	132.666	116.924	112.925	107.537	109.708	99.326	80.302	107.180	136.050
2003: I	103.148	106.611	112.521	106.435	105.458	89.993	91.502	85.023	76.061	88.514	108.329
II	104.031	107.566	116.971	107.033	105.917	90.718	93.842	87.208	78.719	90.506	111.060
III	105.926	109.103	121.579	109.027	106.664	94.483	96.889	89.179	78.552	93.348	116.766
IV	106.621	109.718	121.783	109.513	107.415	96.604	98.206	89.806	77.607	94.622	119.753
2004: I	107.633	110.987	123.590	110.685	108.637	97.750	98.751	90.192	78.238	94.900	120.656
II	108.705	111.796	124.106	111.148	109.662	102.675	101.515	91.773	79.548	96.590	126.221
III	109.538	112.875	126.712	112.160	110.503	103.187	103.401	94.056	80.148	99.591	127.224
IV	110.247	114.062	128.603	113.657	111.418	104.490	104.655	95.960	79.737	102.519	127.022
2005: I	111.173	114.838	129.358	115.114	111.874	106.579	106.650	97.370	80.773	104.092	130.406
II	112.069	116.031	133.299	116.496	112.501	105.595	109.339	98.601	80.356	106.087	136.476
III	113.223	117.152	136.207	117.481	113.379	106.938	111.032	100.025	78.903	108.889	138.821
IV	113.719	117.373	131.799	118.608	113.945	111.034	111.811	101.308	81.174	109.653	138.495
2006: I	115.274	118.761	137.893	120.313	114.398	113.143	114.033	104.606	82.893	113.704	138.391
II	116.004	119.521	137.868	120.742	115.440	113.429	113.570	105.738	86.819	113.313	134.368
III	116.569	120.355	140.019	121.204	116.234	113.215	113.240	108.292	90.044	115.434	127.601

See next page for continuation of table.

TABLE B–6.—*Chain-type quantity indexes for gross domestic product, 1959–2006*—Continued

[Index numbers, 2000=100; quarterly data seasonally adjusted]

Year or quarter	Exports of goods and services			Imports of goods and services			Government consumption expenditures and gross investment				
								Federal			State and local
	Total	Goods	Services	Total	Goods	Services	Total	Total	National defense	Non-defense	
1959	7.043	6.198	9.641	6.908	5.403	15.462	41.489	68.666	89.447	33.305	26.999
1960	8.266	7.651	9.797	7.000	5.314	16.669	41.553	66.779	87.977	30.672	28.182
1961	8.309	7.689	9.857	6.953	5.307	16.385	43.639	69.564	91.851	31.599	29.918
1962	8.729	8.031	10.535	7.742	6.092	17.150	46.329	75.492	97.412	38.144	30.839
1963	9.353	8.662	11.070	7.951	6.339	17.137	47.522	75.540	95.085	42.217	32.696
1964	10.454	9.849	11.733	8.374	6.757	17.579	48.563	74.530	91.304	45.880	34.913
1965	10.747	9.901	12.926	9.265	7.714	18.096	50.028	74.508	89.403	48.995	37.252
1966	11.492	10.589	13.814	10.642	8.930	20.395	54.430	82.737	102.205	49.501	39.590
1967	11.757	10.638	14.905	11.417	9.400	22.887	58.604	90.960	115.571	49.059	41.589
1968	12.681	11.481	16.049	13.118	11.342	23.298	60.436	91.681	117.416	47.912	44.048
1969	13.294	12.082	16.646	13.866	11.963	24.767	60.290	88.525	111.604	49.186	45.534
1970	14.723	13.460	18.128	14.457	12.432	26.059	58.833	81.997	101.477	48.674	46.797
1971	14.973	13.408	19.527	15.229	13.474	25.317	57.553	75.686	89.980	50.961	48.232
1972	16.096	14.849	19.404	16.943	15.307	26.390	57.128	72.574	82.921	54.551	49.291
1973	19.131	18.259	20.775	17.729	16.388	25.500	56.926	69.519	78.322	54.213	50.694
1974	20.643	19.709	22.396	17.327	15.932	25.472	58.360	70.134	77.714	57.023	52.603
1975	20.512	19.252	23.773	15.402	13.924	24.367	59.675	70.360	76.977	58.965	54.536
1976	21.408	20.165	24.476	18.413	17.073	26.049	59.940	70.388	76.706	59.523	54.937
1977	21.923	20.429	26.055	20.426	19.153	27.347	60.598	71.880	77.597	62.089	55.137
1978	24.234	22.712	28.234	22.196	20.871	29.297	62.383	73.681	78.259	65.947	56.938
1979	26.637	25.396	29.103	22.565	21.229	29.700	63.549	75.465	80.648	66.640	57.775
1980	29.506	28.422	30.919	21.066	19.653	29.037	64.790	79.043	84.160	70.373	57.736
1981	29.868	28.114	34.211	21.620	20.058	30.711	65.381	82.818	89.486	71.310	56.577
1982	27.586	25.573	33.263	21.348	19.554	32.346	66.530	86.018	96.244	67.888	56.607
1983	26.875	24.838	32.710	24.041	22.210	34.958	68.964	91.726	103.158	71.398	57.268
1984	29.068	26.801	35.627	29.893	27.584	43.724	71.273	94.550	108.186	70.035	59.322
1985	29.951	27.790	36.051	31.833	29.310	47.050	76.240	101.957	117.355	74.169	63.003
1986	32.259	29.217	41.325	34.561	32.314	47.638	80.885	107.754	124.871	76.764	67.064
1987	35.742	32.456	45.502	36.602	33.812	53.205	82.873	111.674	130.779	76.984	68.041
1988	41.469	38.572	49.616	38.039	35.181	55.010	83.940	109.898	130.161	73.037	70.582
1989	46.233	43.172	54.723	39.706	36.686	57.678	86.110	111.594	129.518	79.075	72.994
1990	50.394	46.810	60.480	41.139	37.770	61.430	88.869	113.873	129.472	85.651	75.991
1991	53.736	50.042	64.082	40.905	37.741	59.849	89.872	113.679	128.050	87.700	77.600
1992	57.439	53.785	67.590	43.748	41.263	58.321	90.342	111.713	121.708	93.749	79.318
1993	59.291	55.534	69.726	47.576	45.423	60.026	89.513	107.056	114.860	93.087	80.459
1994	64.447	60.937	74.097	53.256	51.466	63.421	89.525	103.050	109.259	91.957	82.543
1995	70.982	68.070	78.793	57.539	56.104	65.492	90.015	100.254	105.093	91.613	84.728
1996	76.930	74.086	84.483	62.544	61.337	69.094	90.896	99.091	103.648	90.955	86.668
1997	86.082	84.717	89.509	71.037	70.172	75.600	92.588	98.066	100.733	93.320	89.770
1998	88.164	86.614	92.077	79.299	78.364	84.222	94.354	96.970	98.650	93.985	93.014
1999	91.969	89.907	97.207	88.391	88.078	90.038	97.987	99.122	100.515	96.646	97.409
2000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2001	94.565	93.871	96.302	97.291	96.833	99.706	103.412	103.908	103.936	103.859	103.162
2002	92.430	90.143	98.104	100.601	100.377	101.824	107.969	111.169	111.578	110.441	106.354
2003	93.599	91.771	98.148	104.693	105.294	101.857	110.644	118.712	121.239	114.181	106.557
2004	102.201	100.002	107.667	115.962	116.786	112.051	112.720	123.813	128.374	115.606	107.094
2005	109.105	107.507	113.118	123.007	124.640	115.170	113.731	125.701	130.593	116.896	107.660
2003:I	91.518	89.965	95.394	102.355	102.556	101.487	109.160	114.471	114.547	114.364	106.478
II	91.128	89.692	94.716	103.398	104.686	97.234	110.799	119.742	123.778	112.491	106.266
III	93.612	91.599	98.617	104.354	104.847	102.019	111.206	119.858	122.112	115.823	106.820
IV	98.136	95.828	103.867	108.666	109.089	106.687	111.410	120.778	124.521	114.047	106.663
2004:I	99.862	97.484	105.769	111.348	111.746	109.490	112.210	122.901	127.262	115.054	106.789
II	101.368	99.015	107.216	115.547	116.395	111.522	112.835	123.664	127.904	116.035	107.344
III	102.557	101.000	106.449	116.800	117.734	112.367	113.189	125.170	130.714	115.187	107.110
IV	105.017	102.510	111.234	120.151	121.268	114.827	112.647	123.517	127.619	116.148	107.131
2005:I	106.226	103.886	112.034	121.357	122.737	114.757	113.104	124.540	129.018	116.485	107.302
II	108.637	107.063	112.585	121.775	123.332	114.317	113.417	124.668	129.928	115.189	107.709
III	109.503	108.050	113.158	122.520	124.159	114.652	114.358	127.545	133.423	116.939	107.674
IV	112.054	111.027	114.693	126.377	128.331	116.954	114.048	126.053	130.002	118.971	107.954
2006:I	115.783	115.535	116.564	129.146	131.236	119.055	115.423	128.728	132.808	121.411	108.682
II	117.536	117.228	118.463	129.608	131.218	121.896	115.657	127.262	132.141	118.488	109.762
III	119.495	119.898	118.712	131.378	133.503	121.100	116.136	127.669	131.740	120.370	110.277

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–7.—*Chain-type price indexes for gross domestic product, 1959–2006*

[Index numbers, 2000=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment					
							Fixed investment				
								Nonresidential			
		Total	Durable goods	Nondurable goods	Services	Total	Total	Total	Structures	Equipment and software	Residential
1959	20.754	20.432	45.662	22.765	15.485	29.474	28.262	35.114	15.923	50.882	16.630
1960	21.044	20.767	45.444	23.089	15.887	29.619	28.414	35.275	15.904	51.305	16.743
1961	21.281	20.985	45.551	23.227	16.173	29.538	28.325	35.076	15.810	51.025	16.769
1962	21.572	21.232	45.755	23.412	16.466	29.558	28.346	35.087	15.941	50.774	16.795
1963	21.801	21.479	45.915	23.683	16.701	29.467	28.267	35.088	16.085	50.495	16.663
1964	22.134	21.786	46.142	23.986	17.016	29.634	28.440	35.268	16.316	50.474	16.796
1965	22.538	22.103	45.721	24.423	17.334	30.107	28.926	35.672	16.791	50.520	17.272
1966	23.180	22.662	45.517	25.232	17.810	30.726	29.536	36.206	17.398	50.654	17.899
1967	23.897	23.237	46.228	25.830	18.349	31.538	30.364	37.129	17.943	51.776	18.521
1968	24.916	24.151	47.749	26.820	19.128	32.714	31.582	38.431	18.835	53.167	19.504
1969	26.153	25.255	49.067	28.062	20.106	34.264	33.140	40.018	20.074	54.645	20.853
1970	27.538	26.448	50.148	29.446	21.175	35.713	34.565	41.908	21.390	56.657	21.526
1971	28.916	27.574	51.975	30.359	22.340	37.493	36.306	43.880	23.040	58.340	22.775
1972	30.171	28.528	52.531	31.373	23.304	39.062	37.865	45.367	24.704	59.044	24.158
1973	31.854	30.081	53.301	33.838	24.381	41.172	39.958	47.115	26.619	60.047	26.297
1974	34.721	33.191	56.676	38.702	26.345	45.263	43.890	51.658	30.295	64.474	29.011
1975	38.007	35.955	61.844	41.735	28.595	50.847	49.384	58.763	33.911	74.001	31.706
1976	40.202	37.948	65.278	43.346	30.603	53.654	52.244	62.018	35.571	78.355	33.743
1977	42.758	40.410	68.129	45.911	32.933	57.677	56.342	66.258	38.651	83.011	37.147
1978	45.762	43.248	72.038	48.985	35.464	62.381	61.101	70.695	42.382	87.391	41.696
1979	49.553	47.059	76.830	54.148	38.316	68.027	66.642	76.440	47.313	92.932	46.374
1980	54.062	52.078	83.277	60.449	42.332	74.424	72.887	83.198	51.740	100.868	51.394
1981	59.128	56.720	88.879	65.130	46.746	81.278	79.670	91.245	58.880	108.077	55.587
1982	62.738	59.859	92.358	66.955	50.528	85.455	84.047	96.295	63.566	112.293	58.564
1983	65.214	62.436	94.181	68.386	53.799	85.237	83.912	95.432	61.939	112.530	59.908
1984	67.664	64.795	95.550	70.004	56.680	85.845	84.399	95.195	62.468	111.547	61.630
1985	69.724	66.936	96.620	71.543	59.295	86.720	85.457	95.936	63.940	111.413	63.219
1986	71.269	68.569	97.685	71.273	62.040	88.599	87.501	97.566	65.168	113.178	65.868
1987	73.204	70.947	100.465	73.731	64.299	90.289	89.118	98.435	66.199	113.796	68.561
1988	75.706	73.755	101.921	76.206	67.493	92.354	91.431	100.625	69.016	115.216	70.928
1989	78.569	76.972	103.717	79.842	70.708	94.559	93.641	102.731	71.707	116.657	73.211
1990	81.614	80.498	104.561	84.226	74.197	96.379	95.542	104.695	74.015	118.168	74.930
1991	84.457	83.419	106.080	86.779	77.497	97.749	96.960	106.314	75.355	119.854	75.912
1992	86.402	85.824	106.756	88.105	80.684	97.395	96.670	105.411	75.330	118.444	76.836
1993	88.390	87.804	107.840	88.973	83.345	98.521	97.805	105.487	77.602	117.243	79.941
1994	90.265	89.654	109.978	89.605	85.748	99.813	99.133	106.008	80.388	116.572	82.754
1995	92.115	91.577	110.672	90.629	88.320	100.941	100.292	106.239	83.879	115.224	85.769
1996	93.859	93.547	109.507	92.567	90.844	100.520	100.028	105.011	86.045	112.451	87.610
1997	95.415	95.124	107.068	93.835	93.305	100.157	99.785	103.696	89.381	109.120	89.843
1998	96.475	95.978	104.152	93.821	95.319	99.035	98.861	101.421	93.474	104.259	92.239
1999	97.868	97.575	101.626	96.173	97.393	98.972	98.888	100.057	96.257	101.366	95.780
2000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2001	102.402	102.094	98.114	101.531	103.257	101.013	101.023	99.683	105.403	97.708	104.633
2002	104.193	103.542	95.766	102.089	106.018	101.640	101.660	99.513	110.030	95.956	107.240
2003	106.409	105.597	92.366	104.145	109.379	103.191	103.313	99.591	113.872	94.912	112.372
2004	109.429	108.373	90.845	107.617	112.863	106.645	106.811	100.834	120.951	94.503	120.618
2005	112.744	111.493	90.198	111.530	116.529	110.284	110.542	103.428	134.647	94.134	126.714
2003: I	105.742	105.059	93.795	104.175	108.076	102.941	103.067	99.664	113.295	95.173	111.434
II	106.076	105.235	92.785	103.423	109.002	102.759	102.865	99.341	113.239	94.774	111.496
III	106.616	105.851	91.848	104.424	109.808	103.093	103.207	99.509	113.894	94.799	112.225
IV	107.204	106.242	91.037	104.558	110.629	103.971	104.111	99.849	115.058	94.902	114.331
2004: I	108.190	107.202	91.044	106.014	111.573	105.054	105.204	100.094	116.948	94.679	117.212
II	109.172	108.155	91.105	107.561	112.444	106.225	106.386	100.621	119.166	94.724	119.753
III	109.744	108.658	90.581	107.865	113.303	107.167	107.334	100.982	122.093	94.366	121.912
IV	110.610	109.476	90.649	109.030	114.133	108.132	108.321	101.639	125.599	94.244	123.596
2005: I	111.558	110.091	90.709	109.325	115.049	108.944	109.153	102.539	129.084	94.450	124.298
II	112.229	110.940	90.570	110.604	115.929	109.664	109.875	103.055	131.941	94.347	125.450
III	113.139	112.067	89.908	113.016	116.858	110.675	110.946	103.607	136.089	93.983	127.573
IV	114.048	112.873	89.606	113.177	118.281	111.853	112.194	104.510	141.476	93.754	129.536
2006: I	114.967	113.445	89.385	113.484	119.194	112.860	113.238	105.471	145.684	93.887	130.765
II	115.905	114.573	89.206	115.769	120.059	113.717	114.074	106.266	149.432	93.920	131.696
III	116.446	115.241	88.967	116.442	120.960	113.895	114.224	106.501	151.372	93.704	131.655

See next page for continuation of table.

TABLE B–7.—*Chain-type price indexes for gross domestic product, 1959–2006*—Continued

[Index numbers, 2000=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Exports and imports of goods and services		Government consumption expenditures and gross investment					Final sales of domestic product	Gross domestic purchases [1]		Percent change [2]		
				Federal			State and local				Gross domestic product	Gross domestic purchases [1]	
	Exports	Imports	Total	Total	National defense	Non-defense			Total	Less food and energy		Total	Less food and energy
1959	29.433	21.901	15.404	16.450	16.257	16.591	14.475	20.581	20.365		1.2	1.2	
1960	29.846	22.110	15.597	16.590	16.383	16.798	14.738	20.872	20.646		1.4	1.4	
1961	30.300	22.110	15.909	16.871	16.619	17.296	15.093	21.108	20.865		1.1	1.1	
1962	30.375	21.849	16.314	17.228	16.940	17.808	15.564	21.398	21.139		1.4	1.3	
1963	30.307	22.273	16.669	17.597	17.320	18.116	15.911	21.629	21.385		1.1	1.2	
1964	30.556	22.743	17.132	18.191	17.822	19.036	16.234	21.963	21.725		1.5	1.6	
1965	31.529	23.059	17.588	18.658	18.314	19.408	16.685	22.368	22.102		1.8	1.7	
1966	32.481	23.596	18.330	19.330	18.950	20.190	17.507	23.010	22.724		2.8	2.8	
1967	33.725	23.688	19.099	19.913	19.518	20.815	18.488	23.729	23.389		3.1	2.9	
1968	34.461	24.048	20.128	20.995	20.539	22.116	19.475	24.752	24.380		4.3	4.2	
1969	35.627	24.675	21.341	22.130	21.664	23.251	20.780	25.988	25.580		5.0	4.9	
1970	36.993	26.135	23.079	23.915	23.321	25.478	22.488	27.369	26.964		5.3	5.4	
1971	38.358	27.739	24.875	25.957	25.387	27.400	24.087	28.741	28.351		5.0	5.1	
1972	40.146	29.682	26.788	28.495	28.319	28.780	25.524	29.994	29.619		4.3	4.5	
1973	45.425	34.841	28.743	30.449	30.396	30.394	27.477	31.673	31.343		5.6	5.8	
1974	55.965	49.847	31.646	33.162	33.217	32.819	30.500	34.517	34.546		9.0	10.2	
1975	61.682	53.997	34.824	36.615	36.460	36.746	33.481	37.789	37.761		9.5	9.3	
1976	63.707	55.622	37.118	39.217	39.117	39.209	35.563	39.987	39.938		5.8	5.8	
1977	66.302	60.523	39.694	42.180	42.079	42.152	37.872	42.546	42.634		6.4	6.8	
1978	70.342	64.798	42.235	44.785	45.035	43.983	40.359	45.551	45.663		7.0	7.1	
1979	78.808	75.879	45.775	48.231	48.628	47.099	43.944	49.322	49.669		8.3	8.8	
1980	86.801	94.513	50.761	53.299	53.908	51.683	48.858	53.806	54.876		9.1	10.5	
1981	93.217	99.594	55.752	58.476	59.229	56.516	53.709	58.859	59.896		9.4	9.1	
1982	93.645	96.235	59.414	62.446	63.392	60.020	57.140	62.489	63.296	62.221	6.1	5.7	
1983	94.015	92.629	61.778	64.612	65.617	62.038	59.666	64.958	65.515	64.685	3.9	3.5	4.0
1984	94.887	91.829	64.955	68.426	70.290	63.577	62.336	67.399	67.822	67.106	3.8	3.5	3.7
1985	91.983	88.813	66.970	69.974	71.621	65.740	64.739	69.494	69.760	69.232	3.0	2.9	3.2
1986	90.639	88.871	68.175	70.352	71.554	67.395	66.624	71.060	71.338	71.474	2.2	2.3	3.2
1987	92.874	94.251	70.056	71.200	72.281	68.616	69.361	72.985	73.527	73.716	2.7	3.1	3.1
1988	97.687	98.774	71.899	72.704	73.631	70.609	71.485	75.519	76.043	76.429	3.4	3.4	3.7
1989	99.310	100.944	74.139	74.677	75.528	72.826	73.940	78.383	78.934	79.151	3.8	3.8	3.6
1990	99.982	103.826	77.139	77.142	78.010	75.260	77.357	81.440	82.144	82.109	3.9	4.1	3.7
1991	101.313	103.420	79.787	80.232	80.821	79.100	79.681	84.286	84.836	84.942	3.5	3.3	3.5
1992	100.892	103.552	81.719	82.602	83.628	80.411	81.300	86.237	86.828	87.169	2.3	2.3	2.6
1993	100.898	102.671	83.789	84.788	85.313	83.728	83.294	88.226	88.730	89.211	2.3	2.2	2.3
1994	102.033	103.634	86.002	87.061	87.412	86.375	85.472	90.108	90.583	91.213	2.1	2.1	2.2
1995	104.376	106.412	88.358	89.503	89.598	89.351	87.778	91.965	92.483	93.176	2.0	2.1	2.2
1996	102.988	104.529	90.491	91.982	92.379	91.216	89.709	93.736	94.145	94.616	1.9	1.8	1.5
1997	101.232	100.816	92.139	93.533	93.716	93.192	91.414	95.320	95.440	95.865	1.7	1.4	1.3
1998	98.905	95.353	93.469	94.511	94.643	94.268	92.934	96.428	96.060	96.797	1.1	.6	1.0
1999	98.313	95.960	96.079	96.884	96.886	96.880	95.667	97.847	97.556	98.165	1.4	1.6	1.4
2000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	2.2	2.5	1.9
2001	99.624	97.497	102.544	101.907	102.002	101.739	102.868	102.406	101.994	101.882	2.4	2.0	1.9
2002	99.273	96.341	105.507	105.631	105.792	105.345	105.435	104.197	103.583	103.796	1.7	1.6	1.9
2003	101.429	99.685	109.849	110.094	110.751	108.898	109.712	106.430	105.966	105.749	2.1	2.3	1.9
2004	105.151	104.678	114.718	115.249	115.954	113.963	114.417	109.455	109.210	108.555	2.8	3.1	2.7
2005	108.949	111.268	121.183	120.726	121.855	118.606	121.463	112.783	112.981	111.638	3.0	3.5	2.8
2003: I	100.920	100.078	109.107	109.578	110.206	108.441	108.840	105.763	105.435	105.127	3.1	4.1	2.6
II	101.192	99.093	109.449	109.987	110.597	108.878	109.144	106.094	105.587	105.470	1.3	.6	1.3
III	101.423	99.734	110.118	110.257	110.915	109.053	110.041	106.636	106.170	105.936	2.1	2.2	1.8
IV	102.181	99.836	110.724	110.556	111.284	109.220	110.822	107.228	106.671	106.462	2.2	1.9	2.0
2004: I	103.701	102.185	112.562	113.617	114.097	112.773	111.953	108.215	107.803	107.375	3.7	4.3	3.5
II	104.973	103.996	114.034	115.097	115.720	113.974	113.420	109.198	108.880	108.244	3.7	4.1	3.3
III	105.441	105.407	115.328	115.724	116.534	114.230	115.105	109.769	109.588	108.915	2.1	2.6	2.5
IV	106.490	107.126	116.950	116.558	117.465	114.873	117.190	110.638	110.567	109.687	3.2	3.6	2.9
2005: I	107.701	107.815	118.955	119.712	120.741	117.790	118.520	111.589	111.449	110.607	3.5	3.2	3.4
II	108.648	110.222	120.302	120.361	121.452	118.315	120.276	112.261	112.362	111.248	2.4	3.3	2.3
III	109.341	112.919	122.029	121.353	122.467	119.261	122.438	113.181	113.572	111.939	3.3	4.4	2.5
IV	110.108	114.117	123.444	121.479	122.760	119.059	124.620	114.101	114.541	112.758	3.3	3.5	3.0
2006: I	110.737	113.918	124.791	123.721	124.752	121.787	125.434	115.025	115.313	113.605	3.3	2.7	3.0
II	112.400	116.608	126.262	124.871	126.006	122.736	127.095	115.961	116.455	114.420	3.3	4.0	2.9
III	113.631	118.143	127.150	125.482	126.714	123.154	128.147	116.498	117.080	115.034	1.9	2.2	2.2

[1] Gross domestic product (GDP) less exports of goods and services plus imports of goods and services.
[2] Quarterly percent changes are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–8.—*Gross domestic product by major type of product, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Final sales of domestic product	Change in private inventories	Goods							Services [2]	Structures
				Total			Durable goods		Nondurable goods			
				Total	Final sales	Change in private inventories	Final sales	Change in private inventories [1]	Final sales	Change in private inventories [1]		
1959	506.6	502.7	3.9	237.6	233.6	3.9	86.3	2.9	147.3	1.1	206.5	62.5
1960	526.4	523.2	3.2	246.6	243.4	3.2	90.2	1.7	153.2	1.6	217.9	61.9
1961	544.7	541.7	3.0	250.1	247.2	3.0	90.2	–.1	157.0	3.0	231.0	63.6
1962	585.6	579.5	6.1	268.1	262.0	6.1	99.4	3.4	162.6	2.7	249.7	67.8
1963	617.7	612.1	5.6	280.1	274.5	5.6	106.0	2.6	168.5	3.0	265.0	72.7
1964	663.6	658.8	4.8	300.9	296.0	4.8	116.4	3.8	179.7	1.0	284.3	78.4
1965	719.1	709.9	9.2	329.4	320.2	9.2	128.4	6.2	191.8	3.0	305.0	84.7
1966	787.8	774.2	13.6	364.5	350.9	13.6	142.0	10.0	208.9	3.6	335.3	88.0
1967	832.6	822.7	9.9	373.9	364.0	9.9	146.4	4.8	217.6	5.0	369.1	89.6
1968	910.0	900.9	9.1	402.6	393.6	9.1	158.7	4.5	234.8	4.5	407.4	100.0
1969	984.6	975.4	9.2	432.0	422.8	9.2	171.1	6.0	251.7	3.2	444.4	108.3
1970	1,038.5	1,036.5	2.0	446.9	444.9	2.0	173.6	–.2	271.3	2.2	481.9	109.7
1971	1,127.1	1,118.9	8.3	472.9	464.7	8.3	181.1	2.9	283.6	5.3	525.8	128.4
1972	1,238.3	1,229.2	9.1	516.6	507.5	9.1	202.4	6.4	305.1	2.7	574.8	146.9
1973	1,382.7	1,366.8	15.9	597.1	581.2	15.9	236.6	13.0	344.6	2.9	622.7	162.9
1974	1,500.0	1,486.0	14.0	643.3	629.3	14.0	254.5	10.9	374.8	3.1	691.0	165.6
1975	1,638.3	1,644.6	–6.3	691.4	697.7	–6.3	284.5	–7.5	413.2	1.2	780.2	166.7
1976	1,825.3	1,808.2	17.1	777.5	760.4	17.1	321.2	10.8	439.2	6.3	856.6	191.2
1977	2,030.9	2,008.6	22.3	851.5	829.1	22.3	363.8	9.5	465.3	12.8	952.7	226.8
1978	2,294.7	2,268.9	25.8	961.0	935.2	25.8	413.2	18.2	522.0	7.6	1,059.7	273.9
1979	2,563.3	2,545.3	18.0	1,078.1	1,060.1	18.0	472.0	12.8	588.1	5.2	1,171.9	313.3
1980	2,789.5	2,795.8	–6.3	1,145.7	1,152.0	–6.3	500.1	–2.3	651.9	–4.0	1,322.5	321.3
1981	3,128.4	3,098.6	29.8	1,288.2	1,258.3	29.8	542.2	7.3	716.1	22.5	1,487.7	352.6
1982	3,255.0	3,269.9	–14.9	1,277.3	1,292.2	–14.9	539.7	–16.0	752.5	1.1	1,633.2	344.5
1983	3,536.7	3,542.4	–5.8	1,365.0	1,370.8	–5.8	578.1	2.5	792.7	–8.2	1,802.9	368.7
1984	3,933.2	3,867.8	65.4	1,549.6	1,484.2	65.4	650.2	41.4	834.0	24.0	1,957.8	425.8
1985	4,220.3	4,198.4	21.8	1,607.4	1,585.6	21.8	711.0	4.4	874.6	17.4	2,154.1	458.7
1986	4,462.8	4,456.3	6.6	1,657.0	1,650.5	6.6	739.9	–1.9	910.6	8.4	2,325.7	480.1
1987	4,739.5	4,712.3	27.1	1,751.3	1,724.2	27.1	764.9	22.9	959.3	4.2	2,490.5	497.6
1988	5,103.8	5,085.3	18.5	1,903.4	1,884.9	18.5	841.8	22.7	1,043.1	–4.3	2,685.3	515.0
1989	5,484.4	5,456.7	27.7	2,066.6	2,038.9	27.7	917.1	20.0	1,121.9	7.7	2,888.7	529.0
1990	5,803.1	5,788.5	14.5	2,155.8	2,141.3	14.5	950.2	7.7	1,191.1	6.8	3,113.7	533.5
1991	5,995.9	5,996.3	–.4	2,184.7	2,185.1	–.4	944.1	–13.6	1,241.0	13.2	3,311.3	499.9
1992	6,337.7	6,321.4	16.3	2,282.3	2,266.0	16.3	986.1	–3.0	1,279.8	19.3	3,532.7	522.7
1993	6,657.4	6,636.6	20.8	2,387.8	2,367.0	20.8	1,047.9	17.1	1,319.1	3.7	3,711.7	557.8
1994	7,072.2	7,008.4	63.8	2,563.8	2,500.0	63.8	1,125.0	35.7	1,375.0	28.1	3,901.2	607.3
1995	7,397.7	7,366.5	31.1	2,661.1	2,630.0	31.1	1,202.2	33.6	1,427.8	–2.4	4,098.4	638.1
1996	7,816.9	7,786.1	30.8	2,807.0	2,776.3	30.8	1,298.0	19.1	1,478.3	11.7	4,312.7	697.1
1997	8,304.3	8,232.3	72.0	3,007.7	2,935.7	72.0	1,409.1	39.9	1,526.6	32.1	4,548.4	748.2
1998	8,747.0	8,676.2	70.8	3,143.4	3,072.6	70.8	1,487.8	42.8	1,584.8	28.0	4,789.8	813.8
1999	9,268.4	9,201.5	66.9	3,311.3	3,244.4	66.9	1,576.5	40.0	1,667.9	26.9	5,081.8	875.3
2000	9,817.0	9,760.5	56.5	3,449.3	3,392.8	56.5	1,653.3	36.1	1,739.5	20.4	5,425.6	942.1
2001	10,128.0	10,159.7	–31.7	3,412.6	3,444.3	–31.7	1,630.3	–41.8	1,814.0	10.0	5,725.6	989.8
2002	10,469.6	10,457.7	11.9	3,442.4	3,430.5	11.9	1,559.9	15.1	1,870.7	–3.2	6,031.4	995.8
2003	10,960.8	10,946.5	14.3	3,524.2	3,509.9	14.3	1,574.1	11.1	1,935.8	3.2	6,367.4	1,069.2
2004	11,712.5	11,655.1	57.3	3,713.7	3,656.3	57.3	1,619.4	31.6	2,036.9	25.8	6,798.0	1,200.8
2005	12,455.8	12,434.6	21.3	3,886.5	3,865.3	21.3	1,725.6	17.3	2,139.7	4.0	7,220.4	1,348.9
2003: I	10,705.6	10,682.6	23.0	3,443.5	3,420.5	23.0	1,522.8	20.4	1,897.6	2.7	6,236.4	1,025.6
II	10,831.8	10,835.4	–3.5	3,453.9	3,457.4	–3.5	1,555.6	–3.8	1,901.8	.3	6,328.8	1,049.1
III	11,086.1	11,074.3	11.8	3,589.0	3,577.1	11.8	1,614.0	–6.0	1,963.2	17.8	6,406.8	1,090.3
IV	11,219.5	11,193.6	25.9	3,610.5	3,584.6	25.9	1,604.1	33.9	1,980.5	–8.0	6,497.6	1,111.5
2004: I	11,430.9	11,392.9	38.0	3,653.8	3,615.9	38.0	1,608.5	28.5	2,007.4	9.5	6,641.6	1,135.5
II	11,649.3	11,569.9	79.3	3,699.9	3,620.6	79.3	1,592.7	42.5	2,027.9	36.8	6,751.7	1,197.7
III	11,799.4	11,744.6	54.8	3,724.9	3,670.2	54.8	1,626.3	28.4	2,043.9	26.4	6,847.8	1,226.6
IV	11,970.3	11,913.0	57.3	3,776.0	3,718.7	57.3	1,650.2	27.0	2,068.5	30.4	6,951.1	1,243.2
2005: I	12,173.2	12,113.8	59.4	3,832.2	3,772.9	59.4	1,670.3	36.1	2,102.6	23.3	7,058.7	1,282.3
II	12,346.1	12,353.7	–7.6	3,859.4	3,867.0	–7.6	1,726.3	–7.7	2,140.7	.1	7,150.7	1,336.0
III	12,573.5	12,588.8	–15.3	3,921.9	3,937.2	–15.3	1,767.7	–.8	2,169.5	–14.5	7,283.6	1,368.0
IV	12,730.5	12,681.9	48.6	3,932.6	3,883.9	48.6	1,738.1	41.6	2,145.9	7.0	7,388.9	1,409.1
2006: I	13,008.4	12,961.2	47.2	4,073.2	4,026.1	47.2	1,804.3	14.3	2,221.7	32.9	7,494.5	1,440.6
II	13,197.3	13,135.1	62.3	4,131.0	4,068.7	62.3	1,800.0	25.1	2,268.7	37.2	7,606.0	1,460.3
III	13,322.6	13,258.4	64.2	4,166.7	4,102.5	64.2	1,820.9	35.2	2,281.7	28.9	7,713.8	1,442.1

[1] Estimates for durable and nondurable goods for 1996 and earlier periods are based on the Standard Industrial Classification (SIC); later estimates are based on the North American Industry Classification System (NAICS).

[2] Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–9.—*Real gross domestic product by major type of product, 1959–2006*

[Billions of chained (2000) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Final sales of domestic product	Change in private inventories	Goods							Services [2]	Structures
				Total			Durable goods		Nondurable goods			
				Total	Final sales	Change in private inventories	Final sales	Change in private inventories [1]	Final sales	Change in private inventories [1]		
1959	2,441.3	2,442.7	12.3	700.7							1,391.1	392.8
1960	2,501.8	2,506.8	10.4	721.1							1,433.0	389.1
1961	2,560.0	2,566.8	9.4	726.7							1,489.4	399.9
1962	2,715.2	2,708.5	19.5	773.8							1,574.3	422.8
1963	2,834.0	2,830.3	18.0	803.4							1,642.4	451.3
1964	2,998.6	2,999.9	15.4	856.4							1,720.1	481.7
1965	3,191.1	3,173.8	29.3	927.3							1,803.6	505.8
1966	3,399.1	3,364.8	42.1	1,005.2							1,916.7	506.4
1967	3,484.6	3,467.6	30.3	1,006.4							2,034.8	499.0
1968	3,652.7	3,640.3	27.4	1,047.9							2,140.4	529.7
1969	3,765.4	3,753.7	27.0	1,082.2							2,212.2	536.5
1970	3,771.9	3,787.7	5.0	1,076.3							2,255.4	513.4
1971	3,898.6	3,893.4	22.3	1,105.7							2,313.6	561.0
1972	4,105.0	4,098.6	23.1	1,180.5							2,393.7	602.7
1973	4,341.5	4,315.9	35.0	1,299.5							2,461.3	615.6
1974	4,319.6	4,305.5	25.9	1,288.1							2,522.8	551.8
1975	4,311.2	4,352.5	–11.3	1,263.7							2,612.1	501.7
1976	4,540.9	4,522.3	30.7	1,359.8							2,676.9	548.7
1977	4,750.5	4,721.6	38.5	1,423.2							2,770.5	600.6
1978	5,015.0	4,981.6	41.1	1,515.6							2,874.9	658.3
1979	5,173.4	5,161.2	25.1	1,577.9							2,943.3	677.0
1980	5,161.7	5,196.7	–8.0	1,567.1							3,004.2	627.8
1981	5,291.7	5,265.1	34.9	1,634.5							3,062.5	619.2
1982	5,189.3	5,233.4	–17.5	1,559.7							3,120.0	566.1
1983	5,423.8	5,454.0	–6.4	1,625.4							3,251.0	607.1
1984	5,813.6	5,739.2	71.3	1,810.9							3,341.1	689.2
1985	6,053.7	6,042.1	23.7	1,851.3							3,520.8	725.1
1986	6,263.6	6,271.8	8.3	1,906.0							3,671.0	735.9
1987	6,475.1	6,457.2	30.3	1,984.9							3,797.3	739.2
1988	6,742.7	6,734.5	20.3	2,108.9							3,930.9	737.9
1989	6,981.4	6,962.2	28.3	2,223.3							4,049.5	732.8
1990	7,112.5	7,108.5	15.4	2,252.7	2,244.3	15.4	872.8	7.2	1,402.1	3.5	4,170.0	718.3
1991	7,100.5	7,115.0	–.5	2,221.5	2,228.9	–.5	852.7	–13.6	1,410.3	6.1	4,251.2	662.8
1992	7,336.6	7,331.1	16.5	2,307.8	2,297.7	16.5	894.7	–3.0	1,434.3	8.7	4,373.7	688.3
1993	7,532.7	7,522.3	20.6	2,394.8	2,380.3	20.6	949.8	16.4	1,457.7	1.5	4,457.5	709.3
1994	7,835.5	7,777.8	63.6	2,550.6	2,493.9	63.6	1,016.4	33.4	1,501.4	12.6	4,558.3	746.0
1995	8,031.7	8,010.2	29.9	2,639.0	2,614.9	29.9	1,096.9	31.0	1,536.9	–1.2	4,654.7	753.5
1996	8,328.9	8,306.5	28.7	2,772.4	2,747.4	28.7	1,193.8	17.8	1,566.5	4.5	4,765.6	803.1
1997	8,703.5	8,636.6	71.2	2,971.3	2,904.6	71.2	1,317.4	38.5	1,593.4	32.4	4,901.1	835.7
1998	9,066.9	8,997.6	72.6	3,132.7	3,063.7	72.6	1,431.8	42.4	1,634.2	29.8	5,057.5	879.1
1999	9,470.3	9,404.0	68.9	3,312.6	3,246.4	68.9	1,554.3	40.4	1,692.6	28.1	5,245.1	913.0
2000	9,817.0	9,760.5	56.5	3,449.3	3,392.8	56.5	1,653.3	36.1	1,739.5	20.4	5,425.6	942.1
2001	9,890.7	9,920.9	–31.7	3,390.9	3,421.9	–31.7	1,655.6	–42.4	1,766.1	10.3	5,553.2	945.6
2002	10,048.8	10,036.5	12.5	3,432.5	3,419.7	12.5	1,610.8	15.5	1,806.3	–2.8	5,693.4	922.1
2003	10,301.0	10,285.1	14.3	3,538.3	3,521.7	14.3	1,669.4	11.2	1,850.5	3.3	5,810.8	952.3
2004	10,703.5	10,648.3	53.4	3,711.6	3,652.6	53.4	1,747.9	30.7	1,904.7	23.1	5,994.0	1,001.4
2005	11,048.6	11,025.2	19.6	3,881.0	3,857.3	19.6	1,871.9	16.4	1,989.0	3.9	6,128.9	1,047.9
2003: I	10,126.0	10,100.9	24.3	3,455.9	3,429.9	24.3	1,595.4	20.7	1,830.0	4.1	5,749.0	919.9
II	10,212.7	10,213.7	–2.7	3,470.0	3,471.5	–2.7	1,643.5	–3.9	1,825.8	1.1	5,799.4	940.3
III	10,398.7	10,385.9	10.5	3,602.7	3,589.4	10.5	1,719.5	–6.1	1,869.6	15.9	5,827.1	971.8
IV	10,467.0	10,440.0	25.0	3,624.7	3,596.1	25.0	1,719.0	34.4	1,876.5	–7.6	5,867.8	977.2
2004: I	10,566.3	10,528.7	35.9	3,658.1	3,618.1	35.9	1,730.2	28.4	1,887.6	8.4	5,932.7	978.5
II	10,671.5	10,596.1	74.7	3,685.5	3,604.5	74.7	1,715.1	41.6	1,888.1	33.6	5,976.8	1,010.3
III	10,753.3	10,700.1	50.8	3,730.5	3,673.7	50.8	1,761.3	27.3	1,912.9	23.7	6,014.5	1,011.8
IV	10,822.9	10,768.2	52.0	3,772.5	3,714.0	52.0	1,784.9	25.5	1,930.3	26.5	6,052.2	1,004.9
2005: I	10,913.8	10,856.5	55.2	3,817.4	3,756.1	55.2	1,805.7	34.4	1,951.5	21.4	6,079.5	1,024.4
II	11,001.8	11,005.3	–7.4	3,849.9	3,856.5	–7.4	1,868.3	–7.3	1,991.3	–.5	6,106.3	1,051.8
III	11,115.1	11,123.5	–12.7	3,913.2	3,925.4	–12.7	1,920.0	–.5	2,011.2	–11.6	6,158.7	1,053.7
IV	11,163.8	11,115.5	43.5	3,943.5	3,891.2	43.5	1,893.4	39.2	2,002.1	6.4	6,170.9	1,061.7
2006: I	11,316.4	11,269.0	41.2	4,064.4	4,013.0	41.2	1,964.9	13.4	2,054.3	27.1	6,207.3	1,069.4
II	11,388.1	11,328.0	53.7	4,100.5	4,034.7	53.7	1,963.8	23.1	2,075.3	30.3	6,244.5	1,070.3
III	11,443.5	11,381.6	55.4	4,138.6	4,070.7	55.4	1,995.9	31.9	2,081.6	24.1	6,288.5	1,050.0

[1] Estimates for durable and nondurable goods for 1996 and earlier periods are based on the Standard Industrial Classification (SIC); later estimates are based on the North American Industry Classification System (NAICS).

[2] Includes government consumption expenditures, which are for services (such as education and national defense) produced by government. In current dollars, these services are valued at their cost of production.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–10.—*Gross value added by sector, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Business [1]			Households and institutions			General government [3]			Addendum: Gross housing value added
		Total	Nonfarm [1]	Farm	Total	Households	Nonprofit institutions serving households [2]	Total	Federal	State and local	
1959	506.6	408.2	390.9	17.3	40.1	29.8	10.3	58.3	31.9	26.5	36.9
1960	526.4	420.4	402.3	18.2	43.9	32.3	11.7	62.0	33.1	28.9	39.9
1961	544.7	432.0	413.7	18.3	46.7	34.3	12.4	66.0	34.4	31.6	42.8
1962	585.6	464.5	446.1	18.4	50.4	36.7	13.6	70.7	36.5	34.2	46.0
1963	617.7	488.7	470.2	18.5	53.6	38.8	14.8	75.5	38.4	37.1	48.9
1964	663.6	525.6	508.2	17.3	56.9	40.8	16.1	81.1	40.7	40.4	51.6
1965	719.1	571.4	551.5	19.9	61.0	43.3	17.7	86.7	42.4	44.2	54.9
1966	787.8	625.1	604.3	20.8	65.8	45.9	19.9	96.9	47.3	49.6	58.2
1967	832.6	654.5	634.4	20.1	70.9	48.8	22.1	107.2	51.7	55.5	62.1
1968	910.0	714.5	694.0	20.5	76.5	51.6	25.0	119.0	56.4	62.5	65.9
1969	984.6	770.3	747.5	22.8	84.3	55.6	28.7	130.0	60.0	70.0	71.3
1970	1,038.5	803.6	779.9	23.7	91.4	59.4	32.0	143.6	64.1	79.5	76.7
1971	1,127.1	869.9	844.5	25.4	100.9	65.1	35.7	156.4	67.8	88.6	83.9
1972	1,238.3	959.0	929.4	29.7	109.9	70.3	39.5	169.4	71.6	97.9	91.1
1973	1,382.7	1,079.4	1,032.7	46.8	120.0	76.0	44.0	183.3	74.0	109.3	98.3
1974	1,500.0	1,166.9	1,122.6	44.2	131.7	82.5	49.2	201.4	79.6	121.8	106.8
1975	1,638.3	1,268.5	1,222.8	45.6	145.4	90.3	55.1	224.5	87.3	137.1	117.2
1976	1,825.3	1,423.7	1,380.7	43.0	158.1	98.1	60.0	243.5	93.8	149.7	126.6
1977	2,030.9	1,593.5	1,549.9	43.5	172.8	107.3	65.6	264.6	102.1	162.6	140.3
1978	2,294.7	1,813.4	1,762.7	50.7	193.8	120.4	73.4	287.5	109.7	177.8	155.2
1979	2,563.3	2,032.9	1,972.8	60.1	217.4	135.0	82.5	313.0	117.6	195.4	172.5
1980	2,789.5	2,191.1	2,139.7	51.4	249.9	155.5	94.4	348.6	131.3	217.3	199.4
1981	3,128.4	2,459.4	2,394.5	65.0	283.7	176.8	106.9	385.3	147.4	237.9	228.4
1982	3,255.0	2,520.7	2,460.3	60.4	315.3	195.7	119.6	419.0	161.3	257.7	255.4
1983	3,536.7	2,747.2	2,702.3	44.9	344.0	211.7	132.4	445.4	171.3	274.1	277.4
1984	3,933.2	3,071.8	3,007.7	64.2	376.2	230.2	146.0	485.2	192.1	293.1	301.1
1985	4,220.3	3,290.8	3,227.4	63.4	406.0	249.6	156.4	523.5	205.1	318.4	332.9
1986	4,462.8	3,468.8	3,409.4	59.4	438.0	267.4	170.6	556.1	212.6	343.5	359.5
1987	4,739.5	3,669.9	3,608.4	61.6	478.4	287.6	190.8	591.2	223.4	367.8	385.5
1988	5,103.8	3,948.6	3,887.2	61.3	525.1	312.8	212.4	630.1	234.9	395.2	415.5
1989	5,484.4	4,243.2	4,169.7	73.6	569.6	337.0	232.6	671.5	246.6	424.9	443.8
1990	5,803.1	4,462.6	4,386.0	76.6	618.9	362.9	256.0	721.6	258.9	462.6	478.1
1991	5,995.9	4,569.3	4,499.5	69.9	660.7	383.4	277.3	765.9	275.0	490.9	508.5
1992	6,337.7	4,840.4	4,761.7	78.7	697.9	397.2	300.7	799.4	282.1	517.3	531.0
1993	6,657.4	5,096.2	5,025.6	70.6	732.0	413.7	318.3	829.3	286.3	543.0	549.1
1994	7,072.2	5,444.0	5,362.4	81.6	771.3	439.5	331.7	857.0	286.2	570.7	582.0
1995	7,397.7	5,700.6	5,632.0	68.5	815.5	463.3	352.1	881.6	284.7	596.9	613.3
1996	7,816.9	6,056.7	5,966.0	90.7	852.2	484.7	367.5	908.0	288.6	619.3	638.0
1997	8,304.3	6,471.9	6,383.8	88.1	895.8	509.6	386.2	936.7	290.9	645.8	667.7
1998	8,747.0	6,827.1	6,748.2	78.9	949.7	538.0	411.7	970.3	293.1	677.2	700.2
1999	9,268.4	7,243.4	7,174.7	68.8	1,012.3	576.4	435.9	1,012.7	300.9	711.8	747.8
2000	9,817.0	7,666.7	7,595.1	71.5	1,080.7	615.6	465.1	1,069.6	315.4	754.2	794.3
2001	10,128.0	7,841.2	7,768.0	73.1	1,160.4	662.0	498.4	1,126.4	325.7	800.8	849.8
2002	10,469.6	8,040.5	7,969.7	70.8	1,227.3	687.7	539.6	1,201.8	352.9	848.9	876.7
2003	10,960.8	8,411.5	8,323.2	88.3	1,269.2	699.9	569.3	1,280.1	383.9	896.2	878.2
2004	11,712.5	9,007.6	8,893.0	114.6	1,356.5	756.9	599.6	1,348.4	411.6	936.8	938.7
2005	12,455.8	9,613.4	9,517.5	95.9	1,419.6	793.7	625.8	1,422.9	436.7	986.2	982.6
2003: I	10,705.6	8,195.1	8,115.4	79.6	1,252.0	693.0	558.9	1,258.5	379.3	879.2	875.2
II	10,831.8	8,298.9	8,210.1	88.9	1,256.5	691.5	565.0	1,276.4	384.8	891.6	870.1
III	11,086.1	8,544.6	8,454.5	90.1	1,254.1	683.2	570.8	1,287.5	385.4	902.0	855.1
IV	11,219.5	8,607.3	8,512.9	94.4	1,314.2	731.7	582.4	1,298.1	386.2	911.9	912.3
2004: I	11,430.9	8,780.0	8,665.2	114.8	1,325.7	738.8	586.9	1,325.2	406.0	919.2	919.0
II	11,649.3	8,962.8	8,842.0	120.8	1,345.1	750.5	594.6	1,341.4	410.9	930.4	930.8
III	11,799.4	9,076.0	8,964.8	111.3	1,368.5	762.7	605.8	1,354.9	412.8	942.1	944.8
IV	11,970.3	9,211.5	9,099.9	111.6	1,386.5	775.5	611.0	1,372.2	416.6	955.6	960.4
2005: I	12,173.2	9,374.7	9,270.3	104.4	1,396.3	783.8	612.5	1,402.1	435.3	966.9	971.2
II	12,346.1	9,523.2	9,430.1	93.1	1,408.7	786.9	621.8	1,414.3	435.2	979.1	975.0
III	12,573.5	9,717.7	9,624.7	93.0	1,425.1	795.4	629.7	1,430.7	437.9	992.9	984.9
IV	12,730.5	9,837.9	9,745.0	92.9	1,448.2	808.8	639.4	1,444.5	438.4	1,006.0	999.2
2006: I	13,008.4	10,065.4	9,973.6	91.8	1,479.0	830.2	648.8	1,464.0	447.9	1,016.2	1,025.0
II	13,197.3	10,210.4	10,124.8	85.6	1,508.3	850.9	657.4	1,478.6	449.9	1,028.7	1,049.6
III	13,322.6	10,287.7	10,194.0	93.7	1,534.0	869.0	665.0	1,500.8	454.1	1,046.7	1,071.8

[1] Gross domestic business value added equals gross domestic product excluding gross value added of households and institutions and of general government. Nonfarm value added equals gross domestic business value added excluding gross farm value added.

[2] Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.

[3] Equals compensation of general government employees plus general government consumption of fixed capital.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–11.—*Real gross value added by sector, 1959–2006*

[Billions of chained (2000) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Business [1]			Households and institutions			General government [3]			Addendum: Gross housing value added
		Total	Nonfarm [1]	Farm	Total	Households	Nonprofit institutions serving households [2]	Total	Federal	State and local	
1959	2,441.3	1,716.0	1,684.1	21.2	261.7	161.6	97.8	514.5	279.4	236.7	195.0
1960	2,501.8	1,748.8	1,713.5	22.4	279.6	171.4	106.6	532.2	284.6	249.3	207.3
1961	2,560.0	1,782.8	1,747.8	22.6	291.5	179.6	109.6	550.9	290.5	262.1	219.2
1962	2,715.2	1,897.7	1,867.0	22.1	307.7	189.8	115.4	572.5	302.5	271.8	232.8
1963	2,834.0	1,985.4	1,954.3	22.8	320.4	197.7	120.0	589.5	305.2	285.9	244.3
1964	2,998.6	2,111.7	2,086.0	22.1	333.7	205.7	125.4	609.7	308.2	303.1	255.4
1965	3,191.1	2,260.6	2,233.5	23.5	350.2	215.2	132.6	630.3	310.4	321.5	268.9
1966	3,399.1	2,413.6	2,393.2	22.7	366.3	224.0	140.2	669.7	330.7	340.6	281.0
1967	3,484.6	2,459.5	2,434.1	24.5	381.6	233.1	146.5	705.2	352.2	354.9	294.0
1968	3,652.7	2,581.7	2,561.5	23.6	400.4	239.3	161.0	732.7	358.1	376.2	304.6
1969	3,765.4	2,660.3	2,639.1	24.5	417.8	249.1	168.8	751.3	359.0	393.4	318.7
1970	3,771.9	2,659.3	2,636.0	25.1	425.0	254.7	170.0	754.1	343.6	410.8	328.9
1971	3,898.6	2,761.5	2,736.2	26.4	443.0	266.5	176.1	755.3	327.8	427.5	343.8
1972	4,105.0	2,939.8	2,918.4	26.4	460.7	277.7	182.4	753.8	311.8	442.3	360.1
1973	4,341.5	3,145.0	3,131.5	26.2	476.3	287.5	188.2	757.2	300.1	457.8	373.0
1974	4,319.6	3,101.3	3,089.1	25.6	493.9	299.9	193.1	772.6	299.2	474.4	390.7
1975	4,311.2	3,071.2	3,037.5	30.5	513.7	308.0	205.2	785.1	297.5	488.9	402.7
1976	4,540.9	3,272.9	3,249.1	29.1	521.5	313.3	207.5	791.8	297.9	495.3	408.3
1977	4,750.5	3,456.2	3,431.1	30.7	528.3	316.2	211.6	800.1	298.8	502.9	418.3
1978	5,015.0	3,673.3	3,656.8	29.6	552.4	335.1	216.3	815.5	302.5	514.6	436.8
1979	5,173.4	3,796.7	3,774.2	32.2	576.7	350.4	225.3	824.2	302.3	523.7	453.9
1980	5,161.7	3,756.1	3,736.1	31.1	606.9	372.9	232.8	836.0	307.0	530.8	481.9
1981	5,291.7	3,859.5	3,814.7	41.0	626.5	384.7	240.5	840.6	311.7	530.6	501.0
1982	5,189.3	3,743.1	3,691.9	43.1	647.2	391.8	254.4	849.2	316.8	534.0	514.7
1983	5,423.8	3,944.3	3,932.8	26.9	665.9	399.4	265.7	854.6	324.2	531.8	526.2
1984	5,813.6	4,286.3	4,254.3	37.2	687.8	413.3	273.6	865.2	331.5	535.0	543.0
1985	6,053.7	4,484.5	4,434.2	46.7	700.1	423.2	275.9	890.0	341.0	550.3	564.4
1986	6,263.6	4,652.0	4,606.2	44.9	718.5	428.7	289.1	911.9	347.0	566.3	574.9
1987	6,475.1	4,815.5	4,769.8	45.5	745.7	440.3	304.8	931.8	356.1	577.2	588.8
1988	6,742.7	5,023.0	4,987.7	40.9	780.6	457.1	323.1	956.0	360.5	596.9	606.2
1989	6,981.4	5,206.6	5,162.3	46.4	812.3	471.5	340.6	978.8	364.9	615.3	620.3
1990	7,112.5	5,287.0	5,237.9	49.3	841.2	483.2	357.9	1,003.9	371.6	633.6	635.7
1991	7,100.5	5,245.4	5,194.7	50.0	865.3	497.8	367.5	1,014.3	373.8	641.7	657.2
1992	7,336.6	5,456.5	5,395.2	57.5	882.6	502.6	379.9	1,017.7	366.0	652.6	666.2
1993	7,532.7	5,625.9	5,576.0	50.6	904.8	507.9	396.9	1,019.8	358.9	661.6	669.9
1994	7,835.5	5,905.3	5,841.4	60.9	923.1	524.7	398.4	1,019.9	347.2	673.1	690.8
1995	8,031.7	6,076.8	6,030.2	49.6	945.1	534.3	410.8	1,020.6	334.1	686.5	705.7
1996	8,328.9	6,356.0	6,300.4	56.1	957.8	540.8	417.0	1,022.1	325.0	697.2	712.1
1997	8,703.5	6,693.8	6,627.2	64.4	983.5	554.0	429.5	1,030.0	318.8	711.2	726.5
1998	9,066.9	7,017.1	6,955.3	61.6	1,010.4	563.8	446.9	1,041.0	315.2	725.8	735.5
1999	9,470.3	7,376.8	7,314.2	62.9	1,042.3	590.7	451.6	1,051.4	312.7	738.7	767.2
2000	9,817.0	7,666.7	7,595.1	71.5	1,080.7	615.6	465.1	1,069.6	315.4	754.2	794.3
2001	9,890.7	7,691.0	7,625.7	65.6	1,110.0	634.8	475.1	1,089.3	317.0	772.3	815.1
2002	10,048.8	7,806.9	7,736.9	70.1	1,130.9	634.2	496.6	1,110.4	323.3	787.1	809.0
2003	10,301.0	8,050.3	7,974.3	76.0	1,129.1	629.4	499.6	1,123.9	331.9	791.9	789.9
2004	10,703.5	8,402.4	8,320.3	81.6	1,176.1	672.6	504.1	1,130.9	335.1	795.6	833.8
2005	11,048.6	8,717.5	8,634.9	82.4	1,200.5	693.2	508.3	1,140.9	337.3	803.5	856.7
2003: I	10,126.0	7,878.5	7,799.2	78.6	1,125.4	624.8	500.4	1,121.7	329.8	791.8	789.7
II	10,212.7	7,967.1	7,882.6	83.4	1,122.4	623.4	498.8	1,124.3	332.5	791.7	784.4
III	10,398.7	8,166.3	8,091.1	74.9	1,113.2	614.5	498.4	1,124.5	332.7	791.6	768.7
IV	10,467.0	8,189.2	8,124.1	67.0	1,155.6	655.1	500.8	1,125.2	332.6	792.5	816.6
2004: I	10,566.3	8,279.9	8,196.5	81.6	1,163.5	661.3	502.6	1,127.2	334.2	792.9	822.1
II	10,671.5	8,378.3	8,301.0	77.8	1,170.7	667.7	503.5	1,128.3	333.8	794.4	828.1
III	10,753.3	8,448.2	8,366.8	81.3	1,180.5	676.3	504.9	1,131.2	335.2	795.9	837.4
IV	10,822.9	8,503.1	8,416.7	85.8	1,189.6	685.1	505.4	1,136.8	337.3	799.4	847.7
2005: I	10,913.8	8,590.4	8,504.5	85.3	1,193.1	689.2	504.8	1,138.5	337.8	800.6	853.1
II	11,001.8	8,676.8	8,597.4	79.5	1,195.6	689.6	506.9	1,139.2	336.9	802.2	853.3
III	11,115.1	8,781.6	8,699.9	81.7	1,203.4	693.6	510.7	1,141.6	336.6	805.0	857.2
IV	11,163.8	8,821.0	8,737.8	83.3	1,210.1	700.6	510.7	1,144.3	337.8	806.4	863.2
2006: I	11,316.4	8,965.6	8,879.6	86.1	1,223.1	713.2	511.5	1,142.3	334.8	807.5	878.2
II	11,388.1	9,026.4	8,939.5	86.9	1,232.3	720.2	513.8	1,144.6	334.8	810.0	886.8
III	11,443.5	9,068.2	8,981.8	86.4	1,238.8	725.2	515.5	1,151.5	337.4	814.1	892.9

[1] Gross domestic business value added equals gross domestic product excluding gross value added of households and institutions and of general government. Nonfarm value added equals gross domestic business value added excluding gross farm value added.

[2] Equals compensation of employees of nonprofit institutions, the rental value of nonresidential fixed assets owned and used by nonprofit institutions serving households, and rental income of persons for tenant-occupied housing owned by nonprofit institutions.

[3] Equals compensation of general government employees plus general government consumption of fixed capital.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–12.—*Gross domestic product (GDP) by industry, value added, in current dollars and as a percentage of GDP, 1975–2005*

[Billions of dollars; except as noted]

Year	Gross domestic product	Private industries									
		Total private industries	Agriculture, forestry, fishing, and hunting	Mining	Construction	Manufacturing			Utilities	Wholesale trade	Retail trade
						Total manufacturing	Durable goods	Nondurable goods			
	Value added										
1975	1,638.3	1,391.5	51.4	33.8	74.8	337.1	198.5	138.6	37.1	114.6	127.3
1976	1,825.3	1,556.2	50.2	37.5	85.5	386.7	230.2	156.5	41.5	122.7	144.0
1977	2,030.9	1,739.4	51.3	43.4	94.2	438.6	265.0	173.6	45.9	134.9	158.5
1978	2,294.7	1,977.0	59.8	49.5	111.5	489.9	303.4	186.5	50.4	153.4	177.6
1979	2,563.3	2,217.7	70.6	58.4	127.0	543.8	331.1	212.7	51.9	175.8	193.2
1980	2,789.5	2,405.8	62.0	91.3	130.3	556.6	333.9	222.7	60.0	188.7	200.9
1981	3,128.4	2,702.5	75.4	122.9	131.8	616.5	370.4	246.1	70.7	208.3	221.0
1982	3,255.0	2,792.6	71.3	120.0	128.8	603.2	353.4	249.8	81.7	207.9	229.9
1983	3,536.7	3,043.5	57.1	103.1	139.8	653.1	379.3	273.8	91.6	222.9	261.6
1984	3,933.2	3,395.1	77.1	107.2	164.4	724.0	443.5	280.5	102.3	249.4	293.6
1985	4,220.3	3,637.0	77.1	105.4	184.6	740.3	449.2	291.1	109.2	268.3	318.7
1986	4,462.8	3,842.9	74.2	68.9	207.7	766.0	459.3	306.7	114.4	278.5	336.6
1987	4,739.5	4,080.4	79.8	71.5	218.2	811.3	483.8	327.5	123.0	285.3	349.9
1988	5,103.8	4,399.1	80.2	71.4	232.7	876.9	519.0	357.9	122.8	318.1	366.0
1989	5,484.4	4,732.3	92.8	76.0	244.8	927.3	543.2	384.1	135.9	337.4	389.0
1990	5,803.1	4,997.8	96.7	84.9	248.5	947.4	542.7	404.7	142.9	347.7	398.8
1991	5,995.9	5,138.7	89.2	76.0	230.2	957.5	540.9	416.6	152.5	360.5	405.5
1992	6,337.7	5,440.4	99.6	71.3	232.5	996.7	562.8	433.8	157.4	378.9	430.0
1993	6,657.4	5,729.3	93.1	72.1	248.3	1,039.9	593.1	446.8	165.3	401.2	458.0
1994	7,072.2	6,110.5	105.6	73.6	274.4	1,118.8	647.7	471.1	174.6	442.7	493.3
1995	7,397.7	6,407.2	93.1	74.1	287.0	1,177.3	677.2	500.0	181.5	457.0	514.9
1996	7,816.9	6,795.2	113.8	87.5	311.7	1,209.4	706.5	502.9	183.3	489.1	543.8
1997	8,304.3	7,247.5	110.7	92.6	337.6	1,279.8	755.5	524.3	179.6	521.2	574.2
1998	8,747.0	7,652.5	102.4	74.8	374.4	1,343.9	806.9	537.0	180.8	542.9	598.6
1999	9,268.4	8,127.2	93.8	85.4	406.6	1,373.1	820.4	552.7	185.4	577.7	635.5
2000	9,817.0	8,614.3	98.0	121.3	435.9	1,426.2	865.3	560.9	189.3	591.7	662.4
2001	10,128.0	8,869.7	97.9	118.7	469.5	1,341.3	778.9	562.5	202.3	607.1	691.6
2002	10,469.6	9,131.2	95.4	106.5	482.3	1,352.6	774.8	577.9	207.3	615.4	719.6
2003	10,960.8	9,542.3	114.4	143.3	496.2	1,359.3	771.8	587.5	220.0	637.0	751.5
2004	11,712.5	10,221.5	142.0	172.1	541.0	1,434.8	819.6	615.2	235.2	688.2	781.2
2005	12,455.8	10,892.2	123.1	233.3	611.1	1,512.5	854.3	658.2	248.0	743.2	823.5
	Percent	Industry value added as a percentage of GDP (percent)									
1975	100.0	84.9	3.1	2.1	4.6	20.6	12.1	8.5	2.3	7.0	7.8
1976	100.0	85.3	2.7	2.1	4.7	21.2	12.6	8.6	2.3	6.7	7.9
1977	100.0	85.6	2.5	2.1	4.6	21.6	13.1	8.5	2.3	6.6	7.8
1978	100.0	86.2	2.6	2.2	4.9	21.3	13.2	8.1	2.2	6.7	7.7
1979	100.0	86.5	2.8	2.3	5.0	21.2	12.9	8.3	2.0	6.9	7.5
1980	100.0	86.2	2.2	3.3	4.7	20.0	12.0	8.0	2.2	6.8	7.2
1981	100.0	86.4	2.4	3.9	4.2	19.7	11.8	7.9	2.3	6.7	7.1
1982	100.0	85.8	2.2	3.7	4.0	18.5	10.9	7.7	2.5	6.4	7.1
1983	100.0	86.1	1.6	2.9	4.0	18.5	10.7	7.7	2.6	6.3	7.4
1984	100.0	86.3	2.0	2.7	4.2	18.4	11.3	7.1	2.6	6.3	7.5
1985	100.0	86.2	1.8	2.5	4.4	17.5	10.6	6.9	2.6	6.4	7.6
1986	100.0	86.1	1.7	1.5	4.7	17.2	10.3	6.9	2.6	6.2	7.5
1987	100.0	86.1	1.7	1.5	4.6	17.1	10.2	6.9	2.6	6.0	7.4
1988	100.0	86.2	1.6	1.4	4.6	17.2	10.2	7.0	2.4	6.2	7.2
1989	100.0	86.3	1.7	1.4	4.5	16.9	9.9	7.0	2.5	6.2	7.1
1990	100.0	86.1	1.7	1.5	4.3	16.3	9.4	7.0	2.5	6.0	6.9
1991	100.0	85.7	1.5	1.3	3.8	16.0	9.0	6.9	2.5	6.0	6.8
1992	100.0	85.8	1.6	1.1	3.7	15.7	8.9	6.8	2.5	6.0	6.8
1993	100.0	86.1	1.4	1.1	3.7	15.6	8.9	6.7	2.5	6.0	6.9
1994	100.0	86.4	1.5	1.0	3.9	15.8	9.2	6.7	2.5	6.3	7.0
1995	100.0	86.6	1.3	1.0	3.9	15.9	9.2	6.8	2.5	6.2	7.0
1996	100.0	86.9	1.5	1.1	4.0	15.5	9.0	6.4	2.3	6.3	7.0
1997	100.0	87.3	1.3	1.1	4.1	15.4	9.1	6.3	2.2	6.3	6.9
1998	100.0	87.5	1.2	.9	4.3	15.4	9.2	6.1	2.1	6.2	6.8
1999	100.0	87.7	1.0	.9	4.4	14.8	8.9	6.0	2.0	6.2	6.9
2000	100.0	87.7	1.0	1.2	4.4	14.5	8.8	5.7	1.9	6.0	6.7
2001	100.0	87.6	1.0	1.2	4.6	13.2	7.7	5.6	2.0	6.0	6.8
2002	100.0	87.2	.9	1.0	4.6	12.9	7.4	5.5	2.0	5.9	6.9
2003	100.0	87.1	1.0	1.3	4.5	12.4	7.0	5.4	2.0	5.8	6.9
2004	100.0	87.3	1.2	1.5	4.6	12.3	7.0	5.3	2.0	5.9	6.7
2005	100.0	87.4	1.0	1.9	4.9	12.1	6.9	5.3	2.0	6.0	6.6

[1] Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.

[2] Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

Note.—Value added is the contribution of each private industry and of government to gross domestic product. Value added is equal to an industry's gross output minus its intermediate inputs. Current-dollar value added is calculated as the sum of distributions by an industry to its labor and capital which are derived from the components of gross domestic income.

See next page for continuation of table.

TABLE B–12.—*Gross domestic product (GDP) by industry, value added, in current dollars and as a percentage of GDP, 1975–2005*—Continued

[Billions of dollars; except as noted]

Year	Private industries—continued							Government	Private goods-producing industries [1]	Private services-producing industries [2]
	Transportation and warehousing	Information	Finance, insurance, real estate, rental, and leasing	Professional and business services	Educational services, health care, and social assistance	Arts, entertainment, recreation, accommodation, and food services	Other services, except government			
	Value added									
1975	59.4	56.5	248.2	92.9	74.2	45.7	38.4	246.9	497.2	894.3
1976	68.8	63.5	272.1	105.1	84.0	51.9	42.8	269.1	559.8	996.4
1977	76.2	71.1	304.0	122.7	93.8	58.8	46.1	291.5	627.5	1,111.9
1978	86.7	81.4	347.4	141.9	106.4	67.9	53.2	317.7	710.6	1,266.4
1979	96.6	90.3	390.3	164.0	120.5	77.1	58.2	345.7	799.7	1,417.9
1980	102.3	99.0	442.4	186.3	139.7	83.5	62.6	383.7	840.2	1,565.6
1981	109.9	112.7	498.4	213.2	159.9	93.5	68.5	425.9	946.6	1,755.9
1982	105.9	123.6	539.9	230.9	177.9	100.9	70.7	462.4	923.3	1,869.3
1983	117.8	140.0	604.6	262.5	198.3	112.0	79.2	493.1	953.1	2,090.5
1984	131.4	147.1	670.2	303.8	214.1	121.2	89.3	538.1	1,072.7	2,322.3
1985	136.3	162.9	729.7	340.8	231.3	134.3	98.0	583.3	1,107.4	2,529.5
1986	145.6	173.1	795.1	378.8	252.0	144.9	107.2	620.0	1,116.7	2,726.1
1987	151.1	185.0	840.3	414.1	286.5	152.1	112.3	659.1	1,180.8	2,899.5
1988	161.1	194.0	910.1	466.3	309.1	165.9	124.4	704.7	1,261.3	3,137.8
1989	164.1	210.4	975.4	518.0	347.0	180.2	133.9	752.0	1,341.0	3,391.4
1990	169.4	225.1	1,042.1	569.8	386.7	195.2	142.6	805.3	1,377.4	3,620.4
1991	178.2	235.2	1,103.6	579.3	424.8	202.2	144.2	857.2	1,352.8	3,785.9
1992	186.6	250.9	1,177.4	626.7	463.5	216.2	153.0	897.3	1,400.0	4,040.5
1993	201.0	272.6	1,241.5	659.1	488.0	225.5	163.7	928.1	1,453.4	4,275.9
1994	218.0	294.0	1,297.8	698.4	511.1	235.0	173.2	961.8	1,572.4	4,538.0
1995	226.3	307.6	1,383.0	743.1	533.3	248.3	180.9	990.4	1,631.4	4,775.8
1996	235.2	335.7	1,470.7	810.1	552.5	264.4	188.1	1,021.6	1,722.4	5,072.8
1997	253.7	347.8	1,593.3	896.5	573.1	289.8	197.4	1,056.8	1,820.8	5,426.8
1998	273.7	381.6	1,684.6	976.2	601.5	306.0	211.1	1,094.5	1,895.4	5,757.1
1999	287.4	439.3	1,798.4	1,064.5	634.5	327.8	217.8	1,141.2	1,958.9	6,168.3
2000	301.6	458.3	1,931.0	1,140.8	678.4	350.1	229.1	1,202.7	2,081.5	6,532.8
2001	296.9	476.9	2,059.2	1,165.9	739.3	361.5	241.5	1,258.3	2,027.5	6,842.2
2002	304.6	483.0	2,141.9	1,189.0	799.6	381.5	252.5	1,338.4	2,036.9	7,094.3
2003	316.6	489.1	2,244.6	1,248.9	857.3	398.9	265.3	1,418.4	2,113.3	7,429.1
2004	330.1	529.2	2,408.7	1,346.4	914.7	424.0	274.1	1,490.9	2,289.9	7,931.6
2005	344.6	555.2	2,536.1	1,458.8	975.3	444.6	282.8	1,563.6	2,480.1	8,412.2
	Industry value added as a percentage of GDP (percent)									
1975	3.6	3.4	15.1	5.7	4.5	2.8	2.3	15.1	30.3	54.6
1976	3.8	3.5	14.9	5.8	4.6	2.8	2.3	14.7	30.7	54.6
1977	3.8	3.5	15.0	6.0	4.6	2.9	2.3	14.4	30.9	54.7
1978	3.8	3.5	15.1	6.2	4.6	3.0	2.3	13.8	31.0	55.2
1979	3.8	3.5	15.2	6.4	4.7	3.0	2.3	13.5	31.2	55.3
1980	3.7	3.5	15.9	6.7	5.0	3.0	2.2	13.8	30.1	56.1
1981	3.5	3.6	15.9	6.8	5.1	3.0	2.2	13.6	30.3	56.1
1982	3.3	3.8	16.6	7.1	5.5	3.1	2.2	14.2	28.4	57.4
1983	3.3	4.0	17.1	7.4	5.6	3.2	2.2	13.9	26.9	59.1
1984	3.3	3.7	17.0	7.7	5.4	3.1	2.3	13.7	27.3	59.0
1985	3.2	3.9	17.3	8.1	5.5	3.2	2.3	13.8	26.2	59.9
1986	3.3	3.9	17.8	8.5	5.6	3.2	2.4	13.9	25.0	61.1
1987	3.2	3.9	17.7	8.7	6.0	3.2	2.4	13.9	24.9	61.2
1988	3.2	3.8	17.8	9.1	6.1	3.3	2.4	13.8	24.7	61.5
1989	3.0	3.8	17.8	9.4	6.3	3.3	2.4	13.7	24.5	61.8
1990	2.9	3.9	18.0	9.8	6.7	3.4	2.5	13.9	23.7	62.4
1991	3.0	3.9	18.4	9.7	7.1	3.4	2.4	14.3	22.6	63.1
1992	2.9	4.0	18.6	9.9	7.3	3.4	2.4	14.2	22.1	63.8
1993	3.0	4.1	18.6	9.9	7.3	3.4	2.5	13.9	21.8	64.2
1994	3.1	4.2	18.4	9.9	7.2	3.3	2.4	13.6	22.2	64.2
1995	3.1	4.2	18.7	10.0	7.2	3.4	2.4	13.4	22.1	64.6
1996	3.0	4.3	18.8	10.4	7.1	3.4	2.4	13.1	22.0	64.9
1997	3.1	4.2	19.2	10.8	6.9	3.5	2.4	12.7	21.9	65.3
1998	3.1	4.4	19.3	11.2	6.9	3.5	2.4	12.5	21.7	65.8
1999	3.1	4.7	19.4	11.5	6.8	3.5	2.3	12.3	21.1	66.6
2000	3.1	4.7	19.7	11.6	6.9	3.6	2.3	12.3	21.2	66.5
2001	2.9	4.7	20.3	11.5	7.3	3.6	2.4	12.4	20.0	67.6
2002	2.9	4.6	20.5	11.4	7.6	3.6	2.4	12.8	19.5	67.8
2003	2.9	4.5	20.5	11.4	7.8	3.6	2.4	12.9	19.3	67.8
2004	2.8	4.5	20.6	11.5	7.8	3.6	2.3	12.7	19.6	67.7
2005	2.8	4.5	20.4	11.7	7.8	3.6	2.3	12.6	19.9	67.5

Note (cont'd).—Value added industry data shown in Tables B–12 and B–13 are based on the 1997 North American Industry Classification System (NAICS). GDP by industry data based on the Standard Industrial Classification (SIC) are available from the Department of Commerce, Bureau of Economic Analysis.

Historical data for 1947–74 are available from the U.S. Department of Commerce, Bureau of Economic Analysis. See *Survey of Current Business,* December 2006, for details.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–13.—*Real gross domestic product by industry, value added, and percent changes, 1975–2005*

Year	Gross domestic product	Private industries									
		Total private industries	Agriculture, forestry, fishing, and hunting	Mining	Construction	Manufacturing			Utilities	Wholesale trade	Retail trade
						Total manufacturing	Durable goods	Nondurable goods			
	Chain-type quantity indexes for value added (2000=100)										
1975	43.916	41.482	45.885	80.253	68.132	39.206	31.649	53.697	60.771	30.899	34.244
1976	46.256	43.911	44.589	80.136	73.128	43.369	34.910	59.644	60.220	31.994	36.890
1977	48.391	46.088	46.430	86.262	74.057	46.745	37.736	64.010	59.909	33.611	38.412
1978	51.085	48.802	45.057	88.929	78.442	49.157	40.159	66.062	59.583	37.065	40.654
1979	52.699	50.606	48.573	79.749	81.174	50.843	40.808	70.282	54.661	39.888	40.701
1980	52.579	50.321	47.543	89.978	74.626	48.190	38.476	67.152	51.968	39.782	38.907
1981	53.904	51.720	59.731	90.260	67.939	50.480	39.563	72.303	51.733	42.074	40.035
1982	52.860	50.422	62.961	86.329	59.460	46.795	35.645	69.864	50.698	42.096	39.951
1983	55.249	52.785	43.338	81.175	62.805	50.455	37.953	76.660	52.706	43.770	44.123
1984	59.220	56.789	57.105	88.849	72.200	55.084	44.042	76.466	57.341	47.143	48.265
1985	61.666	59.383	69.555	93.077	79.043	56.582	45.187	78.688	60.940	49.523	51.232
1986	63.804	61.137	68.605	87.529	81.818	56.516	45.550	77.515	64.406	54.486	54.187
1987	65.958	63.367	71.483	91.661	82.448	60.746	48.859	83.572	72.315	53.070	52.138
1988	68.684	66.299	64.678	99.992	85.435	64.212	52.843	85.425	70.613	56.444	56.545
1989	71.116	68.710	71.099	97.072	87.646	65.033	53.696	86.109	79.002	58.603	58.838
1990	72.451	69.905	74.689	96.157	86.543	64.299	52.963	85.419	84.447	57.318	59.794
1991	72.329	69.779	75.398	97.638	79.137	63.412	51.496	85.835	85.285	59.387	59.483
1992	74.734	72.363	83.114	95.694	80.026	65.508	52.742	89.669	85.362	65.037	62.960
1993	76.731	74.291	72.838	97.020	82.010	68.255	55.173	92.943	85.814	67.135	65.351
1994	79.816	77.765	84.616	105.327	86.586	73.496	60.173	98.369	89.518	71.346	69.806
1995	81.814	79.722	73.099	105.681	86.312	76.819	65.218	97.783	93.835	70.800	72.974
1996	84.842	83.179	80.041	98.850	90.694	79.682	69.120	98.443	95.405	77.261	79.407
1997	88.658	87.362	88.315	102.463	93.267	84.518	75.335	100.438	91.161	85.648	86.039
1998	92.359	91.662	86.287	101.682	97.087	90.181	84.355	99.762	90.481	95.431	90.399
1999	96.469	96.183	89.163	104.300	99.411	94.104	89.627	101.298	94.672	100.412	95.686
2000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2001	100.751	100.908	93.661	94.715	100.163	94.436	94.031	95.034	95.081	107.003	106.970
2002	102.362	102.354	98.767	88.719	98.201	97.066	95.663	99.056	99.144	108.059	109.294
2003	104.931	105.068	106.173	87.922	96.189	98.168	98.169	98.265	105.990	110.380	113.559
2004	109.031	109.521	112.686	88.683	97.632	104.520	105.680	103.108	108.540	111.634	116.429
2005	112.546	113.170	112.854	86.395	101.466	106.794	110.832	101.801	109.837	113.262	122.274
	Percent change from year earlier										
1975	–0.2	–0.4	16.1	1.6	–9.4	–6.9	–9.8	–2.3	6.5	2.5	0.8
1976	5.3	5.9	–2.8	–.1	7.3	10.6	10.3	11.1	–.9	3.5	7.7
1977	4.6	5.0	4.1	7.6	1.3	7.8	8.1	7.3	–.5	5.1	4.1
1978	5.6	5.9	–3.0	3.1	5.9	5.2	6.4	3.2	–.5	10.3	5.8
1979	3.2	3.7	7.8	–10.3	3.5	3.4	1.6	6.4	–8.3	7.6	.1
1980	–.2	–.6	–2.1	12.8	–8.1	–5.2	–5.7	–4.5	–4.9	–.3	–4.4
1981	2.5	2.8	25.6	.3	–9.0	4.8	2.8	7.7	–.5	5.8	2.9
1982	–1.9	–2.5	5.4	–4.4	–12.5	–7.3	–9.9	–3.4	–2.0	.1	–.2
1983	4.5	4.7	–31.2	–6.0	5.6	7.8	6.5	9.7	4.0	4.0	10.4
1984	7.2	7.6	31.8	9.5	15.0	9.2	16.0	–.3	8.8	7.7	9.4
1985	4.1	4.6	21.8	4.8	9.5	2.7	2.6	2.9	6.3	5.0	6.1
1986	3.5	3.0	–1.4	–6.0	3.5	–.1	.8	–1.5	5.7	10.0	5.8
1987	3.4	3.6	4.2	4.7	.8	7.5	7.3	7.8	12.3	–2.6	–3.8
1988	4.1	4.6	–9.5	9.1	3.6	5.7	8.2	2.2	–2.4	6.4	8.5
1989	3.5	3.6	9.9	–2.9	2.6	1.3	1.6	.8	11.9	3.8	4.1
1990	1.9	1.7	5.0	–.9	–1.3	–1.1	–1.4	–.8	6.9	–2.2	1.6
1991	–.2	–.2	.9	1.5	–8.6	–1.4	–2.8	.5	1.0	3.6	–.5
1992	3.3	3.7	10.2	–2.0	1.1	3.3	2.4	4.5	.1	9.5	5.8
1993	2.7	2.7	–12.4	1.4	2.5	4.2	4.6	3.7	.5	3.2	3.8
1994	4.0	4.7	16.2	8.6	5.6	7.7	9.1	5.8	4.3	6.3	6.8
1995	2.5	2.5	–13.6	.3	–.3	4.5	8.4	–.6	4.8	–.8	4.5
1996	3.7	4.3	9.5	–6.5	5.1	3.7	6.0	.7	1.7	9.1	8.8
1997	4.5	5.0	10.3	3.7	2.8	6.1	9.0	2.0	–4.4	10.9	8.4
1998	4.2	4.9	–2.3	–.8	4.1	6.7	12.0	–.7	–.7	11.4	5.1
1999	4.5	4.9	3.3	2.6	2.4	4.4	6.2	1.5	4.6	5.2	5.8
2000	3.7	4.0	12.2	–4.1	.6	6.3	11.6	–1.3	5.6	–.4	4.5
2001	.8	.9	–6.3	–5.3	.2	–5.6	–6.0	–5.0	–4.9	7.0	7.0
2002	1.6	1.4	5.5	–6.3	–2.0	2.8	1.7	4.2	4.3	1.0	2.2
2003	2.5	2.7	7.5	–.9	–2.0	1.1	2.6	–.8	6.9	2.1	3.9
2004	3.9	4.2	6.1	.9	1.5	6.5	7.7	4.9	2.4	1.1	2.5
2005	3.2	3.3	.1	–2.6	3.9	2.2	4.9	–1.3	1.2	1.5	5.0

[1] Consists of agriculture, forestry, fishing, and hunting; mining; construction; and manufacturing.
[2] Consists of utilities; wholesale trade; retail trade; transportation and warehousing; information; finance, insurance, real estate, rental, and leasing; professional and business services; educational services, health care, and social assistance; arts, entertainment, recreation, accommodation, and food services; and other services, except government.

See next page for continuation of table.

TABLE B–13.—*Real gross domestic product by industry, value added, and percent changes, 1975–2005*—Continued

Year	Private industries—continued							Government	Private goods-producing industries [1]	Private services-producing industries [2]
	Transportation and warehousing	Information	Finance, insurance, real estate, rental, and leasing	Professional and business services	Educational services, health care, and social assistance	Arts, entertainment, recreation, accommodation, and food services	Other services, except government			
	Chain-type quantity indexes for value added (2000=100)									
1975	38.471	25.176	45.494	29.732	51.971	42.348	68.213	73.147	45.467	39.687
1976	41.733	26.473	46.720	31.391	54.419	45.554	70.997	74.283	49.103	41.544
1977	43.462	28.460	47.363	34.086	57.878	48.641	71.231	74.973	52.269	43.258
1978	45.697	31.532	50.358	36.884	60.672	52.049	75.107	76.694	54.587	46.163
1979	48.252	34.231	52.965	39.387	63.234	53.512	75.703	77.721	56.085	48.120
1980	47.232	36.394	55.414	40.529	66.887	52.407	74.411	79.023	53.880	48.764
1981	46.178	38.257	56.573	41.554	68.455	54.193	72.329	79.328	55.783	49.923
1982	43.855	38.155	56.986	41.345	68.856	55.695	69.103	79.456	52.029	49.794
1983	49.486	41.017	58.734	44.142	71.153	59.784	72.470	80.178	53.361	52.637
1984	52.121	40.717	61.282	48.913	72.366	62.194	77.498	81.038	59.454	55.727
1985	52.715	42.039	62.812	52.748	73.629	66.167	80.936	83.172	62.569	58.104
1986	53.021	42.672	63.965	56.860	75.166	69.642	82.885	85.105	62.534	60.576
1987	55.690	45.764	65.941	60.050	80.273	68.742	84.221	86.753	66.173	62.256
1988	57.990	47.649	68.652	64.420	80.570	71.515	89.044	88.812	69.104	65.186
1989	59.507	51.150	70.359	68.787	84.002	73.872	92.188	90.984	70.366	68.033
1990	62.281	53.420	71.877	72.073	87.047	76.063	94.369	93.215	69.858	69.877
1991	65.060	54.441	73.051	69.786	89.285	74.232	91.258	93.658	68.214	70.319
1992	68.758	57.568	74.863	72.008	91.728	77.250	92.502	94.134	70.330	73.074
1993	71.988	61.445	76.931	73.224	92.199	78.787	95.195	94.055	72.128	75.047
1994	77.827	65.223	78.506	75.430	92.413	80.604	98.624	94.407	77.818	77.745
1995	80.473	67.996	80.732	77.382	93.503	83.542	99.714	94.250	79.572	79.773
1996	84.585	72.714	82.893	82.053	94.144	86.796	99.072	94.768	82.596	83.377
1997	88.373	74.559	86.786	87.432	94.809	90.310	99.291	95.864	87.229	87.407
1998	91.454	82.252	90.201	91.976	95.603	93.446	101.871	96.923	91.878	91.591
1999	95.301	95.467	94.994	96.898	97.304	96.836	100.236	98.009	95.402	96.434
2000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000	100.000
2001	97.354	104.034	103.858	99.346	103.186	99.292	98.337	100.794	95.654	102.584
2002	99.531	106.263	104.800	99.192	107.527	101.022	98.667	102.467	96.853	104.107
2003	101.534	109.430	107.288	103.554	112.257	104.138	100.615	103.776	97.402	107.496
2004	106.860	121.914	111.875	108.925	115.926	107.313	100.126	104.302	102.125	111.866
2005	111.117	132.868	115.182	115.018	119.964	108.798	99.437	104.994	104.243	116.007
	Percent change from year earlier									
1975	–6.9	3.7	4.9	–2.1	6.1	0.9	–0.2	1.2	–4.5	2.1
1976	8.5	5.2	2.7	5.6	4.7	7.6	4.1	1.6	8.0	4.7
1977	4.1	7.5	1.4	8.6	6.4	6.8	.3	.9	6.4	4.1
1978	5.1	10.8	6.3	8.2	4.8	7.0	5.4	2.3	4.4	6.7
1979	5.6	8.6	5.2	6.8	4.2	2.8	.8	1.3	2.7	4.2
1980	–2.1	6.3	4.6	2.9	5.8	–2.1	–1.7	1.7	–3.9	1.3
1981	–2.2	5.1	2.1	2.5	2.3	3.4	–2.8	.4	3.5	2.4
1982	–5.0	–.3	.7	–.5	.6	2.8	–4.5	.2	–6.7	–.3
1983	12.8	7.5	3.1	6.8	3.3	7.3	4.9	.9	2.6	5.7
1984	5.3	–.7	4.3	10.8	1.7	4.0	6.9	1.1	11.4	5.9
1985	1.1	3.2	2.5	7.8	1.7	6.4	4.4	2.6	5.2	4.3
1986	.6	1.5	1.8	7.8	2.1	5.3	2.4	2.3	–.1	4.3
1987	5.0	7.2	3.1	5.6	6.8	–1.3	1.6	1.9	5.8	2.8
1988	4.1	4.1	4.1	7.3	.4	4.0	5.7	2.4	4.4	4.7
1989	2.6	7.3	2.5	6.8	4.3	3.3	3.5	2.4	1.8	4.4
1990	4.7	4.4	2.2	4.8	3.6	3.0	2.4	2.5	–.7	2.7
1991	4.5	1.9	1.6	–3.2	2.6	–2.4	–3.3	.5	–2.4	.6
1992	5.7	5.7	2.5	3.2	2.7	4.1	1.4	.5	3.1	3.9
1993	4.7	6.7	2.8	1.7	.5	2.0	2.9	–.1	2.6	2.7
1994	8.1	6.1	2.0	3.0	.2	2.3	3.6	.4	7.9	3.6
1995	3.4	4.3	2.8	2.6	1.2	3.6	1.1	–.2	2.3	2.6
1996	5.1	6.9	2.7	6.0	.7	3.9	–.6	.5	3.8	4.5
1997	4.5	2.5	4.7	6.6	.7	4.0	.2	1.2	5.6	4.8
1998	3.5	10.3	3.9	5.2	.8	3.5	2.6	1.1	5.3	4.8
1999	4.2	16.1	5.3	5.4	1.8	3.6	–1.6	1.1	3.8	5.3
2000	4.9	4.7	5.3	3.2	2.8	3.3	–.2	2.0	4.8	3.7
2001	–2.6	4.0	3.9	–.7	3.2	–.7	–1.7	.8	–4.3	2.6
2002	2.2	2.1	.9	–.2	4.2	1.7	.3	1.7	1.3	1.5
2003	2.0	3.0	2.4	4.4	4.4	3.1	2.0	1.3	.6	3.3
2004	5.2	11.4	4.3	5.2	3.3	3.0	–.5	.5	4.8	4.1
2005	4.0	9.0	3.0	5.6	3.5	1.4	–.7	.7	2.1	3.7

Note.—Data are based on the 1997 North American Industry Classification System (NAICS).

Historical data for 1947–74 are available from the U.S. Department of Commerce, Bureau of Economic Analysis. See *Survey of Current Business,* December 2006, for details.

See Note, Table B–12.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–14.—*Gross value added of nonfinancial corporate business, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross value added of nonfinancial corporate business[1]	Consumption of fixed capital	Net value added									Addenda:		
			Total	Compensation of employees	Taxes on production and imports less subsidies	Net operating surplus						Profits before tax	Inventory valuation adjustment	Capital consumption adjustment
						Total	Net interest and miscellaneous payments	Business current transfer payments	Corporate profits with inventory valuation and capital consumption adjustments					
									Total	Taxes on corporate income	Profits after tax[2]			
1959	266.0	21.1	244.9	170.8	24.4	49.7	2.9	1.3	45.5	20.7	24.8	43.4	–0.3	2.3
1960	276.4	22.6	253.8	180.4	26.6	46.8	3.2	1.4	42.2	19.1	23.1	40.1	–.2	2.3
1961	283.7	23.2	260.5	184.5	27.6	48.4	3.7	1.5	43.2	19.4	23.8	39.9	.3	3.0
1962	309.8	23.9	285.9	199.3	29.9	56.8	4.3	1.7	50.8	20.6	30.2	44.6	.0	6.1
1963	329.9	25.2	304.7	210.1	31.7	62.9	4.7	1.7	56.5	22.8	33.8	49.7	.1	6.8
1964	356.1	26.4	329.7	225.7	33.9	70.2	5.2	2.0	63.0	23.9	39.2	55.9	–.5	7.7
1965	391.2	28.4	362.8	245.4	36.0	81.4	5.8	2.2	73.3	27.1	46.2	66.1	–1.2	8.4
1966	429.0	31.5	397.4	272.9	37.0	87.6	7.0	2.7	77.9	29.5	48.4	71.4	–2.1	8.5
1967	451.2	34.3	416.8	291.1	39.3	86.4	8.4	2.8	75.2	27.8	47.3	67.6	–1.6	9.1
1968	497.8	37.6	460.2	321.9	45.5	92.8	9.7	3.1	80.0	33.5	46.5	74.0	–3.7	9.7
1969	540.5	42.4	498.1	357.1	50.2	90.8	12.7	3.2	74.9	33.3	41.6	71.2	–5.9	9.6
1970	558.3	46.8	511.5	376.5	54.2	80.7	16.6	3.3	60.9	27.3	33.6	58.5	–6.6	8.9
1971	603.0	50.7	552.4	399.4	59.5	93.4	17.6	3.7	72.1	30.0	42.1	67.4	–4.6	9.3
1972	669.5	56.4	613.2	443.9	63.7	105.6	18.6	4.0	83.0	33.8	49.2	79.2	–6.6	10.5
1973	750.8	62.7	688.1	502.2	70.1	115.8	21.8	4.7	89.4	40.4	49.0	99.4	–19.6	9.5
1974	809.8	74.1	735.7	552.2	74.4	109.1	27.5	4.1	77.5	42.8	34.7	110.1	–38.2	5.6
1975	876.7	87.9	788.7	575.5	80.2	133.1	28.4	5.0	99.6	41.9	57.7	110.7	–10.5	–.5
1976	989.7	97.0	892.7	651.4	86.7	154.7	26.0	7.0	121.7	53.5	68.2	138.2	–14.1	–2.4
1977	1,119.4	110.5	1,008.8	735.3	94.6	178.9	28.5	9.0	141.4	60.6	80.9	159.4	–15.7	–2.2
1978	1,272.9	127.8	1,145.1	845.3	102.7	197.0	33.4	9.5	154.1	67.6	86.6	183.7	–23.7	–5.9
1979	1,415.9	147.3	1,268.6	959.9	108.8	200.0	41.8	9.5	148.8	70.6	78.1	197.0	–40.1	–8.1
1980	1,537.1	168.2	1,368.9	1,049.8	121.5	197.6	54.2	10.2	133.2	68.2	65.0	184.0	–42.1	–8.7
1981	1,746.0	191.5	1,554.5	1,161.5	146.7	246.4	67.2	11.4	167.7	66.0	101.7	185.0	–24.6	7.4
1982	1,806.2	211.2	1,594.9	1,203.9	152.9	238.1	77.4	8.8	151.9	48.8	103.1	139.9	–7.5	19.5
1983	1,933.0	217.6	1,715.4	1,266.9	168.0	280.5	77.0	10.5	192.9	61.7	131.2	163.3	–7.4	37.1
1984	2,167.5	230.7	1,936.8	1,406.1	185.0	345.7	86.0	11.7	248.0	75.9	172.0	197.6	–4.0	54.3
1985	2,302.0	247.4	2,054.6	1,504.2	196.6	353.8	91.5	16.1	246.3	71.1	175.2	173.4	.0	72.8
1986	2,387.5	255.3	2,132.2	1,583.1	204.6	344.5	95.1	27.3	222.1	76.2	145.9	149.7	7.1	65.3
1987	2,557.1	266.5	2,290.6	1,687.8	216.8	386.0	96.4	29.9	259.7	94.2	165.5	209.8	–16.2	66.2
1988	2,771.6	281.6	2,490.0	1,812.8	233.8	443.4	109.8	27.4	306.2	104.0	202.3	260.4	–22.2	68.0
1989	2,912.3	301.6	2,610.7	1,914.7	248.2	447.9	142.0	23.0	282.9	101.2	181.7	238.7	–16.3	60.6
1990	3,041.5	319.2	2,722.3	2,012.9	263.5	445.8	146.2	25.4	274.3	98.5	175.8	239.0	–12.9	48.2
1991	3,099.7	341.4	2,758.3	2,048.4	285.7	424.2	135.9	26.7	261.5	88.6	172.9	222.4	4.9	34.2
1992	3,236.0	353.6	2,882.3	2,154.1	302.5	425.7	111.3	25.2	289.2	94.4	194.8	258.2	–2.8	33.8
1993	3,397.8	363.4	3,034.4	2,244.8	318.8	470.8	102.0	29.6	339.2	108.0	231.2	303.3	–4.0	39.9
1994	3,669.5	391.5	3,278.0	2,381.5	349.6	546.9	101.0	30.0	415.9	132.9	283.1	380.1	–12.4	48.3
1995	3,879.5	415.0	3,464.5	2,509.8	356.9	597.8	115.2	30.2	452.5	141.0	311.4	419.3	–18.3	51.5
1996	4,109.5	436.5	3,673.0	2,630.8	369.1	673.1	111.9	38.0	523.2	153.1	370.1	458.5	3.1	61.6
1997	4,401.8	467.1	3,934.7	2,812.9	385.5	736.3	124.0	39.0	573.4	161.9	411.5	494.2	14.1	65.0
1998	4,655.0	493.3	4,161.7	3,045.6	398.7	717.4	143.8	35.2	538.3	158.6	379.7	449.4	20.2	68.7
1999	4,950.8	523.8	4,427.0	3,267.7	416.6	742.7	160.2	45.0	537.6	171.2	366.3	457.9	1.0	78.7
2000	5,272.2	567.8	4,704.3	3,544.4	443.4	716.5	191.7	48.4	476.4	170.2	306.2	423.9	–14.1	66.6
2001	5,293.5	646.8	4,646.7	3,595.9	439.1	611.8	204.0	50.6	357.2	111.7	245.5	310.6	11.3	35.2
2002	5,371.7	643.6	4,728.2	3,611.9	465.5	650.8	167.4	54.0	429.4	97.0	332.3	336.3	–2.2	95.3
2003	5,558.4	657.5	4,900.9	3,703.2	488.5	709.2	152.6	64.4	492.1	135.7	356.4	425.4	–13.6	80.3
2004	5,932.9	686.2	5,246.7	3,873.4	522.9	850.4	137.8	60.0	652.6	185.3	467.4	623.8	–39.8	68.6
2005	6,369.7	739.7	5,630.1	4,099.7	558.1	972.2	156.6	51.4	764.2	251.4	512.9	932.6	–32.6	–135.8
2003: I	5,443.9	651.8	4,792.1	3,631.3	479.2	681.6	167.2	61.0	453.4	129.4	324.0	408.6	–25.8	70.6
II	5,501.6	655.5	4,846.1	3,680.1	476.9	689.1	155.5	63.8	469.8	123.5	346.4	384.9	–3.3	88.2
III	5,603.3	659.3	4,944.0	3,727.0	495.3	721.8	147.2	66.0	508.6	135.8	372.7	428.8	–5.3	85.1
IV	5,684.6	663.4	5,021.2	3,774.5	502.4	744.2	140.6	66.9	536.6	154.0	382.7	479.1	–19.9	77.5
2004: I	5,780.2	666.0	5,114.1	3,794.8	511.8	807.5	135.4	66.5	605.6	164.3	441.3	552.7	–30.0	82.9
II	5,878.9	672.3	5,206.6	3,834.5	519.5	852.7	137.5	66.6	648.7	186.0	462.7	621.0	–47.5	75.1
III	5,992.9	716.8	5,276.1	3,897.7	524.8	853.6	137.8	40.4	675.4	199.2	476.2	654.3	–38.6	59.6
IV	6,079.6	689.7	5,389.9	3,966.5	535.6	887.7	140.3	66.5	681.0	191.6	489.4	667.3	–43.1	56.8
2005: I	6,193.9	703.3	5,490.6	4,010.2	545.6	934.7	148.8	66.4	719.4	238.4	481.0	875.5	–39.2	–116.9
II	6,324.4	713.2	5,611.3	4,049.9	556.8	1,004.6	152.9	67.3	784.3	244.9	539.4	931.4	–21.0	–126.2
III	6,425.7	804.9	5,620.8	4,140.7	562.9	917.3	159.3	11.1	746.8	255.8	491.0	935.0	–30.9	–157.3
IV	6,534.8	737.2	5,797.6	4,198.0	567.2	1,032.4	165.1	60.9	806.4	266.4	540.0	988.7	–39.2	–143.0
2006: I	6,788.2	733.7	6,054.5	4,341.0	576.7	1,136.8	175.1	60.9	900.9	280.9	620.0	1,050.6	–22.9	–126.8
II	6,790.0	744.4	6,045.7	4,350.6	585.3	1,109.7	180.0	61.7	868.1	283.3	584.8	1,063.5	–58.9	–136.5
III	6,919.5	746.3	6,173.2	4,403.1	586.5	1,183.7	177.2	62.5	943.9	299.6	644.3	1,119.2	–38.2	–137.1

[1] Estimates for nonfinancial corporate business for 2000 and earlier periods are based on the Standard Industrial Classification (SIC); later estimates are based on the North American Industry Classification System (NAICS).

[2] With inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–15.—*Gross value added and price, costs, and profits of nonfinancial corporate business, 1959–2006*

[Quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross value added of nonfinancial corporate business (billions of dollars)[1]		Price per unit of real gross value added of nonfinancial corporate business (dollars)[1 2]								
			Total[2]	Compensation of employees (unit labor cost)	Unit nonlabor cost				Corporate profits with inventory valuation and capital consumption adjustments[4]		
	Current dollars	Chained (2000) dollars			Total	Consumption of fixed capital	Taxes on production and imports[3]	Net interest and miscellaneous payments	Total	Taxes on corporate income	Profits after tax[5]
1959	266.0	980.4	0.271	0.174	0.051	0.022	0.026	0.003	0.046	0.021	0.025
1960	276.4	1,012.0	.273	.178	.053	.022	.028	.003	.042	.019	.023
1961	283.7	1,033.6	.274	.179	.054	.022	.028	.004	.042	.019	.023
1962	309.8	1,120.7	.276	.178	.053	.021	.028	.004	.045	.018	.027
1963	329.9	1,186.7	.278	.177	.053	.021	.028	.004	.048	.019	.028
1964	356.1	1,270.3	.280	.178	.053	.021	.028	.004	.050	.019	.031
1965	391.2	1,375.1	.284	.178	.053	.021	.028	.004	.053	.020	.034
1966	429.0	1,472.6	.291	.185	.053	.021	.027	.005	.053	.020	.033
1967	451.2	1,508.9	.299	.193	.057	.023	.028	.006	.050	.018	.031
1968	497.8	1,604.8	.310	.201	.059	.023	.030	.006	.050	.021	.029
1969	540.5	1,667.6	.324	.214	.065	.025	.032	.008	.045	.020	.025
1970	558.3	1,649.9	.338	.228	.073	.028	.035	.010	.037	.017	.020
1971	603.0	1,716.6	.351	.233	.077	.030	.037	.010	.042	.017	.025
1972	669.5	1,846.4	.363	.240	.078	.031	.037	.010	.045	.018	.027
1973	750.8	1,957.7	.384	.257	.081	.032	.038	.011	.046	.021	.025
1974	809.8	1,925.4	.421	.287	.093	.038	.041	.014	.040	.022	.018
1975	876.7	1,898.8	.462	.303	.106	.046	.045	.015	.052	.022	.030
1976	989.7	2,050.0	.483	.318	.106	.047	.046	.013	.059	.026	.033
1977	1,119.4	2,200.0	.509	.334	.110	.050	.047	.013	.064	.028	.037
1978	1,272.9	2,344.1	.543	.361	.117	.055	.048	.014	.066	.029	.037
1979	1,415.9	2,418.7	.585	.397	.127	.061	.049	.017	.062	.029	.032
1980	1,537.1	2,394.6	.642	.438	.148	.070	.055	.023	.056	.028	.027
1981	1,746.0	2,491.5	.701	.466	.167	.077	.063	.027	.067	.026	.041
1982	1,806.2	2,430.6	.743	.495	.186	.087	.067	.032	.062	.020	.042
1983	1,933.0	2,545.1	.759	.498	.185	.085	.070	.030	.076	.024	.052
1984	2,167.5	2,772.8	.782	.507	.185	.083	.071	.031	.089	.027	.062
1985	2,302.0	2,896.3	.795	.519	.190	.085	.073	.032	.085	.025	.060
1986	2,387.5	2,963.3	.806	.534	.196	.086	.078	.032	.075	.026	.049
1987	2,557.1	3,119.6	.820	.541	.195	.085	.079	.031	.083	.030	.053
1988	2,771.6	3,300.7	.840	.549	.197	.085	.079	.033	.093	.031	.061
1989	2,912.3	3,361.8	.866	.570	.213	.090	.081	.042	.084	.030	.054
1990	3,041.5	3,404.0	.894	.591	.222	.094	.085	.043	.081	.029	.052
1991	3,099.7	3,376.2	.918	.607	.234	.101	.093	.040	.077	.026	.051
1992	3,236.0	3,479.5	.930	.619	.228	.102	.094	.032	.083	.027	.056
1993	3,397.8	3,575.5	.950	.628	.228	.102	.097	.029	.095	.030	.065
1994	3,669.5	3,797.9	.966	.627	.230	.103	.100	.027	.110	.035	.075
1995	3,879.5	3,977.4	.975	.631	.230	.104	.097	.029	.114	.035	.078
1996	4,109.5	4,196.4	.979	.627	.228	.104	.097	.027	.125	.036	.088
1997	4,401.8	4,469.3	.985	.629	.228	.105	.095	.028	.128	.036	.092
1998	4,655.0	4,725.4	.985	.645	.226	.104	.092	.030	.114	.034	.080
1999	4,950.8	5,011.0	.988	.652	.229	.105	.092	.032	.107	.034	.073
2000	5,272.2	5,272.2	1.000	.672	.237	.108	.093	.036	.090	.032	.058
2001	5,293.5	5,224.5	1.013	.688	.257	.124	.094	.039	.068	.021	.047
2002	5,371.7	5,269.7	1.019	.685	.253	.122	.099	.032	.081	.018	.063
2003	5,558.4	5,387.5	1.032	.687	.253	.122	.103	.028	.091	.025	.066
2004	5,932.9	5,630.0	1.054	.688	.250	.122	.104	.024	.116	.033	.083
2005	6,369.7	5,852.9	1.088	.700	.257	.126	.104	.027	.131	.043	.088
2003: I	5,443.9	5,298.6	1.027	.685	.257	.123	.102	.032	.086	.024	.061
II	5,501.6	5,345.0	1.029	.689	.253	.123	.101	.029	.088	.023	.065
III	5,603.3	5,424.6	1.033	.687	.252	.122	.103	.027	.094	.025	.069
IV	5,684.6	5,481.9	1.037	.689	.251	.121	.104	.026	.098	.028	.070
2004: I	5,780.2	5,549.0	1.042	.684	.248	.120	.104	.024	.109	.030	.080
II	5,878.9	5,587.8	1.052	.686	.250	.120	.105	.025	.116	.033	.083
III	5,992.9	5,677.7	1.056	.686	.250	.126	.100	.024	.119	.035	.084
IV	6,079.6	5,705.7	1.066	.695	.252	.121	.106	.025	.119	.034	.086
2005: I	6,193.9	5,763.4	1.075	.696	.254	.122	.106	.026	.125	.041	.083
II	6,324.4	5,844.4	1.082	.693	.255	.122	.107	.026	.134	.042	.092
III	6,425.7	5,875.8	1.094	.705	.262	.137	.098	.027	.127	.044	.084
IV	6,534.8	5,927.8	1.102	.708	.258	.124	.106	.028	.136	.045	.091
2006: I	6,788.2	6,111.2	1.111	.710	.253	.120	.104	.029	.147	.046	.101
II	6,790.0	6,069.0	1.119	.717	.260	.123	.107	.030	.143	.047	.096
III	6,919.5	6,177.3	1.120	.713	.255	.121	.105	.029	.153	.049	.104

[1] Estimates for nonfinancial corporate business for 2000 and earlier periods are based on the Standard Industrial Classification (SIC); later estimates are based on the North American Industry Classification System (NAICS).

[2] The implicit price deflator for gross value added of nonfinancial corporate business divided by 100.

[3] Less subsidies plus business current transfer payments.

[4] Unit profits from current production.

[5] With inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–16.—*Personal consumption expenditures, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal consumption expenditures	Durable goods			Nondurable goods					Services					
		Total [1]	Motor vehicles and parts	Furniture and household equipment	Total [1]	Food	Clothing and shoes	Gasoline and oil	Fuel oil and coal	Total [1]	Housing [2]	Household operation		Transportation	Medical care
												Total [1]	Electricity and gas		
1959	317.6	42.7	18.9	18.1	148.5	80.6	26.4	11.3	4.0	126.5	45.0	18.7	7.6	10.6	16.4
1960	331.7	43.3	19.7	18.0	152.8	82.3	27.0	12.0	3.8	135.6	48.2	20.3	8.3	11.2	17.7
1961	342.1	41.8	17.8	18.3	156.6	84.0	27.6	12.0	3.8	143.8	51.2	21.2	8.8	11.6	19.0
1962	363.3	46.9	21.5	19.3	162.8	86.1	29.0	12.6	3.8	153.6	54.7	22.4	9.4	12.3	21.2
1963	382.7	51.6	24.4	20.7	168.2	88.2	29.8	13.0	4.0	162.9	58.0	23.6	9.9	12.9	23.0
1964	411.4	56.7	26.0	23.2	178.6	93.5	32.4	13.6	4.1	176.1	61.4	25.0	10.4	13.8	26.4
1965	443.8	63.3	29.9	25.1	191.5	100.7	34.1	14.8	4.4	189.0	65.4	26.5	10.9	14.7	28.6
1966	480.9	68.3	30.3	28.2	208.7	109.3	37.4	16.0	4.7	203.8	69.5	28.1	11.5	15.9	31.5
1967	507.8	70.4	30.0	30.0	217.1	112.4	39.2	17.1	4.8	220.3	74.1	30.0	12.2	17.4	34.7
1968	558.0	80.8	36.1	32.9	235.7	122.2	43.2	18.6	4.7	241.6	79.8	32.3	13.0	19.3	40.1
1969	605.2	85.9	38.4	34.7	253.1	131.5	46.5	20.5	4.6	266.1	86.9	35.0	14.1	21.6	45.8
1970	648.5	85.0	35.5	35.7	272.0	143.8	47.8	21.9	4.4	291.5	94.1	37.8	15.3	24.0	51.7
1971	701.9	96.9	44.5	37.8	285.5	149.7	51.7	23.2	4.6	319.5	102.8	41.1	16.9	26.8	58.4
1972	770.6	110.4	51.1	42.4	308.0	161.4	56.4	24.4	5.1	352.2	112.6	45.4	18.8	29.6	65.6
1973	852.4	123.5	56.1	47.9	343.1	179.6	62.5	28.1	6.3	385.8	123.3	49.9	20.4	31.6	73.3
1974	933.4	122.3	49.5	51.5	384.5	201.8	66.0	36.1	7.8	426.6	134.8	55.8	24.0	34.1	82.3
1975	1,034.4	133.5	54.8	54.5	420.7	223.2	70.8	39.7	8.4	480.2	147.7	64.0	29.2	37.9	95.6
1976	1,151.9	158.9	71.3	60.2	458.3	242.5	76.6	43.0	10.1	534.7	162.2	72.5	33.2	42.5	109.1
1977	1,278.6	181.2	83.5	67.2	497.1	262.6	84.1	46.9	11.1	600.2	180.2	81.8	38.5	48.7	125.3
1978	1,428.5	201.7	93.1	74.3	550.2	289.6	94.3	50.1	11.5	676.6	202.4	91.2	43.0	53.4	143.1
1979	1,592.2	214.4	93.5	82.7	624.5	324.7	101.2	66.2	14.4	753.3	227.3	100.3	47.8	59.9	161.0
1980	1,757.1	214.2	87.0	86.7	696.1	356.0	107.3	86.7	15.4	846.9	256.2	113.7	57.5	65.2	184.4
1981	1,941.1	231.3	95.8	92.1	758.9	383.5	117.2	97.9	15.8	950.8	289.7	126.8	64.8	70.3	216.7
1982	2,077.3	240.2	102.9	93.4	787.6	403.4	120.5	94.1	14.5	1,049.4	315.2	142.5	74.2	72.9	243.3
1983	2,290.6	280.8	126.5	106.6	831.2	423.8	130.9	93.1	13.6	1,178.6	341.0	157.0	82.4	81.1	274.3
1984	2,503.3	326.5	152.1	119.0	884.6	447.4	142.5	94.6	13.9	1,292.2	374.5	169.4	86.5	93.2	303.2
1985	2,720.3	363.5	175.9	128.5	928.7	467.6	152.1	97.2	13.6	1,428.1	412.7	181.8	90.8	104.5	331.5
1986	2,899.7	403.0	194.1	143.0	958.4	492.0	163.1	80.1	11.3	1,538.3	448.4	187.7	89.2	111.1	357.5
1987	3,100.2	421.7	195.0	153.4	1,015.3	515.2	174.4	85.4	11.2	1,663.3	483.7	195.4	90.9	120.9	392.2
1988	3,353.6	453.6	209.4	163.7	1,083.5	553.5	185.5	88.3	11.7	1,816.5	521.5	207.3	96.3	133.4	442.8
1989	3,598.5	471.8	215.3	171.6	1,166.7	591.6	198.9	98.6	11.9	1,960.0	557.4	221.1	101.0	142.0	492.5
1990	3,839.9	474.2	212.8	171.6	1,249.9	636.8	204.1	111.2	12.9	2,115.9	597.9	227.3	101.0	147.7	556.0
1991	3,986.1	453.9	193.5	171.7	1,284.8	657.5	208.7	108.5	12.4	2,247.4	631.1	238.6	107.4	145.3	608.9
1992	4,235.3	483.6	213.0	178.7	1,330.5	669.3	221.9	112.4	12.2	2,421.2	658.5	250.7	108.9	157.7	672.2
1993	4,477.9	526.7	234.0	193.4	1,379.4	691.9	229.9	114.1	12.4	2,571.8	683.9	269.9	118.2	172.7	715.1
1994	4,743.3	582.2	260.5	213.4	1,437.2	720.6	238.1	116.2	12.8	2,723.9	726.1	286.2	120.7	190.6	752.9
1995	4,975.8	611.6	266.7	228.6	1,485.1	740.9	241.7	120.2	13.1	2,879.1	764.4	298.7	122.2	207.7	797.9
1996	5,256.8	652.6	284.9	242.9	1,555.5	768.7	250.2	130.4	14.3	3,048.7	800.1	318.5	129.4	226.5	833.5
1997	5,547.4	692.7	305.1	256.2	1,619.0	796.2	258.1	134.4	13.3	3,235.8	842.6	337.0	131.3	245.7	873.0
1998	5,879.5	750.2	336.1	273.1	1,683.6	829.8	270.9	122.4	11.5	3,445.7	894.6	350.5	129.8	259.5	921.4
1999	6,282.5	817.6	370.8	293.9	1,804.8	873.1	286.3	137.9	11.9	3,660.0	948.4	364.8	130.6	276.4	961.1
2000	6,739.4	863.3	386.5	312.9	1,947.2	925.2	297.7	175.7	15.8	3,928.8	1,006.5	390.1	143.3	291.3	1,026.8
2001	7,055.0	883.7	407.9	312.1	2,017.1	967.9	297.7	171.6	15.4	4,154.3	1,073.7	409.0	156.7	292.8	1,113.8
2002	7,350.7	923.9	429.3	323.1	2,079.6	1,001.9	303.5	164.5	14.2	4,347.2	1,123.1	407.7	152.5	288.4	1,206.2
2003	7,703.6	942.7	431.7	331.5	2,190.2	1,046.0	310.9	192.7	16.9	4,570.8	1,161.8	429.4	167.3	297.3	1,300.5
2004	8,211.5	986.3	437.9	356.5	2,345.2	1,114.8	325.1	230.4	18.4	4,880.1	1,236.1	450.0	176.6	307.8	1,395.7
2005	8,742.4	1,033.1	448.2	377.2	2,539.3	1,201.4	341.8	280.2	21.9	5,170.0	1,304.1	483.0	199.8	320.4	1,493.4
2003: I	7,548.1	911.5	419.3	320.2	2,159.0	1,026.8	303.0	200.1	18.1	4,477.7	1,142.3	424.4	164.4	293.0	1,267.5
II	7,628.4	937.3	433.8	326.9	2,155.4	1,033.8	307.8	182.7	16.2	4,535.6	1,151.5	429.1	168.3	295.3	1,290.1
III	7,782.6	964.4	443.3	337.2	2,216.8	1,056.6	316.8	195.8	16.5	4,601.4	1,167.2	429.9	167.2	299.2	1,311.5
IV	7,855.3	957.4	430.4	341.7	2,229.5	1,066.7	316.1	192.2	16.9	4,668.4	1,186.2	434.1	169.2	301.6	1,333.0
2004: I	8,018.0	971.5	433.8	348.8	2,284.7	1,089.4	323.8	213.0	17.6	4,761.8	1,206.0	441.2	173.9	303.7	1,357.6
II	8,148.1	976.2	431.9	353.9	2,327.8	1,104.6	321.5	231.8	17.4	4,844.2	1,228.1	446.1	173.8	306.4	1,383.4
III	8,265.0	990.9	438.6	359.7	2,355.5	1,119.3	325.1	230.4	18.6	4,918.6	1,247.0	451.7	174.6	308.7	1,409.5
IV	8,414.8	1,006.4	447.4	363.6	2,412.7	1,145.9	330.1	246.5	19.9	4,995.7	1,263.2	461.1	183.9	312.3	1,432.5
2005: I	8,519.7	1,013.1	443.6	368.4	2,450.2	1,165.3	335.5	249.3	20.5	5,056.4	1,280.8	467.2	187.6	314.7	1,456.3
II	8,674.6	1,042.3	459.6	374.4	2,508.6	1,191.9	341.5	264.3	21.3	5,123.7	1,297.2	474.3	192.1	318.8	1,478.3
III	8,847.3	1,057.3	468.1	380.0	2,584.9	1,214.7	341.3	308.2	22.8	5,205.1	1,311.7	484.3	199.4	322.3	1,505.0
IV	8,927.8	1,019.6	421.6	386.0	2,613.5	1,233.7	349.1	299.1	23.0	5,294.7	1,326.6	506.1	219.9	325.9	1,534.0
2006: I	9,079.2	1,064.1	442.7	402.3	2,658.2	1,262.3	355.4	295.1	21.1	5,356.8	1,345.4	494.8	206.2	330.4	1,557.2
II	9,228.1	1,061.8	441.7	401.3	2,721.4	1,274.0	355.1	335.6	23.5	5,444.9	1,370.1	499.1	206.9	335.9	1,578.2
III	9,346.7	1,075.5	451.3	403.2	2,747.7	1,280.7	358.7	346.3	23.2	5,523.5	1,394.2	512.3	216.6	339.5	1,597.5

[1] Includes other items not shown separately.
[2] Includes imputed rental value of owner-occupied housing.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–17.—*Real personal consumption expenditures, 1990–2006*

[Billions of chained (2000) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal consumption expenditures	Durable goods			Nondurable goods					Services					
		Total[1]	Motor vehicles and parts	Furniture and household equipment	Total[1]	Food	Clothing and shoes	Gasoline and oil	Fuel oil and coal	Total[1]	Housing[2]	Household operation		Transportation	Medical care
												Total[1]	Electricity and gas		
1990	4,770.3	453.5	256.1	119.9	1,484.0	784.4	188.2	141.8	16.7	2,851.7	802.2	266.4	117.4	195.7	797.6
1991	4,778.4	427.9	226.6	121.1	1,480.5	783.3	188.8	140.3	16.6	2,900.0	820.1	269.9	121.1	186.3	824.5
1992	4,934.8	453.0	244.9	127.8	1,510.1	787.9	199.2	146.0	17.0	3,000.8	832.7	277.4	120.4	194.2	863.6
1993	5,099.8	488.4	259.2	141.1	1,550.4	802.2	207.4	149.7	17.4	3,085.7	841.8	291.1	126.8	202.5	877.2
1994	5,290.7	529.4	276.2	156.8	1,603.9	821.8	218.5	151.7	18.2	3,176.6	869.3	303.3	128.8	218.4	887.1
1995	5,433.5	552.6	272.3	173.3	1,638.6	827.1	227.4	154.5	18.7	3,259.9	887.5	312.9	130.2	231.8	906.4
1996	5,619.4	595.9	285.4	193.4	1,680.4	834.7	238.7	157.9	18.4	3,356.0	901.1	327.3	134.7	247.5	922.5
1997	5,831.8	646.9	304.7	216.3	1,725.3	845.2	246.0	162.8	16.9	3,468.0	922.5	340.4	133.7	263.2	942.8
1998	6,125.8	720.3	339.0	244.7	1,794.4	865.6	263.1	170.3	16.0	3,615.0	948.8	357.1	136.7	272.0	970.7
1999	6,438.6	804.6	372.4	280.7	1,876.6	893.6	282.7	176.3	16.4	3,758.0	978.6	371.9	138.1	283.4	989.0
2000	6,739.4	863.3	386.5	312.9	1,947.2	925.2	297.7	175.7	15.8	3,928.8	1,006.5	390.1	143.3	291.3	1,026.8
2001	6,910.4	900.7	405.8	331.8	1,986.7	940.2	303.7	178.3	15.2	4,023.2	1,033.7	391.0	140.9	288.0	1,075.2
2002	7,099.3	964.8	429.0	364.3	2,037.1	954.6	318.3	181.9	15.5	4,100.4	1,042.1	393.2	144.9	280.2	1,136.6
2003	7,295.3	1,020.6	442.1	397.8	2,103.0	977.7	334.2	183.2	15.4	4,178.8	1,051.9	398.8	147.5	280.6	1,180.8
2004	7,577.1	1,085.7	450.4	446.0	2,179.2	1,011.0	350.9	186.0	14.6	4,323.9	1,091.6	409.3	149.8	284.0	1,217.3
2005	7,841.2	1,145.3	452.9	490.6	2,276.8	1,065.7	372.7	185.9	13.7	4,436.6	1,122.6	418.0	153.8	284.4	1,260.9
2003: I	7,184.9	971.4	424.8	373.3	2,072.5	969.4	323.9	181.6	15.6	4,143.3	1,042.0	397.5	148.6	280.7	1,170.5
II	7,249.3	1,009.8	442.3	388.7	2,084.2	970.3	332.2	181.9	14.9	4,161.3	1,046.3	397.4	146.7	279.9	1,177.4
III	7,352.9	1,049.6	454.8	410.0	2,123.0	985.3	340.8	183.9	15.4	4,190.7	1,054.7	398.0	145.9	280.7	1,184.2
IV	7,394.3	1,051.4	446.4	419.1	2,132.5	985.8	340.1	185.2	15.8	4,220.2	1,064.6	402.3	148.8	281.2	1,191.0
2004: I	7,479.8	1,067.0	449.0	430.3	2,155.3	999.6	349.8	186.0	15.0	4,268.2	1,076.8	405.0	150.4	282.6	1,199.1
II	7,534.4	1,071.4	444.7	440.1	2,164.3	1,003.7	345.5	186.1	14.8	4,308.4	1,087.4	407.5	148.8	284.1	1,210.8
III	7,607.1	1,093.9	451.3	453.0	2,184.0	1,011.0	351.1	185.3	14.8	4,341.5	1,096.9	409.0	147.0	284.1	1,224.2
IV	7,687.1	1,110.3	456.5	460.8	2,213.1	1,029.6	357.2	186.4	14.0	4,377.4	1,105.3	415.6	153.2	285.2	1,235.1
2005: I	7,739.4	1,116.8	447.7	471.2	2,241.5	1,043.7	362.8	188.7	14.4	4,395.3	1,112.7	415.9	153.3	285.8	1,243.4
II	7,819.8	1,150.8	463.0	482.0	2,268.4	1,058.5	371.1	186.7	14.1	4,420.0	1,120.0	416.9	153.2	284.8	1,253.8
III	7,895.3	1,175.9	474.6	497.7	2,287.6	1,074.9	373.9	184.2	13.6	4,454.5	1,126.4	419.4	154.0	283.6	1,267.5
IV	7,910.2	1,137.9	426.3	511.5	2,309.6	1,085.7	383.1	183.9	12.8	4,476.7	1,131.2	419.8	154.7	283.5	1,279.0
2006: I	8,003.8	1,190.5	445.1	538.5	2,342.8	1,103.4	391.1	183.9	12.2	4,494.5	1,137.6	404.3	141.7	286.3	1,292.6
II	8,055.0	1,190.3	443.7	542.9	2,351.1	1,108.8	387.4	183.5	12.9	4,535.4	1,144.5	412.5	147.0	287.5	1,300.9
III	8,111.2	1,208.8	452.9	551.7	2,360.1	1,106.8	392.6	186.6	12.3	4,566.6	1,151.7	422.1	154.4	288.5	1,307.6

[1] Includes other items not shown separately.

[2] Includes imputed rental value of owner-occupied housing.

Note.—See Table B–2 for data for total personal consumption expenditures for 1959–89.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–18.—*Private fixed investment by type, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Private fixed investment	Nonresidential									Residential		
		Total nonresidential	Structures	Equipment and software							Total residential [1]	Structures	
				Total	Information processing equipment and software				Industrial equipment	Transportation equipment	Other equipment		Total [1]	Single family
					Total	Computers and peripheral equipment	Software	Other						
1959	74.6	46.5	18.1	28.4	4.0	0.0	0.0	4.0	8.5	8.3	7.6	28.1	27.5	16.7
1960	75.7	49.4	19.6	29.8	4.9	.2	.1	4.6	9.4	8.5	7.1	26.3	25.8	14.9
1961	75.2	48.8	19.7	29.1	5.3	.3	.2	4.8	8.8	8.0	7.0	26.4	25.9	14.1
1962	82.0	53.1	20.8	32.3	5.7	.3	.2	5.1	9.3	9.8	7.5	29.0	28.4	15.1
1963	88.1	56.0	21.2	34.8	6.5	.7	.4	5.4	10.0	9.4	8.8	32.1	31.5	16.0
1964	97.2	63.0	23.7	39.2	7.4	.9	.5	5.9	11.4	10.6	9.9	34.3	33.6	17.6
1965	109.0	74.8	28.3	46.5	8.5	1.2	.7	6.7	13.7	13.2	11.0	34.2	33.5	17.8
1966	117.7	85.4	31.3	54.0	10.7	1.7	1.0	8.0	16.2	14.5	12.7	32.3	31.6	16.6
1967	118.7	86.4	31.5	54.9	11.3	1.9	1.2	8.2	16.9	14.3	12.4	32.4	31.6	16.8
1968	132.1	93.4	33.6	59.9	11.9	1.9	1.3	8.7	17.3	17.6	13.0	38.7	37.9	19.5
1969	147.3	104.7	37.7	67.0	14.6	2.4	1.8	10.4	19.1	18.9	14.4	42.6	41.6	19.7
1970	150.4	109.0	40.3	68.7	16.6	2.7	2.3	11.6	20.3	16.2	15.6	41.4	40.2	17.5
1971	169.9	114.1	42.7	71.5	17.3	2.8	2.4	12.2	19.5	18.4	16.3	55.8	54.5	25.8
1972	198.5	128.8	47.2	81.7	19.5	3.5	2.8	13.2	21.4	21.8	19.0	69.7	68.1	32.8
1973	228.6	153.3	55.0	98.3	23.1	3.5	3.2	16.3	26.0	26.6	22.6	75.3	73.6	35.2
1974	235.4	169.5	61.2	108.2	27.0	3.9	3.9	19.2	30.7	26.3	24.3	66.0	64.1	29.7
1975	236.5	173.7	61.4	112.4	28.5	3.6	4.8	20.2	31.3	25.2	27.4	62.7	60.8	29.6
1976	274.8	192.4	65.9	126.4	32.7	4.4	5.2	23.1	34.1	30.0	29.6	82.5	80.4	43.9
1977	339.0	228.7	74.6	154.1	39.2	5.7	5.5	28.0	39.4	39.3	36.3	110.3	107.9	62.2
1978	412.2	280.6	93.6	187.0	48.7	7.6	6.3	34.8	47.7	47.3	43.2	131.6	128.9	72.8
1979	474.9	333.9	117.7	216.2	58.5	10.2	8.1	40.2	56.2	53.6	47.9	141.0	137.8	72.3
1980	485.6	362.4	136.2	226.2	68.8	12.5	9.8	46.4	60.7	48.4	48.3	123.2	119.8	52.9
1981	542.6	420.0	167.3	252.7	81.5	17.1	11.8	52.5	65.5	50.6	55.2	122.6	118.9	52.0
1982	532.1	426.5	177.6	248.9	88.3	18.9	14.0	55.3	62.7	46.8	51.2	105.7	102.0	41.5
1983	570.1	417.2	154.3	262.9	100.1	23.9	16.4	59.8	58.9	53.5	50.4	152.9	148.6	72.5
1984	670.2	489.6	177.4	312.2	121.5	31.6	20.4	69.6	68.1	64.4	58.1	180.6	175.9	86.4
1985	714.4	526.2	194.5	331.7	130.3	33.7	23.8	72.9	72.5	69.0	59.9	188.2	183.1	87.4
1986	739.9	519.8	176.5	343.3	136.8	33.4	25.6	77.7	75.4	70.5	60.7	220.1	214.6	104.1
1987	757.8	524.1	174.2	349.9	141.2	35.8	29.0	76.4	76.7	68.1	63.9	233.7	227.9	117.2
1988	803.1	563.8	182.8	381.0	154.9	38.0	34.2	82.8	84.2	72.9	69.0	239.3	233.2	120.1
1989	847.3	607.7	193.7	414.0	172.6	43.1	41.9	87.6	93.3	67.9	80.2	239.5	233.4	120.9
1990	846.4	622.4	202.9	419.5	177.2	38.6	47.6	90.9	92.1	70.0	80.2	224.0	218.0	112.9
1991	803.3	598.2	183.6	414.6	182.9	37.7	53.7	91.5	89.3	71.5	70.8	205.1	199.4	99.4
1992	848.5	612.1	172.6	439.6	199.9	44.0	57.9	98.1	93.0	74.7	72.0	236.3	230.4	122.0
1993	932.5	666.6	177.2	489.4	217.6	47.9	64.3	105.4	102.2	89.4	80.2	266.0	259.9	140.1
1994	1,033.3	731.4	186.8	544.6	235.2	52.4	68.3	114.6	113.6	107.7	88.1	301.9	295.6	162.3
1995	1,112.9	810.0	207.3	602.8	263.0	66.1	74.6	122.3	129.0	116.1	94.7	302.8	296.5	153.5
1996	1,209.5	875.4	224.6	650.8	290.1	72.8	85.5	131.9	136.5	123.2	101.0	334.1	327.8	170.8
1997	1,317.8	968.7	250.3	718.3	330.3	81.4	107.5	141.4	140.4	135.5	112.1	349.1	342.8	175.2
1998	1,438.4	1,052.6	275.2	777.3	363.4	87.2	124.0	152.2	146.4	144.0	123.5	385.8	379.3	199.4
1999	1,558.8	1,133.9	282.2	851.7	411.0	96.0	152.6	162.4	147.0	167.6	126.0	424.9	417.8	223.8
2000	1,679.0	1,232.1	313.2	918.9	467.6	101.4	176.2	190.0	159.2	160.8	131.2	446.9	439.5	236.8
2001	1,646.1	1,176.8	322.6	854.2	437.0	85.4	174.7	177.0	146.7	141.7	128.8	469.3	461.9	249.1
2002	1,570.2	1,066.3	279.2	787.1	399.4	77.2	167.6	154.5	135.7	126.3	125.7	503.9	496.3	265.9
2003	1,649.8	1,077.4	277.2	800.2	406.7	77.8	171.4	157.5	140.7	118.3	134.5	572.4	564.5	310.6
2004	1,830.6	1,155.3	300.8	854.5	431.6	82.3	184.3	164.9	138.4	141.6	143.0	675.3	666.8	377.6
2005	2,036.2	1,265.7	338.6	927.1	454.3	85.1	194.0	175.2	155.1	158.3	159.4	770.4	761.3	433.5
2003: I	1,583.3	1,044.0	269.9	774.1	393.8	75.3	166.1	152.4	141.1	110.4	128.8	539.3	531.8	291.0
II	1,620.6	1,067.4	279.2	788.2	394.9	73.5	167.5	153.9	144.9	117.3	131.1	553.2	545.5	296.0
III	1,678.7	1,093.3	280.2	813.2	412.5	79.1	174.6	158.8	141.3	121.3	138.1	585.4	577.4	314.2
IV	1,716.4	1,104.8	279.6	825.2	425.5	83.4	177.4	164.7	135.4	124.3	139.9	611.6	603.5	341.0
2004: I	1,743.9	1,112.1	286.5	825.6	430.0	81.4	181.6	167.0	134.5	122.9	138.2	631.8	623.5	353.5
II	1,812.8	1,137.6	296.8	840.8	428.1	79.0	181.9	167.2	134.3	136.9	141.4	675.2	666.9	376.4
III	1,862.9	1,170.0	306.4	863.6	431.5	83.0	185.4	163.1	140.9	146.6	144.6	692.9	684.4	388.9
IV	1,902.9	1,201.5	313.6	887.9	436.5	85.9	188.3	162.3	143.7	159.8	147.9	701.4	692.7	391.5
2005: I	1,954.1	1,230.0	326.5	903.5	447.0	85.4	189.7	171.8	150.1	155.5	150.9	724.1	715.3	407.4
II	2,016.7	1,251.8	332.0	919.8	452.3	85.3	193.8	173.3	149.5	158.0	159.9	764.9	755.8	427.5
III	2,067.9	1,276.7	336.3	940.4	456.6	83.9	195.6	177.2	157.0	165.0	161.8	791.2	782.0	443.6
IV	2,105.8	1,304.3	359.7	944.7	461.3	85.9	196.9	178.4	163.9	154.6	164.9	801.5	792.1	455.5
2006: I	2,167.7	1,359.2	378.2	981.0	482.4	88.0	203.6	190.8	163.4	165.7	169.4	808.5	798.7	458.2
II	2,174.8	1,384.3	406.3	977.9	479.9	85.9	207.0	187.1	170.1	155.9	172.1	790.6	780.8	437.0
III	2,171.4	1,420.8	426.9	994.0	489.6	87.2	210.8	191.7	172.0	157.5	174.9	750.5	740.7	401.0

[1] Includes other items, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–19.—*Real private fixed investment by type, 1990–2006*

[Billions of chained (2000) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Private fixed investment	Nonresidential										Residential		
		Total nonresidential	Structures	Equipment and software								Total residential[2]	Structures	
				Total	Information processing equipment and software				Industrial equipment	Transportation equipment	Other equipment		Total[2]	Single family
					Total	Computers and peripheral equipment[1]	Software	Other						
1990	886.6	595.1	275.2	355.0	100.7	.....	39.9	80.1	109.2	81.0	96.0	298.9	292.6	154.2
1991	829.1	563.2	244.6	345.9	105.9	.....	45.1	79.6	102.2	78.8	82.0	270.2	264.0	135.1
1992	878.3	581.3	229.9	371.1	122.2	.....	53.0	84.4	104.0	80.2	81.6	307.6	301.4	164.1
1993	953.5	631.9	228.3	417.4	138.2	.....	59.3	90.9	112.9	95.1	89.3	332.7	326.4	179.7
1994	1,042.3	689.9	232.3	467.2	155.7	.....	65.1	99.4	122.9	111.4	96.5	364.8	358.6	198.9
1995	1,109.6	762.5	247.1	523.1	182.7	.....	71.6	107.0	134.9	120.6	101.7	353.1	346.8	180.6
1996	1,209.2	833.6	261.1	578.7	218.9	.....	84.1	117.2	139.9	125.4	105.6	381.3	375.1	197.3
1997	1,320.6	934.2	280.1	658.3	269.9	.....	108.8	127.3	143.0	135.9	115.8	388.6	382.4	196.6
1998	1,455.0	1,037.8	294.5	745.6	328.9	.....	129.4	143.2	148.1	145.4	125.7	418.3	411.9	218.1
1999	1,576.3	1,133.3	293.2	840.2	398.5	.....	157.2	158.0	147.9	167.7	126.7	443.6	436.6	234.2
2000	1,679.0	1,232.1	313.2	918.9	467.6	.....	176.2	190.0	159.2	160.8	131.2	446.9	439.5	236.8
2001	1,629.4	1,180.5	306.1	874.2	459.0	.....	173.8	181.7	145.7	142.8	126.9	448.5	441.1	237.1
2002	1,544.6	1,071.5	253.8	820.2	437.4	.....	169.7	161.1	134.5	126.0	122.9	469.9	462.2	246.3
2003	1,596.9	1,081.8	243.5	843.1	462.7	.....	177.3	167.1	138.4	113.8	130.4	509.4	501.2	272.6
2004	1,713.9	1,145.8	248.7	904.2	509.3	.....	195.0	180.7	132.7	128.8	137.6	559.9	550.9	305.0
2005	1,842.0	1,223.8	251.5	984.9	552.6	.....	206.2	193.6	143.5	145.4	147.3	608.0	598.5	336.3
2003: I	1,536.3	1,047.5	238.2	813.3	442.1	.....	170.4	160.2	139.1	108.3	125.1	484.1	476.4	257.4
II	1,575.6	1,074.5	246.5	831.7	446.0	.....	171.8	162.4	142.7	116.6	127.1	496.3	488.3	262.4
III	1,626.7	1,098.8	246.0	857.8	470.4	.....	180.6	168.7	138.9	116.8	133.8	521.8	513.5	276.9
IV	1,648.9	1,106.5	243.1	869.5	492.4	.....	186.3	177.0	132.8	113.5	135.5	535.2	526.7	293.6
2004: I	1,658.0	1,111.2	245.0	872.0	501.8	.....	191.3	181.5	130.6	111.7	134.4	539.2	530.5	294.8
II	1,704.4	1,130.7	249.1	887.6	503.1	.....	192.2	182.9	129.4	123.7	136.1	564.1	555.2	306.0
III	1,736.1	1,158.8	251.0	915.1	510.3	.....	195.8	179.1	134.7	134.3	139.0	568.6	559.4	310.2
IV	1,757.1	1,182.3	249.7	942.0	521.8	.....	200.7	179.2	136.1	145.3	141.1	567.7	558.4	308.7
2005: I	1,790.6	1,199.7	253.0	956.5	537.4	.....	201.7	189.3	140.4	141.4	141.3	582.8	573.5	321.1
II	1,835.8	1,214.8	251.7	974.8	547.9	.....	205.7	191.5	138.4	144.6	148.0	609.9	600.4	334.7
III	1,864.2	1,232.4	247.1	1,000.6	557.7	.....	208.0	196.0	144.9	152.3	148.8	620.4	610.8	342.6
IV	1,877.3	1,248.2	254.2	1,007.6	567.3	.....	209.5	197.5	150.4	143.2	151.2	618.9	609.2	346.6
2006: I	1,914.6	1,288.8	259.6	1,044.8	595.9	.....	215.6	211.6	149.0	152.2	154.3	618.5	608.5	345.1
II	1,906.8	1,302.8	271.9	1,041.2	594.3	.....	217.8	206.7	153.9	142.7	157.1	600.5	590.6	327.1
III	1,901.3	1,334.2	282.0	1,060.7	608.6	.....	221.0	211.3	153.9	147.3	158.6	570.3	560.6	300.8

[1] For details on this component see *Survey of Current Business*, Table 5.3.6, Table 5.3.1 for growth rates, Table 5.3.2 for contributions, and Table 5.3.3 for quantity indexes.

[2] Includes other items, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–20.—*Government consumption expenditures and gross investment by type, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Government consumption expenditures and gross investment													
	Total	Federal									State and local			
		Total	National defense				Nondefense							
			Total	Consumption expenditures	Gross investment		Total	Consumption expenditures	Gross investment		Total	Consumption expenditures	Gross investment	
					Structures	Equipment and software			Structures	Equipment and software			Structures	Equipment and software
1959	110.0	65.4	53.8	40.1	2.5	11.2	11.5	9.8	1.5	0.2	44.7	30.7	12.8	1.1
1960	111.6	64.1	53.4	41.0	2.2	10.1	10.7	8.7	1.7	.3	47.5	33.5	12.7	1.2
1961	119.5	67.9	56.5	42.7	2.4	11.5	11.4	9.0	1.9	.6	51.6	36.6	13.8	1.3
1962	130.1	75.3	61.1	46.6	2.0	12.5	14.2	11.3	2.1	.8	54.9	39.0	14.5	1.3
1963	136.4	76.9	61.0	48.3	1.6	11.0	15.9	12.4	2.3	1.2	59.5	41.9	16.0	1.5
1964	143.2	78.5	60.3	48.8	1.3	10.2	18.2	14.0	2.5	1.6	64.8	45.8	17.2	1.8
1965	151.5	80.4	60.6	50.6	1.1	8.9	19.8	15.1	2.8	1.9	71.0	50.2	19.0	1.9
1966	171.8	92.5	71.7	60.0	1.3	10.5	20.8	15.9	2.8	2.1	79.2	56.1	21.0	2.1
1967	192.7	104.8	83.5	70.0	1.2	12.3	21.3	17.1	2.2	1.9	87.9	62.6	23.0	2.3
1968	209.4	111.4	89.3	77.2	1.2	10.9	22.1	18.3	2.1	1.7	98.0	70.4	25.2	2.4
1969	221.5	113.4	89.5	78.2	1.5	9.9	23.8	20.2	1.9	1.7	108.2	79.9	25.6	2.7
1970	233.8	113.5	87.6	76.6	1.3	9.8	25.8	22.1	2.1	1.7	120.3	91.5	25.8	3.0
1971	246.5	113.7	84.6	77.1	1.8	5.7	29.1	24.9	2.5	1.7	132.8	102.7	27.0	3.1
1972	263.5	119.7	87.0	79.5	1.8	5.7	32.7	28.2	2.7	1.8	143.8	113.2	27.1	3.5
1973	281.7	122.5	88.2	79.4	2.1	6.6	34.3	29.4	3.1	1.8	159.2	126.0	29.1	4.1
1974	317.9	134.6	95.6	84.5	2.2	8.9	39.0	33.4	3.4	2.2	183.4	143.7	34.7	4.9
1975	357.7	149.1	103.9	90.9	2.3	10.7	45.1	38.7	4.1	2.4	208.7	165.1	38.1	5.5
1976	383.0	159.7	111.1	95.8	2.1	13.2	48.6	41.4	4.6	2.7	223.3	179.5	38.1	5.7
1977	414.1	175.4	120.9	104.2	2.4	14.4	54.5	46.5	5.0	3.0	238.7	195.9	36.9	5.9
1978	453.6	190.9	130.5	112.7	2.5	15.3	60.4	50.6	6.1	3.7	262.6	213.2	42.8	6.6
1979	500.8	210.6	145.2	123.8	2.5	18.9	65.4	55.1	6.3	4.0	290.2	233.3	49.0	7.8
1980	566.2	243.8	168.0	143.7	3.2	21.1	75.8	63.8	7.1	4.9	322.4	258.4	55.1	8.9
1981	627.5	280.2	196.3	167.3	3.2	25.7	84.0	71.0	7.7	5.3	347.3	282.3	55.4	9.5
1982	680.5	310.8	225.9	191.2	4.0	30.8	84.9	72.1	6.8	6.0	369.7	304.9	54.2	10.6
1983	733.5	342.9	250.7	208.8	4.8	37.1	92.3	77.7	6.7	7.8	390.5	324.1	54.2	12.2
1984	797.0	374.4	281.6	232.9	4.9	43.8	92.8	77.1	7.0	8.7	422.6	347.7	60.5	14.4
1985	879.0	412.8	311.2	253.7	6.2	51.3	101.6	84.7	7.3	9.6	466.2	381.8	67.6	16.8
1986	949.3	438.6	330.9	268.0	6.8	56.1	107.8	90.3	8.0	9.5	510.7	417.9	74.2	18.6
1987	999.5	460.1	350.0	283.6	7.7	58.8	110.0	90.6	9.0	10.4	539.4	440.9	78.8	19.6
1988	1,039.0	462.3	354.9	293.6	7.4	53.9	107.4	88.9	6.8	11.7	576.7	470.4	84.8	21.5
1989	1,099.1	482.2	362.2	299.5	6.4	56.3	120.0	99.7	6.9	13.4	616.9	502.1	88.7	26.0
1990	1,180.2	508.3	374.0	308.1	6.1	59.8	134.3	111.7	8.0	14.6	671.9	544.6	98.5	28.7
1991	1,234.4	527.7	383.2	319.8	4.6	58.8	144.5	119.7	9.2	15.7	706.7	574.6	103.2	28.9
1992	1,271.0	533.9	376.9	315.3	5.2	56.3	157.0	129.8	10.3	16.9	737.0	602.7	104.2	30.1
1993	1,291.2	525.2	362.9	307.6	5.1	50.1	162.4	134.2	11.2	16.9	766.0	630.3	104.5	31.2
1994	1,325.5	519.1	353.7	300.7	5.7	47.2	165.5	140.1	10.5	14.9	806.3	663.3	108.7	34.3
1995	1,369.2	519.2	348.7	297.3	6.3	45.1	170.5	143.2	10.8	16.5	850.0	696.1	117.3	36.7
1996	1,416.0	527.4	354.6	302.5	6.7	45.4	172.8	143.8	11.2	17.9	888.6	724.8	126.8	36.9
1997	1,468.7	530.9	349.6	304.7	5.7	39.2	181.3	153.0	9.8	18.5	937.8	758.9	139.5	39.4
1998	1,518.3	530.4	345.7	300.7	5.1	39.9	184.7	153.9	10.6	20.2	987.9	801.4	143.6	43.0
1999	1,620.8	555.8	360.6	312.9	5.0	42.8	195.2	162.2	10.6	22.4	1,065.0	858.9	159.7	46.4
2000	1,721.6	578.8	370.3	321.5	5.0	43.8	208.5	177.8	8.3	22.3	1,142.8	917.8	176.0	49.0
2001	1,825.6	612.9	392.6	342.4	4.6	45.6	220.3	189.5	8.3	22.5	1,212.8	969.8	192.4	50.6
2002	1,961.1	679.7	437.1	381.7	4.4	51.0	242.5	209.9	9.9	22.8	1,281.5	1,025.3	205.9	50.2
2003	2,092.5	756.4	497.2	436.8	5.3	55.2	259.2	226.0	10.1	23.1	1,336.0	1,073.8	212.0	50.3
2004	2,226.2	825.9	551.2	483.7	5.1	62.4	274.7	240.7	9.6	24.3	1,400.3	1,130.3	218.4	51.6
2005	2,372.8	878.3	589.3	516.9	5.2	67.2	289.0	251.7	10.2	27.1	1,494.4	1,207.2	233.5	53.8
2003:I	2,050.3	725.9	467.4	410.6	4.8	52.0	258.5	226.3	9.9	22.4	1,324.4	1,065.2	209.3	49.9
II	2,087.7	762.2	506.9	446.9	5.0	55.0	255.3	221.6	10.4	23.4	1,325.5	1,066.7	209.1	49.7
III	2,108.2	764.8	501.5	439.7	5.7	56.1	263.3	229.4	10.5	23.4	1,343.3	1,076.2	216.6	50.5
IV	2,123.7	772.8	513.1	450.0	5.7	57.5	259.7	226.5	9.8	23.4	1,350.9	1,086.9	213.0	51.0
2004:I	2,174.4	808.2	537.7	474.2	5.1	58.4	270.5	238.0	9.1	23.4	1,366.3	1,103.9	211.3	51.0
II	2,215.1	823.8	548.1	481.0	4.7	62.3	275.7	241.5	9.9	24.3	1,391.4	1,120.9	219.3	51.1
III	2,247.3	838.4	564.1	494.5	5.2	64.4	274.3	240.3	10.0	24.0	1,409.0	1,136.6	220.7	51.7
IV	2,268.0	833.2	555.1	485.3	5.3	64.6	278.1	243.0	9.4	25.7	1,434.8	1,160.0	222.3	52.5
2005:I	2,316.2	862.9	576.8	507.7	5.2	63.9	286.0	250.3	9.8	26.0	1,453.3	1,174.6	225.6	53.1
II	2,348.9	868.4	584.3	512.1	5.0	67.2	284.1	248.7	9.2	26.2	1,480.5	1,192.8	234.0	53.7
III	2,402.4	895.8	605.0	530.9	5.1	69.0	290.7	253.4	9.9	27.5	1,506.6	1,217.8	234.6	54.1
IV	2,423.6	886.2	590.9	516.9	5.4	68.6	295.3	254.2	12.1	29.0	1,537.4	1,243.4	239.8	54.2
2006:I	2,479.6	921.7	613.5	537.7	5.2	70.6	308.2	265.9	11.8	30.6	1,557.9	1,256.2	246.8	54.9
II	2,513.9	919.7	616.5	537.7	5.1	73.7	303.2	264.6	10.0	28.6	1,594.2	1,280.7	258.1	55.4
III	2,542.1	927.2	618.1	539.3	5.2	73.6	309.0	269.8	10.1	29.2	1,614.9	1,300.0	259.2	55.8

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–21.—*Real government consumption expenditures and gross investment by type, 1990–2006*

[Billions of chained (2000) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Government consumption expenditures and gross investment													
	Total	Federal									State and local			
		Total	National defense				Nondefense							
			Total	Consumption expenditures	Gross investment		Total	Consumption expenditures	Gross investment		Total	Consumption expenditures	Gross investment	
					Structures	Equipment and software			Structures	Equipment and software			Structures	Equipment and software
1990	1,530.0	659.1	479.4	404.9	8.6	64.2	178.6	156.5	10.6	12.9	868.4	714.2	132.1	25.0
1991	1,547.2	658.0	474.2	404.4	6.4	61.8	182.8	158.4	11.8	13.7	886.8	729.0	136.5	24.8
1992	1,555.3	646.6	450.7	383.5	7.0	58.7	195.4	168.2	13.2	15.0	906.5	746.5	137.0	25.9
1993	1,541.1	619.6	425.3	367.2	6.4	51.1	194.1	166.0	14.1	15.0	919.5	761.4	133.9	26.8
1994	1,541.3	596.4	404.6	350.6	7.1	46.8	191.7	167.3	12.7	13.3	943.3	780.6	134.9	29.5
1995	1,549.7	580.3	389.2	338.1	7.4	43.7	191.0	164.7	12.6	14.7	968.3	798.4	139.5	31.7
1996	1,564.9	573.5	383.8	332.2	7.7	43.8	189.6	161.1	12.7	16.4	990.5	812.8	146.3	32.7
1997	1,594.0	567.6	373.0	328.1	6.4	38.9	194.5	166.6	10.9	17.5	1,025.9	834.9	155.8	36.1
1998	1,624.4	561.2	365.3	319.8	5.5	40.1	195.9	164.8	11.5	19.8	1,063.0	866.4	155.6	41.2
1999	1,686.9	573.7	372.2	324.6	5.2	42.5	201.5	168.1	11.1	22.3	1,113.2	900.3	167.0	45.9
2000	1,721.6	578.8	370.3	321.5	5.0	43.8	208.5	177.8	8.3	22.3	1,142.8	917.8	176.0	49.0
2001	1,780.3	601.4	384.9	334.1	4.4	46.4	216.5	185.8	8.0	22.7	1,179.0	941.2	186.0	51.7
2002	1,858.8	643.4	413.2	356.7	4.2	52.6	230.2	197.3	9.3	23.5	1,215.4	969.4	193.5	52.5
2003	1,904.8	687.1	449.0	387.5	4.8	56.9	238.0	204.5	9.3	24.2	1,217.8	969.8	194.7	53.4
2004	1,940.6	716.6	475.4	408.3	4.4	63.3	241.0	207.0	8.5	25.6	1,223.9	979.6	189.5	55.0
2005	1,958.0	727.5	483.6	413.3	4.2	67.3	243.7	207.3	8.4	28.6	1,230.4	988.0	185.7	57.3
2003: I	1,879.3	662.5	424.2	366.3	4.4	53.7	238.4	205.8	9.2	23.3	1,216.9	971.1	193.1	52.6
II	1,907.5	693.0	458.4	397.1	4.6	56.7	234.5	200.6	9.6	24.3	1,214.4	969.3	192.4	52.7
III	1,914.5	693.7	452.2	389.4	5.1	57.9	241.5	207.2	9.7	24.5	1,220.8	968.4	198.8	53.7
IV	1,918.0	699.0	461.1	397.0	5.1	59.4	237.8	204.2	8.9	24.6	1,219.0	970.2	194.5	54.4
2004: I	1,931.8	711.3	471.3	406.9	4.5	60.0	239.9	207.0	8.2	24.6	1,220.4	974.9	191.1	54.5
II	1,942.6	715.7	473.6	406.9	4.1	63.3	241.9	207.7	8.8	25.5	1,226.8	978.6	193.8	54.5
III	1,948.7	724.5	484.0	415.2	4.5	65.2	240.1	206.2	8.7	25.3	1,224.1	980.5	188.6	55.2
IV	1,939.3	714.9	472.6	404.2	4.5	64.9	242.1	207.3	8.1	27.0	1,224.3	984.3	184.5	55.9
2005: I	1,947.2	720.8	477.8	410.2	4.4	63.9	242.8	207.7	8.2	27.3	1,226.3	984.7	185.6	56.5
II	1,952.6	721.6	481.1	410.9	4.2	67.3	240.1	205.4	7.7	27.5	1,230.9	986.0	188.3	57.1
III	1,968.8	738.2	494.1	421.9	4.2	69.3	243.8	207.5	8.1	29.0	1,230.5	989.5	184.3	57.6
IV	1,963.5	729.6	481.4	410.0	4.3	68.6	248.0	208.7	9.7	30.6	1,233.7	991.9	184.7	58.1
2006: I	1,987.1	745.1	491.8	419.0	4.1	70.3	253.1	212.8	9.3	32.3	1,242.0	996.1	188.0	58.9
II	1,991.2	736.6	489.3	414.7	3.9	73.0	247.0	210.1	7.7	30.1	1,254.4	1,001.2	194.5	59.3
III	1,999.4	738.9	487.8	413.7	4.0	72.3	250.9	213.4	7.7	30.9	1,260.3	1,009.0	192.2	60.0

Note.—See Table B-2 for data for total government consumption expenditures and gross investment for 1959-89.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–22.—*Private inventories and domestic final sales by industry, 1959–2006*

[Billions of dollars, except as noted; seasonally adjusted]

Quarter	Private inventories[1]								Final sales of domestic business[3]	Ratio of private inventories to final sales of domestic business	
	Total[2]	Farm	Mining, utilities, and construction[2]	Manufacturing	Wholesale trade	Retail trade	Other industries[2]	Nonfarm[2]		Total	Nonfarm
Fourth quarter:											
1959	132.9	42.1		47.7	16.5	20.5	6.1	90.8	31.6	4.20	2.87
1960	136.2	42.7		48.7	16.9	21.9	6.1	93.5	32.7	4.17	2.86
1961	139.6	44.3		50.1	17.3	21.3	6.6	95.2	34.3	4.07	2.78
1962	147.2	46.7		53.2	18.0	22.7	6.6	100.5	36.0	4.09	2.79
1963	149.7	44.2		55.1	19.5	23.9	7.1	105.5	38.3	3.91	2.75
1964	154.3	42.1		58.6	20.8	25.2	7.7	112.2	41.2	3.75	2.73
1965	169.3	47.1		63.4	22.5	28.0	8.3	122.2	45.3	3.73	2.70
1966	185.7	47.4		73.0	25.8	30.6	8.9	138.3	47.8	3.88	2.89
1967	194.9	45.8		79.9	28.1	30.9	10.1	149.1	50.3	3.87	2.96
1968	208.2	48.9		85.1	29.3	34.2	10.6	159.3	55.4	3.76	2.87
1969	227.7	53.1		92.6	32.5	37.5	12.0	174.6	59.1	3.85	2.95
1970	236.0	52.7		95.5	36.4	38.5	12.9	183.3	62.4	3.78	2.94
1971	253.9	59.5		96.6	39.4	44.7	13.7	194.4	68.0	3.73	2.86
1972	283.9	74.0		102.1	43.1	49.8	14.8	209.9	76.3	3.72	2.75
1973	352.2	102.8		121.5	51.7	58.4	17.7	249.4	84.3	4.18	2.96
1974	406.3	88.2		162.6	66.9	63.9	24.7	318.1	90.4	4.49	3.52
1975	409.3	90.3		162.2	66.5	64.4	25.9	319.0	101.7	4.02	3.14
1976	440.1	85.8		178.7	74.1	73.0	28.5	354.2	111.9	3.93	3.17
1977	482.4	91.0		193.2	84.0	80.9	33.3	391.4	124.8	3.86	3.14
1978	571.4	119.7		219.8	99.0	94.1	38.8	451.7	144.7	3.95	3.12
1979	668.2	135.6		261.8	119.5	104.7	46.6	532.6	160.1	4.17	3.33
1980	739.8	141.1		293.4	139.4	111.7	54.1	598.7	175.0	4.23	3.42
1981	779.2	127.5		313.1	148.8	123.2	66.6	651.7	187.7	4.15	3.47
1982	774.1	131.5		304.6	147.9	123.2	66.8	642.6	195.8	3.95	3.28
1983	797.6	132.5		308.9	153.4	137.6	65.2	665.1	216.8	3.68	3.07
1984	869.3	131.8		344.5	169.1	157.0	66.9	737.6	234.8	3.70	3.14
1985	876.1	125.9		333.3	175.9	171.4	69.5	750.2	250.7	3.49	2.99
1986	858.0	112.9		320.6	182.0	176.2	66.3	745.1	265.7	3.23	2.80
1987	924.2	119.8		339.6	195.8	199.1	69.9	804.4	279.3	3.31	2.88
1988	999.2	130.2		372.4	213.9	213.2	69.5	869.1	305.6	3.27	2.84
1989	1,044.4	129.6		390.5	222.8	231.4	70.1	914.7	324.4	3.22	2.82
1990	1,082.3	133.4		404.5	236.8	236.6	71.0	948.9	337.6	3.21	2.81
1991	1,057.2	123.2		384.1	239.2	240.2	70.5	934.0	347.6	3.04	2.69
1992	1,082.4	132.9		377.6	248.3	249.4	74.3	949.5	372.7	2.90	2.55
1993	1,115.8	132.1		380.1	258.6	268.6	76.5	983.7	393.6	2.83	2.50
1994	1,194.3	134.3		404.3	281.5	293.6	80.6	1,060.0	416.8	2.87	2.54
1995	1,257.0	130.9		424.5	303.7	312.2	85.6	1,126.1	439.2	2.86	2.56
NAICS:											
1996	1,284.4	136.3	31.1	421.0	285.1	328.7	82.1	1,148.1	469.1	2.74	2.45
1997	1,329.5	136.7	33.7	431.7	303.1	337.5	86.9	1,192.9	495.6	2.68	2.41
1998	1,346.8	120.3	37.3	431.5	313.3	353.6	90.9	1,226.5	526.8	2.56	2.33
1999	1,442.2	124.2	39.6	457.7	337.4	383.8	99.5	1,318.0	556.7	2.59	2.37
2000	1,535.9	132.1	44.5	477.0	359.0	409.0	114.4	1,403.8	583.6	2.63	2.41
2001	1,458.3	126.1	47.5	437.9	338.6	395.6	112.6	1,332.2	598.7	2.44	2.23
2002	1,507.8	135.8	49.4	443.6	348.0	419.3	111.7	1,372.0	601.0	2.51	2.28
2003: I	1,536.5	136.3	55.2	451.9	352.0	428.0	113.0	1,400.2	607.7	2.53	2.30
II	1,530.2	137.8	55.6	445.6	348.4	429.3	113.5	1,392.4	616.0	2.48	2.26
III	1,547.5	150.6	56.4	441.6	351.2	433.6	114.0	1,396.8	633.2	2.44	2.21
IV	1,567.3	151.2	58.5	447.0	359.8	436.4	114.3	1,416.1	639.0	2.45	2.22
2004: I	1,604.4	156.6	60.3	456.8	368.9	445.7	116.1	1,447.8	649.0	2.47	2.23
II	1,652.2	166.0	62.8	470.3	377.4	457.2	118.5	1,486.2	658.8	2.51	2.26
III	1,680.7	159.2	65.0	483.9	389.0	462.2	121.4	1,521.5	668.3	2.51	2.28
IV	1,712.2	157.0	69.3	491.5	398.0	471.9	124.7	1,555.2	679.1	2.52	2.29
2005: I	1,747.2	160.7	70.6	503.1	408.1	478.9	125.8	1,586.5	690.3	2.53	2.30
II	1,749.0	155.9	74.8	499.5	414.2	477.7	126.9	1,593.1	706.6	2.48	2.25
III	1,780.3	160.4	80.1	509.2	423.7	478.7	128.3	1,619.9	720.0	2.47	2.25
IV	1,817.0	165.6	89.8	515.6	430.6	486.4	128.9	1,651.4	724.3	2.51	2.28
2006: I	1,839.2	173.1	82.1	523.9	437.8	492.0	130.2	1,666.2	741.4	2.48	2.25
II	1,896.9	175.7	80.6	550.0	456.7	499.2	134.7	1,721.2	751.1	2.53	2.29
III	1,919.1	186.1	81.0	552.3	463.6	499.0	137.1	1,733.0	756.4	2.54	2.29

[1] Inventories at end of quarter. Quarter-to-quarter change calculated from this table is not the current-dollar change in private inventories component of GDP. The former is the difference between two inventory stocks, each valued at its respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarterly rates, whereas change in private inventories is stated at annual rates.

[2] Inventories of construction, mining, and utilities establishments are included in other industries through 1995.

[3] Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. Includes a small amount of final sales by farm and by government enterprises.

Note.—The industry classification of inventories is on an establishment basis. Estimates through 1995 are based on the Standard Industrial Classification (SIC). Beginning with 1996, estimates are based on the North American Industry Classification System (NAICS).

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–23.—*Real private inventories and domestic final sales by industry, 1959–2006*

[Billions of chained (2000) dollars, except as noted; seasonally adjusted]

Quarter	Private inventories[1]								Final sales of domestic business[3]	Ratio of private inventories to final sales of domestic business	
	Total[2]	Farm	Mining, utilities, and construction[2]	Manufacturing	Wholesale trade	Retail trade	Other industries[2]	Nonfarm[2]		Total	Nonfarm
Fourth quarter:											
1959	428.1	106.9	.....	143.5	57.6	63.9	29.8	298.7	131.3	3.26	2.27
1960	438.5	108.3	.....	145.4	59.1	68.2	30.8	307.5	134.3	3.27	2.29
1961	448.0	110.4	.....	149.8	60.7	66.9	33.9	314.4	140.1	3.20	2.24
1962	467.4	111.8	.....	159.8	63.4	71.5	33.8	332.7	145.4	3.21	2.29
1963	485.4	112.9	.....	165.9	68.4	75.3	36.2	349.7	153.9	3.15	2.27
1964	500.8	109.8	.....	175.1	72.5	79.3	38.4	369.4	163.2	3.07	2.26
1965	530.1	111.8	.....	187.4	77.4	87.1	40.1	396.8	177.2	2.99	2.24
1966	572.2	110.7	.....	212.5	87.7	94.1	41.1	442.0	180.9	3.16	2.44
1967	602.5	112.8	.....	229.3	94.7	94.1	46.0	470.4	185.3	3.25	2.54
1968	629.9	116.1	.....	239.8	98.0	101.9	47.3	494.1	195.1	3.23	2.53
1969	656.9	116.1	.....	250.9	105.1	108.9	49.7	521.9	198.9	3.30	2.62
1970	661.9	114.2	.....	250.9	113.0	109.0	50.3	529.7	201.3	3.29	2.63
1971	684.2	117.5	.....	247.9	119.1	123.6	52.1	548.3	211.5	3.24	2.59
1972	707.3	117.9	.....	254.6	124.6	133.1	54.7	572.5	228.8	3.09	2.50
1973	742.2	119.3	.....	273.5	128.1	143.7	57.5	609.1	236.9	3.13	2.57
1974	768.1	115.7	.....	294.1	139.7	141.6	61.3	644.2	228.2	3.37	2.82
1975	756.8	120.4	.....	286.7	133.7	134.6	62.9	625.0	238.7	3.17	2.62
1976	787.5	119.1	.....	300.4	142.7	144.9	63.6	659.0	250.5	3.14	2.63
1977	826.0	125.0	.....	308.8	154.1	153.2	68.4	691.1	263.6	3.13	2.62
1978	867.1	126.7	.....	322.9	166.9	163.3	72.5	732.0	283.2	3.06	2.58
1979	892.2	130.2	.....	335.3	175.0	163.3	72.4	753.5	289.8	3.08	2.60
1980	884.3	124.3	.....	335.7	180.0	158.7	71.2	753.5	289.6	3.05	2.60
1981	919.2	132.5	.....	340.2	185.1	167.5	79.2	779.0	287.2	3.20	2.71
1982	901.7	138.6	.....	325.0	183.0	163.7	76.8	754.4	286.1	3.15	2.64
1983	895.3	124.4	.....	324.5	182.7	177.0	75.9	764.6	307.6	2.91	2.49
1984	966.6	129.6	.....	352.8	198.5	198.6	77.0	831.2	324.6	2.98	2.56
1985	990.3	135.3	.....	346.6	204.9	214.0	81.4	848.7	339.4	2.92	2.50
1986	998.5	133.5	.....	342.9	213.2	217.4	84.4	858.8	352.2	2.84	2.44
1987	1,028.8	126.1	.....	351.1	220.6	238.5	86.6	896.5	362.6	2.84	2.47
1988	1,049.1	115.4	.....	367.6	229.7	246.1	85.2	929.2	381.6	2.75	2.43
1989	1,077.4	115.4	.....	381.4	233.6	260.5	81.4	958.0	392.5	2.75	2.44
1990	1,092.8	120.9	.....	390.0	242.0	258.9	78.3	971.2	394.0	2.77	2.46
1991	1,092.3	119.4	.....	383.5	246.4	259.5	81.4	972.2	394.6	2.77	2.46
1992	1,108.7	125.1	.....	378.9	254.8	264.1	83.9	982.5	415.7	2.67	2.36
1993	1,129.4	119.1	.....	382.4	261.0	279.4	86.9	1,010.2	429.8	2.63	2.35
1994	1,193.0	130.3	.....	394.1	276.7	299.9	91.1	1,062.2	447.2	2.67	2.38
1995	1,222.8	119.6	.....	407.8	289.9	312.0	93.3	1,103.5	464.2	2.63	2.38
NAICS:											
1996	1,251.6	126.4	33.6	409.9	273.3	325.9	82.7	1,125.2	488.3	2.56	2.30
1997	1,322.7	129.3	36.1	430.7	298.3	340.6	88.1	1,193.7	509.2	2.60	2.34
1998	1,395.3	130.7	43.3	449.3	320.9	357.9	94.0	1,264.9	538.0	2.59	2.35
1999	1,464.2	127.8	42.7	466.3	340.6	385.5	101.3	1,336.4	563.4	2.60	2.37
2000	1,520.7	126.4	41.1	474.2	358.2	407.1	113.7	1,394.3	581.0	2.62	2.40
2001	1,488.9	126.5	51.7	452.8	347.5	396.3	113.9	1,362.4	583.6	2.55	2.33
2002	1,501.4	124.0	48.1	447.0	348.8	420.6	112.5	1,377.6	582.5	2.58	2.37
2003: I	1,507.5	125.2	48.4	446.4	348.3	426.5	112.2	1,382.4	585.7	2.57	2.36
II	1,506.8	125.3	49.5	442.7	346.7	428.9	113.2	1,381.6	592.6	2.54	2.33
III	1,509.5	125.0	50.9	438.5	347.2	433.7	113.5	1,384.5	606.7	2.49	2.28
IV	1,515.7	124.4	53.4	437.5	349.6	436.4	113.9	1,391.6	609.7	2.49	2.28
2004: I	1,524.7	125.4	52.0	437.0	351.6	442.9	115.7	1,399.6	614.5	2.48	2.28
II	1,543.4	129.9	52.0	438.0	355.4	450.6	117.2	1,413.2	618.7	2.49	2.28
III	1,556.0	131.3	53.1	436.6	362.9	452.4	119.3	1,424.4	625.6	2.49	2.28
IV	1,569.1	130.5	54.0	437.1	367.8	458.4	121.2	1,438.6	631.3	2.49	2.28
2005: I	1,582.8	130.7	54.4	440.9	373.3	462.2	121.3	1,452.3	637.4	2.48	2.28
II	1,581.0	129.2	55.7	437.7	377.7	459.3	121.3	1,452.0	649.6	2.43	2.24
III	1,577.8	129.5	55.4	434.6	380.2	457.0	120.9	1,448.5	657.2	2.40	2.20
IV	1,588.7	130.7	55.3	434.7	383.5	463.6	121.1	1,458.2	656.6	2.42	2.22
2006: I	1,599.0	131.8	54.8	436.6	387.3	466.8	122.4	1,467.4	667.5	2.40	2.20
II	1,612.4	132.3	56.1	439.4	392.1	468.8	124.3	1,480.4	671.8	2.40	2.20
III	1,626.3	132.9	56.5	441.9	400.5	469.3	125.6	1,493.7	674.7	2.41	2.21

[1] Inventories at end of quarter. Quarter-to-quarter changes calculated from this table are at quarterly rates, whereas the change in private inventories component of GDP is stated at annual rates.

[2] Inventories of construction, mining, and utilities establishments are included in other industries through 1995.

[3] Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross output of general government, gross value added of nonprofit institutions, compensation paid to domestic workers, and space rent for owner-occupied housing. Includes a small amount of final sales by farm and by government enterprises.

Note.—The industry classification of inventories is on an establishment basis. Estimates through 1995 are based on the Standard Industrial Classification (SIC). Beginning with 1996, estimates are based on the North American Industry Classification System (NAICS).

See *Survey of Current Business,* Tables 5.7.6A and 5.7.6B, for detailed information on calculation of the chained (2000) dollar inventory series.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–24.—*Foreign transactions in the national income and product accounts, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts from rest of the world					Current payments to rest of the world									
	Total	Exports of goods and services			Income receipts	Total	Imports of goods and services			Income payments	Current taxes and transfer payments to rest of the world (net)				Balance on current account, NIPA
		Total	Goods [1]	Services [1]			Total	Goods [1]	Services [1]		Total	From persons (net)	From government (net)	From business (net)	
1959	27.0	22.7	16.5	6.3	4.3	28.2	22.3	15.3	7.0	1.5	4.3	0.5	3.8	0.1	–1.2
1960	31.9	27.0	20.5	6.6	4.9	28.7	22.8	15.2	7.6	1.8	4.1	.5	3.5	.1	3.2
1961	32.9	27.6	20.9	6.7	5.3	28.6	22.7	15.1	7.6	1.8	4.2	.5	3.6	.1	4.3
1962	35.0	29.1	21.7	7.4	5.9	31.1	25.0	16.9	8.1	1.8	4.3	.5	3.6	.1	3.9
1963	37.6	31.1	23.3	7.7	6.5	32.6	26.1	17.7	8.4	2.1	4.4	.7	3.6	.1	5.0
1964	42.3	35.0	26.7	8.3	7.2	34.7	28.1	19.4	8.7	2.3	4.3	.7	3.4	.2	7.5
1965	45.0	37.1	27.8	9.4	7.9	38.8	31.5	22.2	9.3	2.6	4.7	.8	3.7	.2	6.2
1966	49.0	40.9	30.7	10.2	8.1	45.1	37.1	26.3	10.7	3.0	5.0	.8	4.0	.2	3.9
1967	52.1	43.5	32.2	11.3	8.7	48.6	39.9	27.8	12.2	3.3	5.4	1.0	4.1	.2	3.6
1968	58.0	47.9	35.3	12.6	10.1	56.3	46.6	33.9	12.6	4.0	5.7	1.0	4.4	.3	1.7
1969	63.7	51.9	38.3	13.7	11.8	61.9	50.5	36.8	13.7	5.7	5.8	1.1	4.4	.3	1.8
1970	72.5	59.7	44.5	15.2	12.8	68.5	55.8	40.9	14.9	6.4	6.3	1.3	4.7	.4	4.0
1971	77.0	63.0	45.6	17.4	14.0	76.4	62.3	46.6	15.8	6.4	7.6	1.3	5.9	.4	.6
1972	87.1	70.8	51.8	19.0	16.3	90.7	74.2	56.9	17.3	7.7	8.8	1.4	7.0	.5	–3.6
1973	118.8	95.3	73.9	21.3	23.5	109.5	91.2	71.8	19.3	10.9	7.4	1.5	5.2	.7	9.3
1974	156.5	126.7	101.0	25.7	29.8	149.8	127.5	104.5	22.9	14.3	8.1	1.3	5.8	1.0	6.6
1975	166.7	138.7	109.6	29.1	28.0	145.4	122.7	99.0	23.7	15.0	7.6	1.3	5.6	.7	21.4
1976	181.9	149.5	117.8	31.7	32.4	173.0	151.1	124.6	26.5	15.5	6.3	1.3	3.9	1.1	8.9
1977	196.6	159.4	123.7	35.7	37.2	205.6	182.4	152.6	29.8	16.9	6.2	1.3	3.5	1.4	–9.0
1978	233.1	186.9	145.4	41.5	46.3	243.6	212.3	177.4	34.8	24.7	6.7	1.5	3.8	1.4	–10.4
1979	298.5	230.1	184.0	46.1	68.3	297.0	252.7	212.8	39.9	36.4	8.0	1.6	4.3	2.0	1.4
1980	359.9	280.8	225.8	55.0	79.1	348.5	293.8	248.6	45.3	44.9	9.8	1.8	5.5	2.4	11.4
1981	397.3	305.2	239.1	66.1	92.0	390.9	317.8	267.8	49.9	59.1	14.1	5.5	5.4	3.2	6.3
1982	384.2	283.2	215.0	68.2	101.0	384.4	303.2	250.5	52.6	64.5	16.7	6.6	6.7	3.4	–.2
1983	378.9	277.0	207.3	69.7	101.9	410.9	328.6	272.7	56.0	64.8	17.5	6.9	7.2	3.4	–32.1
1984	424.2	302.4	225.6	76.7	121.9	511.2	405.1	336.3	68.8	85.6	20.5	7.8	9.2	3.5	–86.9
1985	414.5	302.0	222.2	79.8	112.4	525.3	417.2	343.3	73.9	85.9	22.2	8.2	11.1	2.9	–110.8
1986	431.9	320.5	226.0	94.5	111.4	571.2	453.3	370.0	83.3	93.6	24.3	9.0	12.2	3.2	–139.2
1987	487.1	363.9	257.5	106.4	123.2	637.9	509.1	414.8	94.3	105.3	23.5	9.9	10.3	3.4	–150.8
1988	596.2	444.1	325.8	118.3	152.1	708.4	554.5	452.1	102.4	128.5	25.5	10.6	10.4	4.5	–112.2
1989	681.0	503.3	369.4	134.0	177.7	769.3	591.5	484.8	106.7	151.5	26.4	11.4	10.4	4.6	–88.3
1990	741.5	552.4	396.6	155.7	189.1	811.5	630.3	508.1	122.3	154.3	26.9	12.0	10.0	4.8	–70.1
1991	765.7	596.8	423.5	173.3	168.9	752.3	624.3	500.7	123.6	138.5	–10.6	13.0	–28.6	5.0	13.5
1992	788.0	635.3	448.0	187.4	152.7	824.9	668.6	544.9	123.6	123.0	33.4	12.3	17.1	3.9	–36.9
1993	812.1	655.8	459.9	195.9	156.2	882.5	720.9	592.8	128.1	124.3	37.3	14.2	17.8	5.4	–70.4
1994	907.3	720.9	510.1	210.8	186.4	1,012.5	814.5	676.8	137.7	160.2	37.8	15.4	15.8	6.6	–105.2
1995	1,046.1	812.2	583.3	228.9	233.9	1,137.1	903.6	757.4	146.1	198.1	35.4	16.2	10.1	9.1	–91.0
1996	1,117.3	868.6	618.3	250.2	248.7	1,217.6	964.8	807.4	157.4	213.7	39.1	18.0	14.1	7.1	–100.3
1997	1,242.0	955.3	687.7	267.6	286.7	1,352.2	1,056.9	885.3	171.5	253.7	41.6	21.0	10.9	9.7	–110.2
1998	1,243.1	955.9	680.9	275.1	287.1	1,430.5	1,115.9	929.0	186.9	265.8	48.8	24.6	11.2	12.9	–187.4
1999	1,312.1	991.2	697.2	294.0	320.8	1,585.9	1,251.7	1,045.5	206.3	287.0	47.2	28.3	11.6	7.3	–273.9
2000	1,478.9	1,096.3	784.3	311.9	382.7	1,875.6	1,475.8	1,243.5	232.3	343.7	56.1	31.5	13.5	11.2	–396.6
2001	1,355.2	1,032.8	731.2	301.6	322.4	1,725.6	1,399.8	1,167.9	231.9	278.8	47.0	33.0	9.5	4.5	–370.4
2002	1,311.6	1,005.9	697.6	308.4	305.7	1,769.9	1,430.3	1,189.3	241.0	275.0	64.5	40.0	14.3	10.3	–458.3
2003	1,377.6	1,040.8	724.4	316.4	336.8	1,889.8	1,540.2	1,283.9	256.2	280.0	69.7	40.2	17.6	11.9	–512.3
2004	1,588.3	1,178.1	818.8	359.3	410.2	2,237.4	1,791.4	1,495.2	296.2	363.9	82.1	42.9	19.2	20.0	–649.1
2005	1,816.5	1,303.1	907.5	395.6	513.3	2,587.9	2,019.9	1,699.0	320.9	481.5	86.6	47.1	26.1	13.3	–771.4
2003: I	1,328.0	1,012.4	706.8	305.7	315.6	1,858.8	1,511.7	1,262.7	249.0	276.2	70.9	39.6	20.4	10.9	–530.8
II	1,334.4	1,010.8	707.5	303.3	323.6	1,847.2	1,512.1	1,266.8	245.3	267.0	68.1	40.3	17.6	10.2	–512.9
III	1,377.9	1,040.7	721.3	319.4	337.2	1,887.8	1,535.9	1,276.6	259.3	283.6	68.3	38.0	18.5	11.9	–509.9
IV	1,470.0	1,099.1	762.1	337.0	370.8	1,965.5	1,600.9	1,329.7	271.2	293.1	71.5	43.1	13.9	14.5	–495.5
2004: I	1,511.2	1,135.1	787.7	347.4	376.1	2,074.8	1,678.5	1,394.8	283.7	305.6	90.7	42.7	26.9	21.2	–563.6
II	1,564.6	1,166.3	810.3	356.1	398.3	2,214.4	1,772.5	1,480.4	292.1	357.8	84.1	43.3	16.4	24.4	–649.8
III	1,600.4	1,185.3	828.7	356.6	415.1	2,251.7	1,815.9	1,517.2	298.8	369.2	66.6	43.2	16.8	6.5	–651.4
IV	1,677.0	1,225.8	848.6	377.2	451.2	2,408.5	1,898.5	1,588.4	310.1	423.1	86.9	42.4	16.8	27.8	–731.5
2005: I	1,726.2	1,254.0	869.4	384.6	472.2	2,477.5	1,930.2	1,615.2	315.0	437.9	109.4	49.0	31.1	29.3	–751.3
II	1,782.8	1,293.8	902.6	391.2	489.0	2,534.1	1,980.2	1,662.4	317.8	460.6	93.3	46.0	19.4	27.9	–751.3
III	1,839.6	1,312.4	913.9	398.5	527.2	2,554.5	2,041.2	1,719.1	322.1	475.0	38.4	45.8	23.3	–30.7	–714.9
IV	1,917.3	1,352.4	944.3	408.1	564.9	2,785.4	2,127.8	1,799.3	328.5	552.4	105.2	47.6	30.6	26.9	–868.2
2006: I	2,008.7	1,405.4	989.3	416.0	603.3	2,824.8	2,170.6	1,832.6	338.1	574.3	79.9	45.2	14.9	19.9	–816.1
II	2,109.5	1,448.1	1,019.1	429.0	661.4	2,952.0	2,229.8	1,879.0	350.8	638.6	83.5	48.7	15.6	19.3	–842.6
III	2,170.7	1,488.3	1,055.8	432.5	682.3	3,037.6	2,290.1	1,938.8	351.3	665.7	81.9	48.8	15.8	17.3	–867.0

[1] Certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment were reclassified from goods to services.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–25.—*Real exports and imports of goods and services, 1990–2006*

[Billions of chained (2000) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Exports of goods and services					Imports of goods and services				
	Total	Goods [1]			Services [1]	Total	Goods [1]			Services [1]
		Total	Durable goods	Nondurable goods			Total	Durable goods	Nondurable goods	
1990	552.5	367.2	226.3	145.1	188.7	607.1	469.7	264.7	218.4	142.7
1991	589.1	392.5	243.1	153.7	199.9	603.7	469.3	266.1	215.9	139.0
1992	629.7	421.9	262.5	163.6	210.8	645.6	513.1	294.0	231.9	135.5
1993	650.0	435.6	276.1	162.4	217.5	702.1	564.8	328.8	248.0	139.4
1994	706.5	478.0	309.6	170.1	231.1	785.9	640.0	383.1	266.0	147.3
1995	778.2	533.9	353.6	181.1	245.8	849.1	697.6	427.1	277.0	152.1
1996	843.4	581.1	394.9	186.7	263.5	923.0	762.7	472.8	295.2	160.5
1997	943.7	664.5	466.2	198.7	279.2	1,048.3	872.6	550.3	326.4	175.6
1998	966.5	679.4	481.2	198.5	287.2	1,170.3	974.4	621.8	355.7	195.6
1999	1,008.2	705.2	503.6	201.7	303.2	1,304.4	1,095.2	711.7	384.3	209.1
2000	1,096.3	784.3	569.2	215.1	311.9	1,475.8	1,243.5	820.7	422.8	232.3
2001	1,036.7	736.3	522.2	214.2	300.4	1,435.8	1,204.1	769.4	435.1	231.6
2002	1,013.3	707.0	491.2	216.1	306.0	1,484.6	1,248.2	801.0	447.4	236.5
2003	1,026.1	719.8	499.8	220.3	306.2	1,545.0	1,309.3	835.3	474.2	236.6
2004	1,120.4	784.4	556.1	229.3	335.9	1,711.3	1,452.2	949.4	505.1	260.3
2005	1,196.1	843.2	609.7	236.2	352.9	1,815.3	1,549.9	1,030.1	525.4	267.5
2003: I	1,003.3	705.6	484.4	221.3	297.6	1,510.5	1,275.3	810.0	465.4	235.7
II	999.0	703.5	488.2	215.5	295.5	1,525.9	1,301.7	826.3	475.4	225.9
III	1,026.3	718.4	497.5	221.1	307.6	1,540.0	1,303.7	828.1	475.7	237.0
IV	1,075.8	751.6	529.1	223.1	324.0	1,603.6	1,356.5	876.9	480.4	247.8
2004: I	1,094.8	764.6	539.5	225.9	329.9	1,643.2	1,389.5	895.3	495.0	254.3
II	1,111.3	776.6	551.8	226.1	334.5	1,705.2	1,447.3	946.0	503.6	259.1
III	1,124.3	792.2	564.0	229.5	332.1	1,723.7	1,464.0	965.0	502.3	261.0
IV	1,151.3	804.0	569.2	235.8	347.0	1,773.1	1,507.9	991.3	519.7	266.7
2005: I	1,164.5	814.8	578.8	237.2	349.5	1,790.9	1,526.2	1,001.1	527.9	266.6
II	1,191.0	839.7	599.7	241.5	351.2	1,797.1	1,533.6	1,017.3	521.3	265.5
III	1,200.5	847.5	615.3	235.1	353.0	1,808.1	1,543.9	1,036.5	515.4	266.3
IV	1,228.4	870.8	644.7	231.0	357.8	1,865.0	1,595.8	1,065.5	536.9	271.7
2006: I	1,269.3	906.2	665.0	245.4	363.6	1,905.9	1,631.9	1,107.7	536.2	276.6
II	1,288.5	919.5	671.7	251.5	369.5	1,912.7	1,631.7	1,113.1	532.2	283.2
III	1,310.0	940.4	686.9	257.4	370.3	1,938.8	1,660.1	1,135.1	539.7	281.3

[1] Certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment were reclassified from goods to services.

Note.—See Table B–2 for data for total exports of goods and services and total imports of goods and services for 1959–89.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–26.—*Relation of gross domestic product, gross national product, net national product, and national income, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Plus: Income receipts from rest of the world	Less: Income payments to rest of the world	Equals: Gross national product	Less: Consumption of fixed capital			Equals: Net national product	Less: Statistical discrepancy	Equals: National income
					Total	Private	Government			
1959	506.6	4.3	1.5	509.3	53.0	38.6	14.5	456.3	0.5	455.8
1960	526.4	4.9	1.8	529.5	55.6	40.5	15.0	473.9	–.9	474.9
1961	544.7	5.3	1.8	548.2	57.2	41.6	15.6	491.0	–.6	491.6
1962	585.6	5.9	1.8	589.7	59.3	42.8	16.5	530.5	.4	530.1
1963	617.7	6.5	2.1	622.2	62.4	44.9	17.5	559.8	–.8	560.6
1964	663.6	7.2	2.3	668.5	65.0	46.9	18.1	603.5	.8	602.7
1965	719.1	7.9	2.6	724.4	69.4	50.5	18.9	655.0	1.6	653.4
1966	787.8	8.1	3.0	792.9	75.6	55.5	20.1	717.3	6.3	711.0
1967	832.6	8.7	3.3	838.0	81.5	59.9	21.6	756.5	4.6	751.9
1968	910.0	10.1	4.0	916.1	88.4	65.2	23.1	827.7	4.6	823.2
1969	984.6	11.8	5.7	990.7	97.9	73.1	24.8	892.8	3.2	889.7
1970	1,038.5	12.8	6.4	1,044.9	106.7	80.0	26.7	938.2	7.3	930.9
1971	1,127.1	14.0	6.4	1,134.7	115.0	86.7	28.3	1,019.7	11.6	1,008.1
1972	1,238.3	16.3	7.7	1,246.8	126.5	97.1	29.5	1,120.3	9.1	1,111.2
1973	1,382.7	23.5	10.9	1,395.3	139.3	107.9	31.4	1,256.0	8.6	1,247.4
1974	1,500.0	29.8	14.3	1,515.5	162.5	126.6	35.9	1,353.0	10.9	1,342.1
1975	1,638.3	28.0	15.0	1,651.3	187.7	147.8	40.0	1,463.6	17.7	1,445.9
1976	1,825.3	32.4	15.5	1,842.1	205.2	162.5	42.6	1,637.0	25.1	1,611.8
1977	2,030.9	37.2	16.9	2,051.2	230.0	184.3	45.7	1,821.2	22.3	1,798.9
1978	2,294.7	46.3	24.7	2,316.3	262.3	212.8	49.5	2,054.0	26.6	2,027.4
1979	2,563.3	68.3	36.4	2,595.3	300.1	245.7	54.5	2,295.1	46.0	2,249.1
1980	2,789.5	79.1	44.9	2,823.7	343.0	281.1	61.8	2,480.7	41.4	2,439.3
1981	3,128.4	92.0	59.1	3,161.4	388.1	317.9	70.1	2,773.3	30.9	2,742.4
1982	3,255.0	101.0	64.5	3,291.5	426.9	349.8	77.1	2,864.6	.3	2,864.3
1983	3,536.7	101.9	64.8	3,573.8	443.8	362.1	81.7	3,130.0	45.7	3,084.2
1984	3,933.2	121.9	85.6	3,969.5	472.6	385.6	87.0	3,496.9	14.6	3,482.3
1985	4,220.3	112.4	85.9	4,246.8	506.7	414.0	92.7	3,740.1	16.7	3,723.4
1986	4,462.8	111.4	93.6	4,480.6	531.3	431.8	99.5	3,949.3	47.0	3,902.3
1987	4,739.5	123.2	105.3	4,757.4	561.9	455.3	106.7	4,195.4	21.7	4,173.7
1988	5,103.8	152.1	128.5	5,127.4	597.6	483.5	114.1	4,529.8	–19.5	4,549.4
1989	5,484.4	177.7	151.5	5,510.6	644.3	522.1	122.2	4,866.3	39.7	4,826.6
1990	5,803.1	189.1	154.3	5,837.9	682.5	551.6	130.9	5,155.4	66.2	5,089.1
1991	5,995.9	168.9	138.5	6,026.3	725.9	586.9	139.1	5,300.4	72.5	5,227.9
1992	6,337.7	152.7	123.0	6,367.4	751.9	607.3	144.6	5,615.5	102.7	5,512.8
1993	6,657.4	156.2	124.3	6,689.3	776.4	624.7	151.8	5,912.9	139.5	5,773.4
1994	7,072.2	186.4	160.2	7,098.4	833.7	675.1	158.6	6,264.7	142.5	6,122.3
1995	7,397.7	233.9	198.1	7,433.4	878.4	713.4	165.0	6,555.1	101.2	6,453.9
1996	7,816.9	248.7	213.7	7,851.9	918.1	748.8	169.3	6,933.8	93.7	6,840.1
1997	8,304.3	286.7	253.7	8,337.3	974.4	800.3	174.1	7,362.8	70.7	7,292.2
1998	8,747.0	287.1	265.8	8,768.3	1,030.2	851.2	179.0	7,738.2	–14.6	7,752.8
1999	9,268.4	320.8	287.0	9,302.2	1,101.3	914.3	187.0	8,200.9	–35.7	8,236.7
2000	9,817.0	382.7	343.7	9,855.9	1,187.8	990.8	197.0	8,668.1	–127.2	8,795.2
2001	10,128.0	322.4	278.8	10,171.6	1,281.5	1,075.5	206.0	8,890.2	–89.6	8,979.8
2002	10,469.6	305.7	275.0	10,500.2	1,292.0	1,080.3	211.6	9,208.3	–21.0	9,229.3
2003	10,960.8	336.8	280.0	11,017.6	1,336.5	1,118.3	218.2	9,681.1	48.8	9,632.3
2004	11,712.5	410.2	363.9	11,758.7	1,436.2	1,205.4	230.8	10,322.6	66.7	10,255.9
2005	12,455.8	513.3	481.5	12,487.7	1,604.8	1,352.6	252.2	10,882.9	71.0	10,811.8
2003: I	10,705.6	315.6	276.2	10,744.9	1,317.0	1,101.1	215.9	9,427.9	21.3	9,406.7
II	10,831.8	323.6	267.0	10,888.4	1,329.5	1,111.7	217.7	9,558.9	21.1	9,537.9
III	11,086.1	337.2	283.6	11,139.8	1,342.6	1,123.6	219.0	9,797.2	97.9	9,699.3
IV	11,219.5	370.8	293.1	11,297.3	1,357.0	1,136.7	220.2	9,940.3	54.9	9,885.4
2004: I	11,430.9	376.1	305.6	11,501.5	1,373.2	1,150.3	223.0	10,128.3	43.9	10,084.3
II	11,649.3	398.3	357.8	11,689.7	1,394.5	1,166.4	228.1	10,295.2	88.2	10,207.0
III	11,799.4	415.1	369.2	11,845.3	1,534.9	1,301.9	233.0	10,310.3	66.8	10,243.5
IV	11,970.3	451.2	423.1	11,998.5	1,442.0	1,203.1	238.9	10,556.4	67.8	10,488.6
2005: I	12,173.2	472.2	437.9	12,207.5	1,467.8	1,225.7	242.1	10,739.7	37.4	10,702.3
II	12,346.1	489.0	460.6	12,374.6	1,491.1	1,244.9	246.2	10,883.5	88.1	10,795.4
III	12,573.5	527.2	475.0	12,625.7	1,898.0	1,632.3	265.7	10,727.7	84.5	10,643.2
IV	12,730.5	564.9	552.4	12,743.0	1,562.5	1,307.5	255.0	11,180.5	74.3	11,106.2
2006: I	13,008.4	603.3	574.3	13,037.4	1,548.0	1,288.9	259.1	11,489.4	–61.9	11,551.3
II	13,197.3	661.4	638.6	13,220.1	1,572.8	1,309.8	262.9	11,647.3	35.8	11,611.5
III	13,322.6	682.3	665.7	13,339.2	1,582.0	1,314.4	267.6	11,757.3	–5.3	11,762.6

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–27.—*Relation of national income and personal income, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income	Less:							Plus:		Equals:
		Corporate profits with inventory valuation and capital consumption adjustments	Taxes on production and imports less subsidies	Contributions for government social insurance	Net interest and miscellaneous payments on assets	Business current transfer payments (net)	Current surplus of government enterprises	Wage accruals less disbursements	Personal income receipts on assets	Personal current transfer receipts	Personal income
1959	455.8	55.7	40.0	13.8	9.6	1.8	1.0	0.0	34.6	24.2	392.8
1960	474.9	53.8	43.4	16.4	10.6	1.9	.9	.0	37.9	25.7	411.5
1961	491.6	54.9	45.0	17.0	12.5	2.0	.8	.0	40.1	29.5	429.0
1962	530.1	63.3	48.2	19.1	14.2	2.2	.9	.0	44.1	30.4	456.7
1963	560.6	69.0	51.2	21.7	15.2	2.7	1.4	.0	47.9	32.2	479.6
1964	602.7	76.5	54.6	22.4	17.4	3.1	1.3	.0	53.8	33.5	514.6
1965	653.4	87.5	57.8	23.4	19.6	3.6	1.3	.0	59.4	36.2	555.7
1966	711.0	93.2	59.3	31.3	22.4	3.5	1.0	.0	64.1	39.6	603.9
1967	751.9	91.3	64.2	34.9	25.5	3.8	.9	.0	69.0	48.0	648.3
1968	823.2	98.8	72.3	38.7	27.1	4.3	1.2	.0	75.2	56.1	712.0
1969	889.7	95.4	79.4	44.1	32.7	4.9	1.0	.0	84.1	62.3	778.5
1970	930.9	83.6	86.7	46.4	39.1	4.5	.0	.0	93.5	74.7	838.8
1971	1,008.1	98.0	95.9	51.2	43.9	4.3	–.2	.6	101.0	88.1	903.5
1972	1,111.2	112.1	101.4	59.2	47.9	4.9	.5	.0	109.6	97.9	992.7
1973	1,247.4	125.5	112.1	75.5	55.2	6.0	–.4	–.1	124.7	112.6	1,110.7
1974	1,342.1	115.8	121.7	85.2	70.8	7.1	–.9	–.5	146.4	133.3	1,222.6
1975	1,445.9	134.8	131.0	89.3	81.6	9.4	–3.2	.1	162.2	170.0	1,335.0
1976	1,611.8	163.3	141.5	101.3	85.5	9.5	–1.8	.1	178.4	184.0	1,474.8
1977	1,798.9	192.4	152.8	113.1	101.1	8.4	–2.6	.1	205.3	194.2	1,633.2
1978	2,027.4	216.6	162.2	131.3	115.0	10.6	–1.9	.3	234.8	209.6	1,837.7
1979	2,249.1	223.2	171.9	152.7	138.9	13.0	–2.6	–.2	274.7	235.3	2,062.2
1980	2,439.3	201.1	190.9	166.2	181.8	14.4	–4.8	.0	338.7	279.5	2,307.9
1981	2,742.4	226.1	224.5	195.7	232.3	17.6	–4.9	.1	421.9	318.4	2,591.3
1982	2,864.3	209.7	226.4	208.9	271.1	20.1	–4.0	.0	488.4	354.8	2,775.3
1983	3,084.2	264.2	242.5	226.0	285.3	22.5	–3.1	–.4	529.6	383.7	2,960.7
1984	3,482.3	318.6	269.3	257.5	327.1	30.1	–1.9	.2	607.9	400.1	3,289.5
1985	3,723.4	330.3	287.3	281.4	341.3	34.8	.8	–.2	654.0	424.9	3,526.7
1986	3,902.3	319.5	298.9	303.4	366.8	36.6	1.3	.0	695.5	451.0	3,722.4
1987	4,173.7	368.8	317.7	323.1	366.4	33.8	1.2	.0	717.0	467.6	3,947.4
1988	4,549.4	432.6	345.5	361.5	385.3	34.0	2.5	.0	769.3	496.6	4,253.7
1989	4,826.6	426.6	372.1	385.2	432.1	39.2	4.9	.0	878.0	543.4	4,587.8
1990	5,089.1	437.8	398.7	410.1	442.2	39.4	1.6	.1	924.0	595.2	4,878.6
1991	5,227.9	451.2	430.2	430.2	418.2	39.9	5.7	–.1	932.0	666.4	5,051.0
1992	5,512.8	479.3	453.9	455.0	388.5	42.4	7.6	–15.8	910.9	749.4	5,362.0
1993	5,773.4	541.9	467.0	477.7	365.7	40.7	7.2	6.4	901.8	790.1	5,558.5
1994	6,122.3	600.3	513.5	508.2	366.4	43.3	8.6	17.6	950.8	827.3	5,842.5
1995	6,453.9	696.7	524.2	532.8	367.1	46.9	11.4	16.4	1,016.4	877.4	6,152.3
1996	6,840.1	786.2	546.8	555.2	376.2	53.1	12.7	3.6	1,089.2	925.0	6,520.6
1997	7,292.2	868.5	579.1	587.2	415.6	49.9	12.6	–2.9	1,181.7	951.2	6,915.1
1998	7,752.8	801.6	604.4	624.2	487.1	64.7	10.3	–.7	1,283.2	978.6	7,423.0
1999	8,236.7	851.3	629.8	661.4	495.4	67.4	10.1	5.2	1,264.2	1,022.1	7,802.4
2000	8,795.2	817.9	664.6	702.7	559.0	87.1	5.3	.0	1,387.0	1,084.0	8,429.7
2001	8,979.8	767.3	673.3	731.1	566.3	92.8	–1.4	.0	1,380.0	1,193.9	8,724.1
2002	9,229.3	886.3	724.4	750.0	520.9	84.3	.9	.0	1,333.2	1,286.2	8,881.9
2003	9,632.3	993.1	759.3	778.6	524.7	83.8	1.7	15.0	1,336.6	1,351.0	9,163.6
2004	10,255.9	1,182.6	819.4	826.4	485.1	85.5	–5.0	–15.0	1,427.9	1,426.5	9,731.4
2005	10,811.8	1,330.7	865.1	880.6	483.4	74.2	–15.4	.0	1,519.4	1,526.6	10,239.2
2003: I	9,406.7	923.6	745.5	765.4	529.1	84.1	5.4	11.4	1,329.1	1,327.0	8,998.2
II	9,537.9	956.2	744.6	775.0	529.6	83.8	2.5	13.6	1,334.9	1,344.0	9,111.3
III	9,699.3	1,016.2	766.4	782.1	526.4	84.1	.5	25.0	1,339.5	1,365.5	9,203.6
IV	9,885.4	1,076.5	780.7	791.9	513.7	83.3	–1.5	10.0	1,343.1	1,367.6	9,341.3
2004: I	10,084.3	1,158.1	801.7	810.8	501.8	85.4	–2.3	–3.5	1,366.1	1,399.3	9,497.7
II	10,207.0	1,183.3	815.4	819.8	493.4	86.1	–3.6	–21.5	1,389.8	1,416.7	9,640.5
III	10,243.5	1,154.0	822.9	831.8	475.7	79.1	–5.6	–25.0	1,415.7	1,441.7	9,767.9
IV	10,488.6	1,234.9	837.4	843.1	469.4	91.2	–8.6	–10.0	1,539.8	1,448.4	10,019.4
2005: I	10,702.3	1,320.0	849.4	863.6	483.7	97.6	–9.1	.0	1,464.3	1,487.3	10,048.8
II	10,795.4	1,342.9	864.7	871.5	477.1	99.9	–11.3	.0	1,500.5	1,510.1	10,161.5
III	10,643.2	1,266.3	872.1	888.5	482.9	.2	–27.7	.0	1,532.7	1,569.0	10,262.7
IV	11,106.2	1,393.5	874.2	898.9	490.0	99.1	–13.3	.0	1,580.2	1,539.8	10,483.7
2006: I	11,551.3	1,569.1	897.4	936.7	514.8	93.8	–9.2	.0	1,602.3	1,570.4	10,721.4
II	11,611.5	1,591.8	914.0	938.8	513.2	93.1	–9.4	.0	1,647.7	1,589.7	10,807.3
III	11,762.6	1,653.3	916.8	948.9	498.6	92.8	–10.2	.0	1,683.6	1,618.6	10,964.5

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–28.—*National income by type of income, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income	Compensation of employees							Proprietors' income with inventory valuation and capital consumption adjustments			Rental income of persons with capital consumption adjustment
		Total	Wage and salary accruals			Supplements to wages and salaries			Total	Farm	Nonfarm	
			Total	Government	Other	Total	Employer contributions for employee pension and insurance funds	Employer contributions for government social insurance				
1959	455.8	281.0	259.8	46.1	213.8	21.1	13.3	7.9	50.7	10.0	40.6	16.2
1960	474.9	296.4	272.9	49.2	223.7	23.6	14.3	9.3	50.8	10.5	40.3	17.1
1961	491.6	305.3	280.5	52.5	228.0	24.8	15.2	9.6	53.2	11.0	42.2	17.9
1962	530.1	327.1	299.4	56.3	243.0	27.8	16.6	11.2	55.4	11.0	44.4	18.8
1963	560.6	345.2	314.9	60.0	254.8	30.4	18.0	12.4	56.5	10.8	45.7	19.5
1964	602.7	370.7	337.8	64.9	272.9	32.9	20.3	12.6	59.4	9.6	49.8	19.6
1965	653.4	399.5	363.8	69.9	293.8	35.7	22.7	13.1	63.9	11.8	52.1	20.2
1966	711.0	442.7	400.3	78.4	321.9	42.3	25.5	16.8	68.2	12.8	55.4	20.8
1967	751.9	475.1	429.0	86.5	342.5	46.1	28.1	18.0	69.8	11.5	58.4	21.2
1968	823.2	524.3	472.0	96.7	375.3	52.3	32.4	20.0	74.3	11.5	62.8	20.9
1969	889.7	577.6	518.3	105.6	412.7	59.3	36.5	22.8	77.4	12.6	64.7	21.2
1970	930.9	617.2	551.6	117.2	434.3	65.7	41.8	23.8	78.4	12.7	65.7	21.4
1971	1,008.1	658.9	584.5	126.8	457.8	74.4	47.9	26.4	84.8	13.2	71.6	22.4
1972	1,111.2	725.1	638.8	137.9	500.9	86.4	55.2	31.2	95.9	16.8	79.1	23.4
1973	1,247.4	811.2	708.8	148.8	560.0	102.5	62.7	39.8	113.5	28.9	84.6	24.3
1974	1,342.1	890.2	772.3	160.5	611.8	118.0	73.3	44.7	113.1	23.2	89.9	24.3
1975	1,445.9	949.1	814.8	176.2	638.6	134.3	87.6	46.7	119.5	21.7	97.8	23.7
1976	1,611.8	1,059.3	899.7	188.9	710.8	159.6	105.2	54.4	132.2	17.0	115.2	22.3
1977	1,798.9	1,180.5	994.2	202.6	791.6	186.4	125.3	61.1	145.7	15.7	130.0	20.7
1978	2,027.4	1,336.1	1,121.2	220.0	901.2	214.9	143.4	71.5	166.6	19.6	147.1	22.1
1979	2,249.1	1,500.8	1,255.8	237.1	1,018.7	245.0	162.4	82.6	180.1	21.8	158.3	23.8
1980	2,439.3	1,651.8	1,377.6	261.5	1,116.2	274.2	185.2	88.9	174.1	11.3	162.8	30.0
1981	2,742.4	1,825.8	1,517.5	285.8	1,231.7	308.3	204.7	103.6	183.0	18.7	164.3	38.0
1982	2,864.3	1,925.8	1,593.7	307.5	1,286.2	332.1	222.4	109.8	176.3	13.1	163.3	38.8
1983	3,084.2	2,042.6	1,684.6	324.8	1,359.8	358.0	238.1	119.9	192.5	6.0	186.5	37.8
1984	3,482.3	2,255.6	1,855.1	348.1	1,507.0	400.5	261.5	139.0	243.3	20.6	222.7	40.2
1985	3,723.4	2,424.7	1,995.5	373.9	1,621.6	429.2	281.5	147.7	262.3	20.8	241.5	41.9
1986	3,902.3	2,570.1	2,114.8	397.0	1,717.9	455.3	297.5	157.9	275.7	22.6	253.1	33.5
1987	4,173.7	2,750.2	2,270.7	422.6	1,848.1	479.5	313.2	166.3	302.2	28.7	273.5	33.5
1988	4,549.4	2,967.2	2,452.9	451.3	2,001.6	514.2	329.6	184.6	341.6	26.8	314.7	40.6
1989	4,826.6	3,145.2	2,596.3	480.2	2,116.2	548.9	355.2	193.7	363.3	33.0	330.3	43.1
1990	5,089.1	3,338.2	2,754.0	517.7	2,236.3	584.2	377.8	206.5	380.6	31.9	348.7	50.7
1991	5,227.9	3,445.2	2,823.0	546.8	2,276.2	622.3	407.1	215.1	377.1	26.7	350.4	60.3
1992	5,512.8	3,635.4	2,964.5	569.2	2,395.3	670.9	442.5	228.4	427.6	34.5	393.0	78.0
1993	5,773.4	3,801.4	3,089.2	586.8	2,502.4	712.2	472.4	239.8	453.8	31.2	422.6	95.6
1994	6,122.3	3,997.2	3,249.8	606.2	2,643.5	747.5	493.3	254.1	473.3	33.9	439.4	119.7
1995	6,453.9	4,193.3	3,435.7	625.5	2,810.2	757.7	493.6	264.0	492.1	22.7	469.5	122.1
1996	6,840.1	4,390.5	3,623.2	644.4	2,978.8	767.3	492.5	274.9	543.2	37.3	505.9	131.5
1997	7,292.2	4,661.7	3,874.7	668.1	3,206.6	787.0	497.5	289.5	576.0	34.2	541.8	128.8
1998	7,752.8	5,019.4	4,182.7	697.3	3,485.5	836.7	529.7	307.0	627.8	29.4	598.4	137.5
1999	8,236.7	5,357.1	4,471.4	729.3	3,742.1	885.7	562.4	323.3	678.3	28.6	649.7	147.3
2000	8,795.2	5,782.7	4,829.2	774.7	4,054.5	953.4	609.9	343.5	728.4	22.7	705.7	150.3
2001	8,979.8	5,942.1	4,942.8	815.9	4,126.9	999.3	642.7	356.6	771.9	19.7	752.2	167.4
2002	9,229.3	6,091.2	4,980.9	865.9	4,115.0	1,110.3	745.1	365.2	768.4	10.6	757.8	152.9
2003	9,632.3	6,325.4	5,127.7	904.4	4,223.3	1,197.7	815.6	382.1	811.3	29.2	782.1	133.0
2004	10,255.9	6,650.3	5,377.1	941.8	4,435.3	1,273.2	866.1	407.1	911.1	36.2	874.9	127.0
2005	10,811.8	7,030.3	5,664.8	977.7	4,687.1	1,365.5	933.2	432.3	970.7	30.2	940.4	72.8
2003: I	9,406.7	6,202.4	5,032.4	895.2	4,137.2	1,170.0	795.1	374.9	779.1	21.8	757.4	137.4
II	9,537.9	6,289.0	5,098.7	903.1	4,195.6	1,190.3	810.1	380.3	801.6	30.5	771.2	130.5
III	9,699.3	6,365.8	5,159.3	907.1	4,252.2	1,206.6	822.5	384.1	823.5	32.1	791.5	116.3
IV	9,885.4	6,444.3	5,220.4	912.2	4,308.2	1,223.9	834.7	389.2	840.8	32.5	808.3	147.6
2004: I	10,084.3	6,521.9	5,276.4	931.3	4,345.1	1,245.5	846.1	399.4	877.5	38.1	839.4	140.1
II	10,207.0	6,590.2	5,328.1	939.1	4,389.1	1,262.1	858.2	403.8	910.2	39.5	870.6	132.0
III	10,243.5	6,689.6	5,408.1	944.8	4,463.3	1,281.5	871.7	409.8	915.1	32.9	882.2	112.7
IV	10,488.6	6,799.4	5,495.8	952.1	4,543.8	1,303.5	888.3	415.3	941.5	34.3	907.3	123.4
2005: I	10,702.3	6,889.6	5,555.7	968.4	4,587.3	1,333.9	909.8	424.1	952.8	33.9	918.9	118.5
II	10,795.4	6,953.7	5,601.3	973.7	4,627.6	1,352.4	924.7	427.7	965.8	28.7	937.1	102.8
III	10,643.2	7,093.6	5,715.2	980.6	4,734.6	1,378.4	942.1	436.3	967.3	29.7	937.7	–11.5
IV	11,106.2	7,184.4	5,787.0	988.1	4,798.9	1,397.4	956.1	441.3	996.8	28.7	968.1	81.5
2006: I	11,551.3	7,400.3	5,970.1	998.1	4,972.0	1,430.3	971.6	458.7	1,008.3	23.9	984.4	76.8
II	11,611.5	7,425.5	5,980.9	1,005.9	4,975.0	1,444.5	985.7	458.9	1,011.9	17.5	994.3	71.4
III	11,762.6	7,518.1	6,054.5	1,020.5	5,033.9	1,463.6	1,000.1	463.5	1,014.8	21.7	993.2	78.3

See next page for continuation of table.

TABLE B–28.—*National income by type of income, 1959–2006*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation and capital consumption adjustments									Net interest and miscellaneous payments	Taxes on production and imports	Less: Subsidies	Business current transfer payments (net)	Current surplus of government enterprises
	Total	Profits with inventory valuation adjustment and without capital consumption adjustment					Inventory valuation adjustment	Capital consumption adjustment						
		Total	Profits											
			Profits before tax	Taxes on corporate income	Profits after tax									
					Total	Net dividends	Undistributed profits							
1959	55.7	53.5	53.8	23.7	30.0	12.6	17.5	–0.3	2.2	9.6	41.1	1.1	1.8	1.0
1960	53.8	51.5	51.6	22.8	28.8	13.4	15.5	–.2	2.3	10.6	44.6	1.1	1.9	.9
1961	54.9	51.8	51.6	22.9	28.7	13.9	14.8	.3	3.0	12.5	47.0	2.0	2.0	.8
1962	63.3	57.0	57.0	24.1	32.9	15.0	17.9	.0	6.2	14.2	50.4	2.3	2.2	.9
1963	69.0	62.1	62.1	26.4	35.7	16.2	19.5	.1	6.8	15.2	53.4	2.2	2.7	1.4
1964	76.5	68.6	69.1	28.2	40.9	18.2	22.7	–.5	7.9	17.4	57.3	2.7	3.1	1.3
1965	87.5	78.9	80.2	31.1	49.1	20.2	28.9	–1.2	8.6	19.6	60.8	3.0	3.6	1.3
1966	93.2	84.6	86.7	33.9	52.8	20.7	32.1	–2.1	8.6	22.4	63.3	3.9	3.5	1.0
1967	91.3	82.0	83.5	32.9	50.6	21.5	29.1	–1.6	9.3	25.5	68.0	3.8	3.8	.9
1968	98.8	88.8	92.4	39.6	52.8	23.5	29.3	–3.7	10.0	27.1	76.5	4.2	4.3	1.2
1969	95.4	85.5	91.4	40.0	51.4	24.2	27.2	–5.9	9.9	32.7	84.0	4.5	4.9	1.0
1970	83.6	74.4	81.0	34.8	46.2	24.3	21.9	–6.6	9.2	39.1	91.5	4.8	4.5	.0
1971	98.0	88.3	92.9	38.2	54.7	25.0	29.7	–4.6	9.7	43.9	100.6	4.7	4.3	–.2
1972	112.1	101.2	107.8	42.3	65.5	26.8	38.6	–6.6	10.9	47.9	108.1	6.6	4.9	.5
1973	125.5	115.3	134.8	50.0	84.9	29.9	55.0	–19.6	10.2	55.2	117.3	5.2	6.0	–.4
1974	115.8	109.5	147.8	52.8	95.0	33.2	61.8	–38.2	6.2	70.8	125.0	3.3	7.1	–.9
1975	134.8	135.0	145.5	51.6	93.9	33.0	60.9	–10.5	–.2	81.6	135.5	4.5	9.4	–3.2
1976	163.3	165.6	179.7	65.3	114.4	39.0	75.4	–14.1	–2.3	85.5	146.6	5.1	9.5	–1.8
1977	192.4	194.7	210.4	74.4	136.0	44.8	91.2	–15.7	–2.3	101.1	159.9	7.1	8.4	–2.6
1978	216.6	222.4	246.1	84.9	161.3	50.8	110.5	–23.7	–5.8	115.0	171.2	8.9	10.6	–1.9
1979	223.2	231.8	271.9	90.0	181.9	57.5	124.4	–40.1	–8.5	138.9	180.4	8.5	13.0	–2.6
1980	201.1	211.4	253.5	87.2	166.3	64.1	102.2	–42.1	–10.2	181.8	200.7	9.8	14.4	–4.8
1981	226.1	219.1	243.7	84.3	159.4	73.8	85.6	–24.6	7.0	232.3	236.0	11.5	17.6	–4.9
1982	209.7	191.0	198.5	66.5	132.0	77.7	54.3	–7.5	18.6	271.1	241.3	15.0	20.1	–4.0
1983	264.2	226.5	233.9	80.6	153.3	83.5	69.8	–7.4	37.8	285.3	263.7	21.2	22.5	–3.1
1984	318.6	264.6	268.6	97.5	171.1	90.8	80.3	–4.0	54.0	327.1	290.2	21.0	30.1	–1.9
1985	330.3	257.5	257.4	99.4	158.0	97.6	60.5	.0	72.9	341.3	308.5	21.3	34.8	.8
1986	319.5	253.0	246.0	109.7	136.3	106.2	30.1	7.1	66.5	366.8	323.7	24.8	36.6	1.3
1987	368.8	301.4	317.6	130.4	187.2	112.3	74.9	–16.2	67.5	366.4	347.9	30.2	33.8	1.2
1988	432.6	363.9	386.1	141.6	244.4	129.9	114.5	–22.2	68.7	385.3	374.9	29.4	34.0	2.5
1989	426.6	367.4	383.7	146.1	237.7	158.0	79.7	–16.3	59.2	432.1	399.3	27.2	39.2	4.9
1990	437.8	396.6	409.5	145.4	264.1	169.1	95.0	–12.9	41.2	442.2	425.5	26.8	39.4	1.6
1991	451.2	427.9	423.0	138.6	284.4	180.7	103.7	4.9	23.3	418.2	457.5	27.3	39.9	5.7
1992	479.3	458.3	461.1	148.7	312.4	187.9	124.5	–2.8	21.1	388.5	483.8	29.9	42.4	7.6
1993	541.9	513.1	517.1	171.0	346.1	202.8	143.3	–4.0	28.8	365.7	503.4	36.4	40.7	7.2
1994	600.3	564.6	577.1	193.7	383.3	234.7	148.6	–12.4	35.7	366.4	545.6	32.2	43.3	8.6
1995	696.7	656.0	674.3	218.7	455.6	254.2	201.4	–18.3	40.7	367.1	558.2	34.0	46.9	11.4
1996	786.2	736.1	733.0	231.7	501.4	297.6	203.8	3.1	50.1	376.2	581.1	34.3	53.1	12.7
1997	868.5	812.3	798.2	246.1	552.1	334.5	217.6	14.1	56.2	415.6	612.0	32.9	49.9	12.6
1998	801.6	738.5	718.3	248.3	470.0	351.6	118.3	20.2	63.1	487.1	639.8	35.4	64.7	10.3
1999	851.3	776.8	775.9	258.6	517.2	337.4	179.9	1.0	74.5	495.4	674.0	44.2	67.4	10.1
2000	817.9	759.3	773.4	265.2	508.2	377.9	130.3	–14.1	58.6	559.0	708.9	44.3	87.1	5.3
2001	767.3	719.2	707.9	204.1	503.8	370.9	132.9	11.3	48.1	566.3	728.6	55.3	92.8	–1.4
2002	886.3	766.2	768.4	192.6	575.8	399.2	176.6	–2.2	120.1	520.9	762.8	38.4	84.3	.9
2003	993.1	894.5	908.1	243.3	664.8	424.7	240.1	–13.6	98.7	524.7	807.2	47.9	83.8	1.7
2004	1,182.6	1,104.5	1,144.3	300.1	844.2	539.5	304.7	–39.8	78.1	485.1	864.0	44.7	85.5	–5.0
2005	1,330.7	1,486.1	1,518.7	399.3	1,119.4	576.9	542.5	–32.6	–155.5	483.4	922.4	57.3	74.2	–15.4
2003: I	923.6	833.6	859.4	234.1	625.3	411.7	213.6	–25.8	90.0	529.1	787.5	42.0	84.1	5.4
II	956.2	847.8	851.1	228.9	622.2	417.4	204.8	–3.3	108.4	529.6	800.2	55.6	83.8	2.5
III	1,016.2	912.9	918.3	245.5	672.7	427.1	245.7	–5.3	103.3	526.4	812.9	46.5	84.1	.5
IV	1,076.5	983.6	1,003.5	264.7	738.9	442.8	296.0	–19.9	92.9	513.7	828.0	47.3	83.3	–1.5
2004: I	1,158.1	1,061.7	1,091.7	281.3	810.3	475.5	334.9	–30.0	96.4	501.8	845.4	43.7	85.4	–2.3
II	1,183.3	1,097.2	1,144.7	303.0	841.7	503.0	338.7	–47.5	86.0	493.4	858.2	42.8	86.1	–3.6
III	1,154.0	1,086.9	1,125.5	297.8	827.7	529.0	298.7	–38.6	67.1	475.7	867.2	44.3	79.1	–5.6
IV	1,234.9	1,172.1	1,215.2	318.1	897.1	650.5	246.6	–43.1	62.8	469.4	885.2	47.8	91.2	–8.6
2005: I	1,320.0	1,453.1	1,492.3	400.9	1,091.3	554.3	537.0	–39.2	–133.1	483.7	901.6	52.3	97.6	–9.1
II	1,342.9	1,487.4	1,508.3	392.8	1,115.5	568.2	547.4	–21.0	–144.5	477.1	920.2	55.6	99.9	–11.3
III	1,266.3	1,444.9	1,475.8	378.9	1,096.9	584.0	513.0	–30.9	–178.6	482.9	930.2	58.1	.2	–27.7
IV	1,393.5	1,559.1	1,598.3	424.6	1,173.7	601.0	572.7	–39.2	–165.6	490.0	937.3	63.1	99.1	–13.3
2006: I	1,569.1	1,717.7	1,740.6	456.9	1,283.7	615.7	668.0	–22.9	–148.6	514.8	952.5	55.1	93.8	–9.2
II	1,591.8	1,752.6	1,811.5	476.1	1,335.4	631.1	704.3	–58.9	–160.8	513.2	966.4	52.3	93.1	–9.4
III	1,653.3	1,815.8	1,854.0	490.6	1,363.4	650.4	713.0	–38.2	–162.4	498.6	968.6	51.8	92.8	–10.2

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–29.—*Sources of personal income, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income	Compensation of employees, received							Proprietors' income with inventory valuation and capital consumption adjustments			Rental income of persons with capital consumption adjustment
		Total	Wage and salary disbursements			Supplements to wages and salaries			Total	Farm	Nonfarm	
			Total	Private industries	Government	Total	Employer contributions for employee pension and insurance funds	Employer contributions for government social insurance				
1959	392.8	281.0	259.8	213.8	46.1	21.1	13.3	7.9	50.7	10.0	40.6	16.2
1960	411.5	296.4	272.9	223.7	49.2	23.6	14.3	9.3	50.8	10.5	40.3	17.1
1961	429.0	305.3	280.5	228.0	52.5	24.8	15.2	9.6	53.2	11.0	42.2	17.9
1962	456.7	327.1	299.4	243.0	56.3	27.8	16.6	11.2	55.4	11.0	44.4	18.8
1963	479.6	345.2	314.9	254.8	60.0	30.4	18.0	12.4	56.5	10.8	45.7	19.5
1964	514.6	370.7	337.8	272.9	64.9	32.9	20.3	12.6	59.4	9.6	49.8	19.6
1965	555.7	399.5	363.8	293.8	69.9	35.7	22.7	13.1	63.9	11.8	52.1	20.2
1966	603.9	442.7	400.3	321.9	78.4	42.3	25.5	16.8	68.2	12.8	55.4	20.8
1967	648.3	475.1	429.0	342.5	86.5	46.1	28.1	18.0	69.8	11.5	58.4	21.2
1968	712.0	524.3	472.0	375.3	96.7	52.3	32.4	20.0	74.3	11.5	62.8	20.9
1969	778.5	577.6	518.3	412.7	105.6	59.3	36.5	22.8	77.4	12.6	64.7	21.2
1970	838.8	617.2	551.6	434.3	117.2	65.7	41.8	23.8	78.4	12.7	65.7	21.4
1971	903.5	658.3	584.0	457.4	126.6	74.4	47.9	26.4	84.8	13.2	71.6	22.4
1972	992.7	725.1	638.8	501.2	137.6	86.4	55.2	31.2	95.9	16.8	79.1	23.4
1973	1,110.7	811.3	708.8	560.0	148.8	102.5	62.7	39.8	113.5	28.9	84.6	24.3
1974	1,222.6	890.7	772.8	611.8	161.0	118.0	73.3	44.7	113.1	23.2	89.9	24.3
1975	1,335.0	949.0	814.7	638.6	176.1	134.3	87.6	46.7	119.5	21.7	97.8	23.7
1976	1,474.8	1,059.2	899.6	710.8	188.8	159.6	105.2	54.4	132.2	17.0	115.2	22.3
1977	1,633.2	1,180.4	994.1	791.6	202.5	186.4	125.3	61.1	145.7	15.7	130.0	20.7
1978	1,837.7	1,335.8	1,120.9	901.2	219.7	214.9	143.4	71.5	166.6	19.6	147.1	22.1
1979	2,062.2	1,501.0	1,256.0	1,018.7	237.3	245.0	162.4	82.6	180.1	21.8	158.3	23.8
1980	2,307.9	1,651.8	1,377.7	1,116.2	261.5	274.2	185.2	88.9	174.1	11.3	162.8	30.0
1981	2,591.3	1,825.7	1,517.5	1,231.7	285.8	308.3	204.7	103.6	183.0	18.7	164.3	38.0
1982	2,775.3	1,925.9	1,593.7	1,286.2	307.5	332.1	222.4	109.8	176.3	13.1	163.3	38.8
1983	2,960.7	2,043.0	1,685.0	1,359.8	325.2	358.0	238.1	119.9	192.5	6.0	186.5	37.8
1984	3,289.5	2,255.4	1,854.9	1,507.0	347.9	400.5	261.5	139.0	243.3	20.6	222.7	40.2
1985	3,526.7	2,424.9	1,995.7	1,621.6	374.1	429.2	281.5	147.7	262.3	20.8	241.5	41.9
1986	3,722.4	2,570.1	2,114.8	1,717.9	397.0	455.3	297.5	157.9	275.7	22.6	253.1	33.5
1987	3,947.4	2,750.2	2,270.7	1,848.1	422.6	479.5	313.2	166.3	302.2	28.7	273.5	33.5
1988	4,253.7	2,967.2	2,452.9	2,001.6	451.3	514.2	329.6	184.6	341.6	26.8	314.7	40.6
1989	4,587.8	3,145.2	2,596.3	2,116.2	480.2	548.9	355.2	193.7	363.3	33.0	330.3	43.1
1990	4,878.6	3,338.2	2,754.0	2,236.3	517.7	584.2	377.8	206.5	380.6	31.9	348.7	50.7
1991	5,051.0	3,445.3	2,823.0	2,276.2	546.8	622.3	407.1	215.1	377.1	26.7	350.4	60.3
1992	5,362.0	3,651.2	2,980.3	2,411.1	569.2	670.9	442.5	228.4	427.6	34.5	393.0	78.0
1993	5,558.5	3,794.9	3,082.7	2,496.0	586.8	712.2	472.4	239.8	453.8	31.2	422.6	95.6
1994	5,842.5	3,979.6	3,232.1	2,625.9	606.2	747.5	493.3	254.1	473.3	33.9	439.4	119.7
1995	6,152.3	4,177.0	3,419.3	2,793.8	625.5	757.7	493.6	264.0	492.1	22.7	469.5	122.1
1996	6,520.6	4,386.9	3,619.6	2,975.2	644.4	767.3	492.5	274.9	543.2	37.3	505.9	131.5
1997	6,915.1	4,664.6	3,877.6	3,209.5	668.1	787.0	497.5	289.5	576.0	34.2	541.8	128.8
1998	7,423.0	5,020.1	4,183.4	3,486.2	697.3	836.7	529.7	307.0	627.8	29.4	598.4	137.5
1999	7,802.4	5,352.0	4,466.3	3,736.9	729.3	885.7	562.4	323.3	678.3	28.6	649.7	147.3
2000	8,429.7	5,782.7	4,829.2	4,054.5	774.7	953.4	609.9	343.5	728.4	22.7	705.7	150.3
2001	8,724.1	5,942.1	4,942.8	4,126.9	815.9	999.3	642.7	356.6	771.9	19.7	752.2	167.4
2002	8,881.9	6,091.2	4,980.9	4,115.0	865.9	1,110.3	745.1	365.2	768.4	10.6	757.8	152.9
2003	9,163.6	6,310.4	5,112.7	4,208.3	904.4	1,197.7	815.6	382.1	811.3	29.2	782.1	133.0
2004	9,731.4	6,665.3	5,392.1	4,450.3	941.8	1,273.2	866.1	407.1	911.1	36.2	874.9	127.0
2005	10,239.2	7,030.3	5,664.8	4,687.1	977.7	1,365.5	933.2	432.3	970.7	30.2	940.4	72.8
2003: I	8,998.2	6,191.0	5,021.0	4,127.2	893.8	1,170.0	795.1	374.9	779.1	21.8	757.4	137.4
II	9,111.3	6,275.4	5,085.1	4,180.6	904.5	1,190.3	810.1	380.3	801.6	30.5	771.2	130.5
III	9,203.6	6,340.8	5,134.3	4,227.2	907.1	1,206.6	822.5	384.1	823.5	32.1	791.5	116.3
IV	9,341.3	6,434.3	5,210.4	4,298.2	912.2	1,223.9	834.7	389.2	840.8	32.5	808.3	147.6
2004: I	9,497.7	6,525.4	5,279.9	4,350.1	929.8	1,245.5	846.1	399.4	877.5	38.1	839.4	140.1
II	9,640.5	6,611.7	5,349.6	4,409.1	940.5	1,262.1	858.2	403.8	910.2	39.5	870.6	132.0
III	9,767.9	6,714.6	5,433.1	4,488.3	944.8	1,281.5	871.7	409.8	915.1	32.9	882.2	112.7
IV	10,019.4	6,809.4	5,505.8	4,553.8	952.1	1,303.5	888.3	415.3	941.5	34.3	907.3	123.4
2005: I	10,048.8	6,889.6	5,555.7	4,587.3	968.4	1,333.9	909.8	424.1	952.8	33.9	918.9	118.5
II	10,161.5	6,953.7	5,601.3	4,627.6	973.7	1,352.4	924.7	427.7	965.8	28.7	937.1	102.8
III	10,262.7	7,093.6	5,715.2	4,734.6	980.6	1,378.4	942.1	436.3	967.3	29.7	937.7	–11.5
IV	10,483.7	7,184.4	5,787.0	4,798.9	988.1	1,397.4	956.1	441.3	996.8	28.7	968.1	81.5
2006: I	10,721.4	7,400.3	5,970.1	4,972.0	998.1	1,430.3	971.6	458.7	1,008.3	23.9	984.4	76.8
II	10,807.3	7,425.5	5,980.9	4,975.0	1,005.9	1,444.5	985.7	458.9	1,011.9	17.5	994.3	71.4
III	10,964.5	7,518.1	6,054.5	5,033.9	1,020.5	1,463.6	1,000.1	463.5	1,014.8	21.7	993.2	78.3

[1] Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

See next page for continuation of table.

TABLE B–29.—*Sources of personal income, 1959–2006*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income receipts on assets			Personal current transfer receipts								Less: Contributions for government social insurance
					Government social benefits to persons						Other current transfer receipts, from business (net)	
	Total	Personal interest income	Personal dividend income	Total	Total	Old-age, survivors, disability, and health insurance benefits	Government unemployment insurance benefits	Veterans benefits	Family assistance [1]	Other		
1959	34.6	22.0	12.6	24.2	22.9	10.2	2.8	4.6	0.9	4.5	1.3	13.8
1960	37.9	24.5	13.4	25.7	24.4	11.1	3.0	4.6	1.0	4.7	1.3	16.4
1961	40.1	26.2	13.9	29.5	28.1	12.6	4.3	5.0	1.1	5.1	1.4	17.0
1962	44.1	29.1	15.0	30.4	28.8	14.3	3.1	4.7	1.3	5.5	1.5	19.1
1963	47.9	31.7	16.2	32.2	30.3	15.2	3.0	4.8	1.4	5.9	1.9	21.7
1964	53.8	35.6	18.2	33.5	31.3	16.0	2.7	4.7	1.5	6.4	2.2	22.4
1965	59.4	39.2	20.2	36.2	33.9	18.1	2.3	4.9	1.7	7.0	2.3	23.4
1966	64.1	43.4	20.7	39.6	37.5	20.8	1.9	4.9	1.9	8.1	2.1	31.3
1967	69.0	47.5	21.5	48.0	45.8	25.8	2.2	5.6	2.3	9.9	2.3	34.9
1968	75.2	51.6	23.5	56.1	53.3	30.5	2.1	5.9	2.8	11.9	2.8	38.7
1969	84.1	59.9	24.2	62.3	59.0	33.1	2.2	6.7	3.5	13.4	3.3	44.1
1970	93.5	69.2	24.3	74.7	71.7	38.6	4.0	7.7	4.8	16.6	2.9	46.4
1971	101.0	75.9	25.0	88.1	85.4	44.7	5.8	8.8	6.2	20.0	2.7	51.2
1972	109.6	82.8	26.8	97.9	94.8	49.8	5.7	9.7	6.9	22.7	3.1	59.2
1973	124.7	94.8	29.9	112.6	108.6	60.9	4.4	10.4	7.2	25.7	3.9	75.5
1974	146.4	113.2	33.2	133.3	128.6	70.3	6.8	11.8	8.0	31.7	4.7	85.2
1975	162.2	129.3	32.9	170.0	163.1	81.5	17.6	14.5	9.3	40.2	6.8	89.3
1976	178.4	139.5	39.0	184.0	177.3	93.3	15.8	14.4	10.1	43.7	6.7	101.3
1977	205.3	160.6	44.7	194.2	189.1	105.3	12.7	13.8	10.6	46.7	5.1	113.1
1978	234.8	184.0	50.7	209.6	203.2	116.9	9.1	13.9	10.8	52.5	6.5	131.3
1979	274.7	217.3	57.4	235.3	227.1	132.5	9.4	14.4	11.1	59.6	8.2	152.7
1980	338.7	274.7	64.0	279.5	270.8	154.8	15.7	15.0	12.5	72.8	8.6	166.2
1981	421.9	348.3	73.6	318.4	307.2	182.1	15.6	16.1	13.1	80.2	11.2	195.7
1982	488.4	410.8	77.6	354.8	342.4	204.6	25.1	16.4	12.9	83.4	12.4	208.9
1983	529.6	446.3	83.3	383.7	369.9	222.2	26.2	16.6	13.8	91.0	13.8	226.0
1984	607.9	517.2	90.6	400.1	380.4	237.8	15.9	16.4	14.5	95.9	19.7	257.5
1985	654.0	556.6	97.4	424.9	402.6	253.0	15.7	16.7	15.2	102.0	22.3	281.4
1986	695.5	589.5	106.0	451.0	428.0	268.9	16.3	16.7	16.1	109.9	22.9	303.4
1987	717.0	604.9	112.2	467.6	447.4	282.6	14.5	16.6	16.4	117.3	20.2	323.1
1988	769.3	639.5	129.7	496.6	476.0	300.2	13.2	16.9	16.9	128.8	20.6	361.5
1989	878.0	720.2	157.8	543.4	519.9	325.6	14.3	17.3	17.5	145.3	23.5	385.2
1990	924.0	755.2	168.8	595.2	573.1	351.8	18.0	17.8	19.2	166.2	22.2	410.1
1991	932.0	751.7	180.3	666.4	648.5	381.7	26.6	18.3	21.1	200.8	17.9	430.2
1992	910.9	723.4	187.4	749.4	729.8	414.4	38.9	19.3	22.2	234.9	19.6	455.0
1993	901.8	699.6	202.2	790.1	775.7	443.4	34.1	20.1	22.8	255.3	14.4	477.7
1994	950.8	716.8	234.0	827.3	812.2	475.4	23.5	20.1	23.2	270.0	15.1	508.2
1995	1,016.4	763.2	253.2	877.4	858.4	506.8	21.4	20.9	22.6	286.7	19.0	532.8
1996	1,089.2	793.0	296.2	925.0	902.1	537.7	22.0	21.7	20.3	300.4	22.9	555.2
1997	1,181.7	848.7	333.0	951.2	931.8	563.2	19.9	22.5	17.9	308.3	19.4	587.2
1998	1,283.2	933.2	349.9	978.6	952.6	575.1	19.5	23.4	17.4	317.3	26.0	624.2
1999	1,264.2	928.6	335.6	1,022.1	988.0	588.9	20.3	24.3	17.9	336.7	34.1	661.4
2000	1,387.0	1,011.0	376.1	1,084.0	1,041.6	620.8	20.3	25.1	18.4	357.0	42.4	702.7
2001	1,380.0	1,011.0	369.0	1,193.9	1,143.9	668.5	31.7	26.7	18.1	398.9	50.0	731.1
2002	1,333.2	936.1	397.2	1,286.2	1,248.9	707.5	53.2	29.6	17.7	440.9	37.3	750.0
2003	1,336.6	914.1	422.6	1,351.0	1,316.7	741.3	52.8	32.0	18.4	472.2	34.3	778.6
2004	1,427.9	890.8	537.1	1,426.5	1,398.4	791.4	36.0	34.3	18.4	518.4	28.1	826.4
2005	1,519.4	945.0	574.4	1,526.6	1,480.9	844.9	31.3	36.8	18.3	549.4	45.7	880.6
2003: I	1,329.1	919.7	409.4	1,327.0	1,290.5	728.7	50.9	31.5	18.1	461.3	36.4	765.4
II	1,334.9	919.6	415.3	1,344.0	1,308.3	738.0	54.6	31.9	18.3	465.5	35.6	775.0
III	1,339.5	914.6	424.9	1,365.5	1,331.6	744.7	54.3	32.3	18.5	481.8	33.9	782.1
IV	1,343.1	902.4	440.7	1,367.6	1,336.4	753.9	51.4	32.3	18.5	480.3	31.2	791.9
2004: I	1,366.1	892.8	473.4	1,399.3	1,373.7	774.2	43.0	33.7	18.4	504.4	25.6	810.8
II	1,389.8	889.0	500.8	1,416.7	1,393.0	786.4	35.5	34.0	18.4	518.8	23.7	819.8
III	1,415.7	889.1	526.6	1,441.7	1,403.2	796.5	33.3	34.5	18.3	520.6	38.4	831.8
IV	1,539.8	892.3	647.5	1,448.4	1,423.5	808.4	32.3	34.9	18.3	529.7	24.8	843.1
2005: I	1,464.3	912.3	552.0	1,487.3	1,456.3	832.2	32.8	36.4	18.3	536.6	31.0	863.6
II	1,500.5	934.8	565.7	1,510.1	1,477.2	844.4	30.7	36.7	18.3	547.1	33.0	871.5
III	1,532.7	951.2	581.5	1,569.0	1,489.2	848.5	30.2	37.0	18.4	555.1	79.8	888.5
IV	1,580.2	981.7	598.5	1,539.8	1,500.8	854.6	31.6	37.2	18.5	558.8	39.0	898.9
2006: I	1,602.3	989.1	613.2	1,570.4	1,536.0	909.9	27.8	39.1	18.6	540.6	34.5	936.7
II	1,647.7	1,019.2	628.5	1,589.7	1,554.7	928.1	27.0	39.8	18.8	541.0	35.0	938.8
III	1,683.6	1,035.8	647.8	1,618.6	1,583.1	936.7	27.3	40.2	18.9	560.0	35.5	948.9

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–30.—*Disposition of personal income, 1959–2006*

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income	Less: Personal current taxes	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Percent of disposable personal income [2]		
				Total	Personal consumption expenditures	Personal interest payments [1]	Personal current transfer payments		Personal outlays		Personal saving
									Total	Personal consumption expenditures	
1959	392.8	42.3	350.5	323.9	317.6	5.5	0.8	26.7	92.4	90.6	7.6
1960	411.5	46.1	365.4	338.8	331.7	6.2	.8	26.7	92.7	90.8	7.3
1961	429.0	47.3	381.8	349.6	342.1	6.5	1.0	32.2	91.6	89.6	8.4
1962	456.7	51.6	405.1	371.3	363.3	7.0	1.1	33.8	91.7	89.7	8.3
1963	479.6	54.6	425.1	391.8	382.7	7.9	1.2	33.3	92.2	90.0	7.8
1964	514.6	52.1	462.5	421.7	411.4	8.9	1.3	40.8	91.2	89.0	8.8
1965	555.7	57.7	498.1	455.1	443.8	9.9	1.4	43.0	91.4	89.1	8.6
1966	603.9	66.4	537.5	493.1	480.9	10.7	1.6	44.4	91.7	89.5	8.3
1967	648.3	73.0	575.3	520.9	507.8	11.1	2.0	54.4	90.5	88.3	9.5
1968	712.0	87.0	625.0	572.2	558.0	12.2	2.0	52.8	91.6	89.3	8.4
1969	778.5	104.5	674.0	621.4	605.2	14.0	2.2	52.5	92.2	89.8	7.8
1970	838.8	103.1	735.7	666.2	648.5	15.2	2.6	69.5	90.6	88.1	9.4
1971	903.5	101.7	801.8	721.2	701.9	16.6	2.8	80.6	89.9	87.5	10.1
1972	992.7	123.6	869.1	791.9	770.6	18.1	3.1	77.2	91.1	88.7	8.9
1973	1,110.7	132.4	978.3	875.6	852.4	19.8	3.4	102.7	89.5	87.1	10.5
1974	1,222.6	151.0	1,071.6	958.0	933.4	21.2	3.4	113.6	89.4	87.1	10.6
1975	1,335.0	147.6	1,187.4	1,061.9	1,034.4	23.7	3.8	125.6	89.4	87.1	10.6
1976	1,474.8	172.3	1,302.5	1,180.2	1,151.9	23.9	4.4	122.3	90.6	88.4	9.4
1977	1,633.2	197.5	1,435.7	1,310.4	1,278.6	27.0	4.8	125.3	91.3	89.1	8.7
1978	1,837.7	229.4	1,608.3	1,465.8	1,428.5	31.9	5.4	142.5	91.1	88.8	8.9
1979	2,062.2	268.7	1,793.5	1,634.4	1,592.2	36.2	5.9	159.1	91.1	88.8	8.9
1980	2,307.9	298.9	2,009.0	1,807.5	1,757.1	43.6	6.8	201.4	90.0	87.5	10.0
1981	2,591.3	345.2	2,246.1	2,001.8	1,941.1	49.3	11.4	244.3	89.1	86.4	10.9
1982	2,775.3	354.1	2,421.2	2,150.4	2,077.3	59.5	13.6	270.8	88.8	85.8	11.2
1983	2,960.7	352.3	2,608.4	2,374.8	2,290.6	69.2	15.0	233.6	91.0	87.8	9.0
1984	3,289.5	377.4	2,912.0	2,597.3	2,503.3	77.0	16.9	314.8	89.2	86.0	10.8
1985	3,526.7	417.4	3,109.3	2,829.3	2,720.3	90.4	18.6	280.0	91.0	87.5	9.0
1986	3,722.4	437.3	3,285.1	3,016.7	2,899.7	96.1	20.9	268.4	91.8	88.3	8.2
1987	3,947.4	489.1	3,458.3	3,216.9	3,100.2	93.6	23.1	241.4	93.0	89.6	7.0
1988	4,253.7	505.0	3,748.7	3,475.8	3,353.6	96.8	25.4	272.9	92.7	89.5	7.3
1989	4,587.8	566.1	4,021.7	3,734.5	3,598.5	108.2	27.8	287.1	92.9	89.5	7.1
1990	4,878.6	592.8	4,285.8	3,986.4	3,839.9	116.1	30.4	299.4	93.0	89.6	7.0
1991	5,051.0	586.7	4,464.3	4,140.1	3,986.1	118.5	35.6	324.2	92.7	89.3	7.3
1992	5,362.0	610.6	4,751.4	4,385.4	4,235.3	111.8	38.3	366.0	92.3	89.1	7.7
1993	5,558.5	646.6	4,911.9	4,627.9	4,477.9	107.3	42.7	284.0	94.2	91.2	5.8
1994	5,842.5	690.7	5,151.8	4,902.4	4,743.3	112.8	46.3	249.5	95.2	92.1	4.8
1995	6,152.3	744.1	5,408.2	5,157.3	4,975.8	132.7	48.9	250.9	95.4	92.0	4.6
1996	6,520.6	832.1	5,688.5	5,460.0	5,256.8	150.3	52.9	228.4	96.0	92.4	4.0
1997	6,915.1	926.3	5,988.8	5,770.5	5,547.4	163.9	59.2	218.3	96.4	92.6	3.6
1998	7,423.0	1,027.0	6,395.9	6,119.1	5,879.5	174.5	65.2	276.8	95.7	91.9	4.3
1999	7,802.4	1,107.5	6,695.0	6,536.4	6,282.5	181.0	73.0	158.6	97.6	93.8	2.4
2000	8,429.7	1,235.7	7,194.0	7,025.6	6,739.4	204.7	81.5	168.5	97.7	93.7	2.3
2001	8,724.1	1,237.3	7,486.8	7,354.5	7,055.0	212.2	87.2	132.3	98.2	94.2	1.8
2002	8,881.9	1,051.8	7,830.1	7,645.3	7,350.7	196.4	98.2	184.7	97.6	93.9	2.4
2003	9,163.6	1,001.1	8,162.5	7,987.7	7,703.6	182.5	101.5	174.9	97.9	94.4	2.1
2004	9,731.4	1,049.8	8,681.6	8,507.2	8,211.5	186.0	109.7	174.3	98.0	94.6	2.0
2005	10,239.2	1,203.1	9,036.1	9,070.9	8,742.4	209.4	119.2	–34.8	100.4	96.7	–.4
2003: I	8,998.2	1,022.7	7,975.5	7,826.4	7,548.1	179.1	99.1	149.1	98.1	94.6	1.9
II	9,111.3	1,023.7	8,087.6	7,913.7	7,628.4	184.4	100.9	173.9	97.8	94.3	2.2
III	9,203.6	942.6	8,261.0	8,067.0	7,782.6	184.6	99.8	194.0	97.7	94.2	2.3
IV	9,341.3	1,015.4	8,326.0	8,143.5	7,855.3	181.9	106.3	182.5	97.8	94.3	2.2
2004: I	9,497.7	1,016.0	8,481.6	8,302.7	8,018.0	177.3	107.4	178.9	97.9	94.5	2.1
II	9,640.5	1,033.4	8,607.1	8,438.7	8,148.1	181.1	109.5	168.3	98.0	94.7	2.0
III	9,767.9	1,061.6	8,706.3	8,565.1	8,265.0	189.3	110.7	141.2	98.4	94.9	1.6
IV	10,019.4	1,088.2	8,931.2	8,722.3	8,414.8	196.2	111.2	208.9	97.7	94.2	2.3
2005: I	10,048.8	1,157.9	8,890.9	8,838.5	8,519.7	199.8	119.0	52.5	99.4	95.8	.6
II	10,161.5	1,191.8	8,969.7	9,000.4	8,674.6	208.5	117.3	–30.8	100.3	96.7	–.3
III	10,262.7	1,215.0	9,047.7	9,180.3	8,847.3	214.6	118.5	–132.6	101.5	97.8	–1.5
IV	10,483.7	1,247.6	9,236.1	9,264.5	8,927.8	214.9	121.8	–28.5	100.3	96.7	–.3
2006: I	10,721.4	1,332.6	9,388.8	9,418.5	9,079.2	218.5	120.9	–29.7	100.3	96.7	–.3
II	10,807.3	1,361.0	9,446.2	9,577.0	9,228.1	222.9	126.0	–130.8	101.4	97.7	–1.4
III	10,964.5	1,366.2	9,598.3	9,710.0	9,346.7	235.5	127.8	–111.7	101.2	97.4	–1.2

[1] Consists of nonmortgage interest paid by households.
[2] Percents based on data in millions of dollars.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–31.—*Total and per capita disposable personal income and personal consumption expenditures, and per capita gross domestic product, in current and real dollars, 1959–2006*

[Quarterly data at seasonally adjusted annual rates, except as noted]

Year or quarter	Disposable personal income				Personal consumption expenditures				Gross domestic product per capita (dollars)		Population (thousands)[1]
	Total (billions of dollars)		Per capita (dollars)		Total (billions of dollars)		Per capita (dollars)				
	Current dollars	Chained (2000) dollars	Current dollars	Chained (2000) dollars	Current dollars	Chained (2000) dollars	Current dollars	Chained (2000) dollars	Current dollars	Chained (2000) dollars	
1959	350.5	1,715.5	1,979	9,685	317.6	1,554.6	1,793	8,776	2,860	13,782	177,130
1960	365.4	1,759.7	2,022	9,735	331.7	1,597.4	1,835	8,837	2,912	13,840	180,760
1961	381.8	1,819.2	2,078	9,901	342.1	1,630.3	1,862	8,873	2,965	13,932	183,742
1962	405.1	1,908.2	2,171	10,227	363.3	1,711.1	1,947	9,170	3,139	14,552	186,590
1963	425.1	1,979.1	2,246	10,455	382.7	1,781.6	2,022	9,412	3,263	14,971	189,300
1964	462.5	2,122.8	2,410	11,061	411.4	1,888.4	2,144	9,839	3,458	15,624	191,927
1965	498.1	2,253.3	2,563	11,594	443.8	2,007.7	2,283	10,331	3,700	16,420	194,347
1966	537.5	2,371.9	2,734	12,065	480.9	2,121.8	2,446	10,793	4,007	17,290	196,599
1967	575.3	2,475.9	2,895	12,457	507.8	2,185.0	2,555	10,994	4,189	17,533	198,752
1968	625.0	2,588.0	3,114	12,892	558.0	2,310.5	2,780	11,510	4,533	18,196	200,745
1969	674.0	2,668.7	3,324	13,163	605.2	2,396.4	2,985	11,820	4,857	18,573	202,736
1970	735.7	2,781.7	3,587	13,563	648.5	2,451.9	3,162	11,955	5,064	18,391	205,089
1971	801.8	2,907.9	3,860	14,001	701.9	2,545.5	3,379	12,256	5,427	18,771	207,692
1972	869.1	3,046.5	4,140	14,512	770.6	2,701.3	3,671	12,868	5,899	19,555	209,924
1973	978.3	3,252.3	4,616	15,345	852.4	2,833.8	4,022	13,371	6,524	20,484	211,939
1974	1,071.6	3,228.5	5,010	15,094	933.4	2,812.3	4,364	13,148	7,013	20,195	213,898
1975	1,187.4	3,302.6	5,498	15,291	1,034.4	2,876.9	4,789	13,320	7,586	19,961	215,981
1976	1,302.5	3,432.2	5,972	15,738	1,151.9	3,035.5	5,282	13,919	8,369	20,822	218,086
1977	1,435.7	3,552.9	6,517	16,128	1,278.6	3,164.1	5,804	14,364	9,219	21,565	220,289
1978	1,608.3	3,718.8	7,224	16,704	1,428.5	3,303.1	6,417	14,837	10,307	22,526	222,629
1979	1,793.5	3,811.2	7,967	16,931	1,592.2	3,383.4	7,073	15,030	11,387	22,982	225,106
1980	2,009.0	3,857.7	8,822	16,940	1,757.1	3,374.1	7,716	14,816	12,249	22,666	227,726
1981	2,246.1	3,960.0	9,765	17,217	1,941.1	3,422.2	8,439	14,879	13,601	23,007	230,008
1982	2,421.2	4,044.9	10,426	17,418	2,077.3	3,470.3	8,945	14,944	14,017	22,346	232,218
1983	2,608.4	4,177.7	11,131	17,828	2,290.6	3,668.6	9,775	15,656	15,092	23,146	234,333
1984	2,912.0	4,494.1	12,319	19,011	2,503.3	3,863.3	10,589	16,343	16,638	24,593	236,394
1985	3,109.3	4,645.2	13,037	19,476	2,720.3	4,064.0	11,406	17,040	17,695	25,382	238,506
1986	3,285.1	4,791.0	13,649	19,906	2,899.7	4,228.9	12,048	17,570	18,542	26,024	240,683
1987	3,458.3	4,874.5	14,241	20,072	3,100.2	4,369.8	12,766	17,994	19,517	26,664	242,843
1988	3,748.7	5,082.6	15,297	20,740	3,353.6	4,546.9	13,685	18,554	20,827	27,514	245,061
1989	4,021.7	5,224.8	16,257	21,120	3,598.5	4,675.0	14,546	18,898	22,169	28,221	247,387
1990	4,285.8	5,324.2	17,131	21,281	3,839.9	4,770.3	15,349	19,067	23,195	28,429	250,181
1991	4,464.3	5,351.7	17,609	21,109	3,986.1	4,778.4	15,722	18,848	23,650	28,007	253,530
1992	4,751.4	5,536.3	18,494	21,548	4,235.3	4,934.8	16,485	19,208	24,668	28,556	256,922
1993	4,911.9	5,594.2	18,872	21,493	4,477.9	5,099.8	17,204	19,593	25,578	28,940	260,282
1994	5,151.8	5,746.4	19,555	21,812	4,743.3	5,290.7	18,004	20,082	26,844	29,741	263,455
1995	5,408.2	5,905.7	20,287	22,153	4,975.8	5,433.5	18,665	20,382	27,749	30,128	266,588
1996	5,688.5	6,080.9	21,091	22,546	5,256.8	5,619.4	19,490	20,835	28,982	30,881	269,714
1997	5,988.8	6,295.8	21,940	23,065	5,547.4	5,831.8	20,323	21,365	30,424	31,886	272,958
1998	6,395.9	6,663.9	23,161	24,131	5,879.5	6,125.8	21,291	22,183	31,674	32,833	276,154
1999	6,695.0	6,861.3	23,968	24,564	6,282.5	6,438.6	22,491	23,050	33,181	33,904	279,328
2000	7,194.0	7,194.0	25,472	25,472	6,739.4	6,739.4	23,862	23,862	34,759	34,759	282,429
2001	7,486.8	7,333.3	26,235	25,697	7,055.0	6,910.4	24,722	24,215	35,491	34,659	285,371
2002	7,830.1	7,562.2	27,164	26,235	7,350.7	7,099.3	25,501	24,629	36,321	34,861	288,253
2003	8,162.5	7,729.9	28,039	26,553	7,703.6	7,295.3	26,463	25,060	37,651	35,385	291,114
2004	8,681.6	8,010.8	29,536	27,254	8,211.5	7,577.1	27,937	25,778	39,847	36,415	293,933
2005	9,036.1	8,104.6	30,458	27,318	8,742.4	7,841.2	29,468	26,430	41,984	37,241	296,677
2003: I	7,975.5	7,591.7	27,499	26,176	7,548.1	7,184.9	26,026	24,773	36,913	34,914	290,025
II	8,087.6	7,685.7	27,820	26,437	7,628.4	7,249.3	26,240	24,936	37,259	35,129	290,717
III	8,261.0	7,804.8	28,341	26,776	7,782.6	7,352.9	26,700	25,226	38,033	35,675	291,485
IV	8,326.0	7,837.3	28,492	26,819	7,855.3	7,394.3	26,881	25,303	38,393	35,818	292,226
2004: I	8,481.6	7,912.4	28,962	27,018	8,018.0	7,479.8	27,379	25,541	39,033	36,081	292,853
II	8,607.1	7,958.8	29,322	27,113	8,148.1	7,534.4	27,758	25,667	39,686	36,355	293,539
III	8,706.3	8,013.3	29,583	27,228	8,265.0	7,607.1	28,084	25,848	40,093	36,538	294,301
IV	8,931.2	8,158.8	30,271	27,654	8,414.8	7,687.1	28,521	26,055	40,572	36,683	295,037
2005: I	8,890.9	8,076.6	30,073	27,319	8,519.7	7,739.4	28,818	26,178	41,175	36,916	295,643
II	8,969.7	8,085.8	30,273	27,290	8,674.6	7,819.8	29,277	26,392	41,669	37,132	296,289
III	9,047.7	8,074.1	30,461	27,183	8,847.3	7,895.3	29,786	26,581	42,331	37,421	297,027
IV	9,236.1	8,183.3	31,020	27,484	8,927.8	7,910.2	29,985	26,567	42,756	37,494	297,748
2006: I	9,388.8	8,276.8	31,470	27,743	9,079.2	8,003.8	30,432	26,828	43,602	37,931	298,340
II	9,446.2	8,245.4	31,595	27,578	9,228.1	8,055.0	30,865	26,941	44,141	38,090	298,982
III	9,598.3	8,329.6	32,025	27,792	9,346.7	8,111.2	31,185	27,063	44,451	38,181	299,716

[1] Population of the United States including Armed Forces overseas; includes Alaska and Hawaii beginning 1960. Annual data are averages of quarterly data. Quarterly data are averages for the period.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

TABLE B–32.—*Gross saving and investment, 1959–2006*

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross saving											
	Total gross saving	Net saving								Consumption of fixed capital		
		Total net saving	Net private saving				Net government saving					
			Total	Personal saving	Undistributed corporate profits [1]	Wage accruals less disbursements	Total	Federal	State and local	Total	Private	Government
1959	106.2	53.2	46.0	26.7	19.4	0.0	7.1	3.3	3.8	53.0	38.6	14.5
1960	111.3	55.8	44.3	26.7	17.6	.0	11.5	7.2	4.3	55.6	40.5	15.0
1961	114.3	57.1	50.2	32.2	18.1	.0	6.9	2.6	4.3	57.2	41.6	15.6
1962	124.9	65.7	57.9	33.8	24.1	.0	7.8	2.5	5.2	59.3	42.8	16.5
1963	133.2	70.8	59.7	33.3	26.4	.0	11.1	5.4	5.7	62.4	44.9	17.5
1964	143.4	78.4	71.0	40.8	30.1	.0	7.4	1.0	6.4	65.0	46.9	18.1
1965	158.5	89.1	79.2	43.0	36.2	.0	9.9	3.3	6.5	69.4	50.5	18.9
1966	168.7	93.1	83.1	44.4	38.7	.0	10.0	2.3	7.8	75.6	55.5	20.1
1967	170.5	89.0	91.4	54.4	36.9	.0	–2.4	–9.4	7.0	81.5	59.9	21.6
1968	182.0	93.6	88.4	52.8	35.6	.0	5.2	–2.3	7.5	88.4	65.2	23.1
1969	198.3	100.4	83.7	52.5	31.2	.0	16.7	8.7	8.0	97.9	73.1	24.8
1970	192.7	86.0	94.0	69.5	24.6	.0	–8.1	–15.2	7.1	106.7	80.0	26.7
1971	208.9	93.9	115.8	80.6	34.8	.4	–21.9	–28.4	6.5	115.0	86.7	28.3
1972	237.5	111.0	119.8	77.2	42.9	–.3	–8.8	–24.4	15.6	126.5	97.1	29.5
1973	292.0	152.7	148.3	102.7	45.6	.0	4.4	–11.3	15.7	139.3	107.9	31.4
1974	301.5	139.0	143.4	113.6	29.8	.0	–4.4	–13.8	9.3	162.5	126.6	35.9
1975	297.0	109.2	175.8	125.6	50.2	.0	–66.6	–69.0	2.5	187.7	147.8	40.0
1976	342.1	137.0	181.3	122.3	59.0	.0	–44.4	–51.7	7.4	205.2	162.5	42.6
1977	397.5	167.5	198.5	125.3	73.2	.0	–31.0	–44.1	13.1	230.0	184.3	45.7
1978	478.0	215.7	223.5	142.5	81.0	.0	–7.8	–26.5	18.7	262.3	212.8	49.5
1979	536.7	236.6	234.9	159.1	75.7	.0	1.7	–11.3	13.0	300.1	245.7	54.5
1980	549.4	206.5	251.3	201.4	49.9	.0	–44.8	–53.6	8.8	343.0	281.1	61.8
1981	654.7	266.6	312.3	244.3	68.0	.0	–45.7	–53.3	7.6	388.1	317.9	70.1
1982	629.1	202.2	336.2	270.8	65.4	.0	–134.1	–131.9	–2.2	426.9	349.8	77.1
1983	609.4	165.6	333.7	233.6	100.1	.0	–168.1	–173.0	4.9	443.8	362.1	81.7
1984	773.4	300.9	445.0	314.8	130.3	.0	–144.1	–168.1	23.9	472.6	385.6	87.0
1985	767.5	260.7	413.4	280.0	133.4	.0	–152.6	–175.0	22.3	506.7	414.0	92.7
1986	733.5	202.2	372.0	268.4	103.7	.0	–169.9	–190.8	21.0	531.3	431.8	99.5
1987	796.8	234.9	367.4	241.4	126.1	.0	–132.6	–145.0	12.4	561.9	455.3	106.7
1988	915.0	317.4	434.0	272.9	161.1	.0	–116.6	–134.5	17.9	597.6	483.5	114.1
1989	944.7	300.4	409.7	287.1	122.6	.0	–109.3	–130.1	20.8	644.3	522.1	122.2
1990	940.4	258.0	422.7	299.4	123.3	.0	–164.8	–172.0	7.2	682.5	551.6	130.9
1991	964.1	238.2	456.1	324.2	131.9	.0	–217.9	–213.7	–4.2	725.9	586.9	139.1
1992	948.2	196.3	493.0	366.0	142.7	–15.8	–296.7	–297.4	.7	751.9	607.3	144.6
1993	962.4	186.0	458.6	284.0	168.1	6.4	–272.6	–273.5	.9	776.4	624.7	151.8
1994	1,070.7	237.1	438.9	249.5	171.8	17.6	–201.9	–212.3	10.5	833.7	675.1	158.6
1995	1,184.5	306.2	491.1	250.9	223.8	16.4	–184.9	–197.0	12.0	878.4	713.4	165.0
1996	1,291.1	373.0	489.0	228.4	256.9	3.6	–116.0	–141.8	25.8	918.1	748.8	169.3
1997	1,461.1	486.6	503.3	218.3	287.9	–2.9	–16.7	–55.8	39.1	974.4	800.3	174.1
1998	1,598.7	568.6	477.8	276.8	201.7	–.7	90.8	38.8	52.0	1,030.2	851.2	179.0
1999	1,674.3	573.0	419.0	158.6	255.3	5.2	154.0	103.6	50.4	1,101.3	914.3	187.0
2000	1,770.5	582.7	343.3	168.5	174.8	.0	239.4	189.5	50.0	1,187.8	990.8	197.0
2001	1,657.6	376.1	324.6	132.3	192.3	.0	51.5	46.7	4.8	1,281.5	1,075.5	206.0
2002	1,489.1	197.1	479.2	184.7	294.5	.0	–282.1	–247.9	–34.2	1,292.0	1,080.3	211.6
2003	1,459.0	122.5	515.0	174.9	325.1	15.0	–392.5	–372.1	–20.4	1,336.5	1,118.3	218.2
2004	1,543.7	107.5	502.4	174.3	343.0	–15.0	–394.9	–382.0	–12.9	1,436.2	1,205.4	230.8
2005	1,612.0	7.2	319.7	–34.8	354.5	.0	–312.5	–309.2	–3.3	1,604.8	1,352.6	252.2
2003: I	1,402.6	85.5	436.9	149.1	277.8	10.0	–351.4	–290.2	–61.2	1,317.0	1,101.1	215.9
II	1,435.6	106.2	498.9	173.9	310.0	15.0	–392.7	–365.5	–27.2	1,329.5	1,111.7	217.7
III	1,445.6	103.0	562.6	194.0	343.6	25.0	–459.6	–451.4	–8.2	1,342.6	1,123.6	219.0
IV	1,552.2	195.2	561.5	182.5	369.0	10.0	–366.3	–381.5	15.2	1,357.0	1,136.7	220.2
2004: I	1,532.7	159.5	575.2	178.9	401.3	–5.0	–415.7	–401.0	–14.7	1,373.2	1,150.3	223.0
II	1,525.8	131.3	525.6	168.3	377.2	–20.0	–394.3	–380.6	–13.6	1,394.5	1,166.4	228.1
III	1,575.4	40.5	443.4	141.2	327.2	–25.0	–402.9	–380.6	–22.3	1,534.9	1,301.9	233.0
IV	1,540.6	98.6	465.2	208.9	266.2	–10.0	–366.6	–365.7	–.9	1,442.0	1,203.1	238.9
2005: I	1,608.4	140.5	417.2	52.5	364.7	.0	–276.6	–287.6	10.9	1,467.8	1,225.7	242.1
II	1,565.0	74.0	351.1	–30.8	381.9	.0	–277.1	–289.6	12.4	1,491.1	1,244.9	246.2
III	1,653.5	–244.5	170.9	–132.6	303.5	.0	–415.4	–396.0	–19.3	1,898.0	1,632.3	265.7
IV	1,621.2	58.7	339.5	–28.5	367.9	.0	–280.8	–263.6	–17.2	1,562.5	1,307.5	255.0
2006: I	1,880.5	332.4	466.7	–29.7	496.4	.0	–134.3	–147.0	12.7	1,548.0	1,288.9	259.1
II	1,789.7	216.9	353.9	–130.8	484.6	.0	–136.9	–163.1	26.1	1,572.8	1,309.8	262.9
III	1,806.9	224.9	400.7	–111.7	512.4	.0	–175.8	–165.6	–10.2	1,582.0	1,314.4	267.6

[1] With inventory valuation and capital consumption adjustments.

See next page for continuation of table.

TABLE B–32.—*Gross saving and investment, 1959–2006*—Continued

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic investment, capital account transactions, and net lending, NIPA						Statistical discrepancy	Addenda:						
	Total	Gross domestic investment			Capital account transactions (net)[3]	Net lending or net borrowing (–), NIPA[4]		Gross private saving	Gross government saving			Net domestic investment	Gross saving as a percent of gross national income	Net saving as a percent of gross national income
		Total	Gross private domestic investment	Gross government investment[2]					Total	Federal	State and local			
1959	106.7	107.8	78.5	29.3	.....	–1.2	0.5	84.6	21.6	13.6	8.0	54.8	20.9	10.4
1960	110.4	107.2	78.9	28.3	.....	3.2	–.9	84.8	26.5	17.8	8.7	51.6	21.0	10.5
1961	113.8	109.5	78.2	31.3	.....	4.3	–.6	91.8	22.5	13.5	9.0	52.3	20.8	10.4
1962	125.3	121.4	88.1	33.3	.....	3.9	.4	100.7	24.3	14.0	10.3	62.2	21.2	11.1
1963	132.4	127.4	93.8	33.6	.....	5.0	–.8	104.6	28.6	17.5	11.1	65.0	21.4	11.4
1964	144.2	136.7	102.1	34.6	.....	7.5	.8	117.9	25.5	13.4	12.1	71.7	21.5	11.7
1965	160.0	153.8	118.2	35.6	.....	6.2	1.6	129.7	28.8	16.0	12.8	84.4	21.9	12.3
1966	175.0	171.1	131.3	39.8	.....	3.9	6.3	138.6	30.1	15.5	14.6	95.5	21.4	11.8
1967	175.1	171.6	128.6	43.0	.....	3.6	4.6	151.3	19.2	4.7	14.5	90.1	20.5	10.7
1968	186.6	184.8	141.2	43.6	.....	1.7	4.6	153.7	28.3	12.5	15.8	96.5	20.0	10.3
1969	201.5	199.7	156.4	43.3	.....	1.8	3.2	156.8	41.5	24.2	17.3	101.8	20.1	10.2
1970	200.0	196.0	152.4	43.6	.....	4.0	7.3	174.1	18.6	.9	17.7	89.3	18.6	8.3
1971	220.5	219.9	178.2	41.8	.....	.6	11.6	202.5	6.4	–11.9	18.3	104.9	18.6	8.4
1972	246.6	250.2	207.6	42.6	.....	–3.6	9.1	216.8	20.7	–7.7	28.5	123.7	19.2	9.0
1973	300.7	291.3	244.5	46.8	.....	9.3	8.6	256.3	35.8	5.8	30.0	152.1	21.1	11.0
1974	312.3	305.7	249.4	56.3	.....	6.6	10.9	270.0	31.5	4.5	27.0	143.2	20.0	9.2
1975	314.7	293.3	230.2	63.1	.....	21.4	17.7	323.6	–26.6	–49.3	22.7	105.6	18.2	6.7
1976	367.2	358.4	292.0	66.4	.....	8.9	25.1	343.8	–1.7	–30.3	28.6	153.2	18.8	7.5
1977	419.8	428.8	361.3	67.5	.....	–9.0	22.3	382.8	14.7	–21.0	35.7	198.8	19.6	8.3
1978	504.6	515.0	438.0	77.1	.....	–10.4	26.6	436.3	41.7	–1.5	43.2	252.7	20.9	9.4
1979	582.8	581.4	492.9	88.5	.....	1.4	46.0	480.5	56.2	15.7	40.5	281.2	21.1	9.3
1980	590.9	579.5	479.3	100.3	.....	11.4	41.4	532.4	17.0	–23.6	40.6	236.6	19.7	7.4
1981	685.6	679.3	572.4	106.9	.....	6.3	30.9	630.3	24.4	–19.4	43.9	291.2	20.9	8.5
1982	629.4	629.5	517.2	112.3	–0.2	.0	.3	686.0	–56.9	–94.2	37.3	202.6	19.1	6.1
1983	655.1	687.2	564.3	122.9	–.2	–31.8	45.7	695.8	–86.5	–132.3	45.8	243.4	17.3	4.7
1984	788.0	875.0	735.6	139.4	–.2	–86.7	14.6	830.6	–57.2	–123.5	66.3	402.4	19.6	7.6
1985	784.1	895.0	736.2	158.8	–.3	–110.5	16.7	827.3	–59.9	–126.9	67.0	388.3	18.1	6.2
1986	780.5	919.7	746.5	173.2	–.3	–138.9	47.0	803.9	–70.4	–139.2	68.8	388.4	16.5	4.6
1987	818.5	969.2	785.0	184.3	–.4	–150.4	21.7	822.7	–25.9	–89.8	63.9	407.3	16.8	5.0
1988	895.5	1,007.7	821.6	186.1	–.5	–111.7	–19.5	917.5	–2.5	–75.2	72.7	410.1	17.8	6.2
1989	984.3	1,072.6	874.9	197.7	–.3	–88.0	39.7	931.8	12.9	–66.7	79.6	428.4	17.3	5.5
1990	1,006.7	1,076.7	861.0	215.7	6.6	–76.6	66.2	974.3	–33.8	–104.1	70.3	394.2	16.3	4.5
1991	1,036.6	1,023.2	802.9	220.3	4.5	9.0	72.5	1,042.9	–78.8	–141.5	62.7	297.3	16.2	4.0
1992	1,051.0	1,087.9	864.8	223.1	.6	–37.5	102.7	1,100.4	–152.1	–222.7	70.6	336.0	15.1	3.1
1993	1,102.0	1,172.4	953.4	219.0	1.3	–71.7	139.5	1,083.3	–120.8	–195.5	74.7	395.9	14.7	2.8
1994	1,213.2	1,318.4	1,097.1	221.4	1.7	–106.9	142.5	1,114.0	–43.2	–132.2	88.9	484.7	15.4	3.4
1995	1,285.7	1,376.7	1,144.0	232.7	.9	–91.9	101.2	1,204.5	–19.9	–115.1	95.2	498.4	16.2	4.2
1996	1,384.8	1,485.2	1,240.3	244.9	.7	–101.0	93.7	1,237.8	53.3	–59.7	113.0	567.1	16.6	4.8
1997	1,531.7	1,641.9	1,389.8	252.2	1.0	–111.3	70.7	1,303.6	157.5	26.7	130.7	667.5	17.7	5.9
1998	1,584.1	1,771.5	1,509.1	262.4	.7	–188.1	–14.6	1,328.9	269.8	121.6	148.2	741.3	18.2	6.5
1999	1,638.5	1,912.4	1,625.7	286.8	4.8	–278.7	–35.7	1,333.3	341.0	188.5	152.5	811.2	17.9	6.1
2000	1,643.3	2,040.0	1,735.5	304.5	.8	–397.4	–127.2	1,334.1	436.4	276.6	159.8	852.1	17.7	5.8
2001	1,567.9	1,938.3	1,614.3	324.0	1.1	–371.5	–89.6	1,400.1	257.5	134.9	122.6	656.9	16.2	3.7
2002	1,468.1	1,926.4	1,582.1	344.3	1.4	–459.7	–21.0	1,559.6	–70.5	–159.1	88.6	634.4	14.2	1.9
2003	1,507.8	2,020.0	1,664.1	356.0	3.2	–515.5	48.8	1,633.3	–174.3	–281.7	107.4	683.5	13.3	1.1
2004	1,610.3	2,259.4	1,888.0	371.4	2.3	–651.3	66.7	1,707.8	–164.1	–287.9	123.8	823.2	13.2	.9
2005	1,683.1	2,454.5	2,057.4	397.1	4.4	–775.8	71.0	1,672.3	–60.2	–210.1	149.9	849.7	13.0	.1
2003: I	1,423.8	1,954.6	1,606.4	348.2	1.7	–532.5	21.3	1,538.1	–135.5	–200.4	64.9	637.6	13.1	.8
II	1,456.7	1,969.6	1,617.1	352.5	6.4	–519.2	21.1	1,610.6	–175.0	–274.9	100.0	640.1	13.2	1.0
III	1,543.5	2,053.4	1,690.5	362.8	3.3	–513.2	97.9	1,686.2	–240.6	–360.7	120.1	710.7	13.1	.9
IV	1,607.1	2,102.6	1,742.3	360.3	1.4	–496.9	54.9	1,698.2	–146.0	–290.7	144.7	745.6	13.8	1.7
2004: I	1,576.7	2,140.2	1,781.9	358.3	1.8	–565.4	43.9	1,725.5	–192.7	–309.2	116.5	767.0	13.4	1.4
II	1,614.0	2,263.8	1,892.2	371.7	1.6	–651.4	88.2	1,691.9	–166.1	–286.8	120.7	869.3	13.2	1.1
III	1,642.2	2,293.6	1,917.7	375.9	3.7	–655.1	66.8	1,745.3	–169.9	–286.1	116.2	758.7	13.4	.3
IV	1,608.4	2,339.9	1,960.2	379.7	1.9	–733.4	67.8	1,668.3	–127.7	–269.5	141.8	897.9	12.9	.8
2005: I	1,645.7	2,397.1	2,013.5	383.6	10.8	–762.1	37.4	1,642.9	–34.5	–190.1	155.6	929.3	13.2	1.2
II	1,653.1	2,404.4	2,009.1	395.3	2.4	–753.6	88.1	1,596.0	–31.0	–191.3	160.3	913.3	12.7	.6
III	1,737.9	2,452.9	2,052.6	400.3	2.2	–717.2	84.5	1,803.2	–149.7	–296.2	146.6	554.9	13.2	–1.9
IV	1,695.4	2,563.6	2,154.5	409.1	2.1	–870.2	74.3	1,647.0	–25.8	–162.9	137.1	1,001.1	12.8	.5
2006: I	1,818.6	2,634.7	2,214.8	419.9	7.0	–823.1	–61.9	1,755.7	124.8	–44.6	169.4	1,086.7	14.4	2.5
II	1,825.5	2,668.0	2,237.1	430.9	3.5	–846.1	35.8	1,663.7	126.0	–59.4	185.4	1,095.2	13.6	1.6
III	1,801.6	2,668.5	2,235.5	433.0	1.7	–868.7	–5.3	1,715.1	91.8	–60.5	152.3	1,086.5	13.5	1.7

[2] For details on government investment, see Table B–20.

[3] Consists of capital transfers and the acquisition and disposal of nonproduced nonfinancial assets.

[4] Prior to 1982, equals the balance on current account, NIPA (see Table B–24).

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–33.—*Median money income (in 2005 dollars) and poverty status of families and persons, by race, selected years, 1993–2005*

Year	Families [1]						Persons below poverty level		Median money income (in 2005 dollars) of persons 15 years old and over with income [2]			
	Number (millions)	Median money income (in 2005 dollars) [2]	Below poverty level				Number (millions)	Percent	Males		Females	
			Total		Female householder				All persons	Year-round full-time workers	All persons	Year-round full-time workers
			Number (millions)	Percent	Number (millions)	Percent						
ALL RACES												
1993	68.5	$49,169	8.4	12.3	4.4	35.6	39.3	15.1	$28,073	$41,344	$14,695	$29,892
1994	69.3	50,530	8.1	11.6	4.2	34.6	38.1	14.5	28,300	41,188	14,939	30,313
1995	69.6	51,659	7.5	10.8	4.1	32.4	36.4	13.8	28,700	40,958	15,430	30,245
1996	70.2	52,400	7.7	11.0	4.2	32.6	36.5	13.7	29,525	41,546	15,875	30,889
1997	70.9	54,056	7.3	10.3	4.0	31.6	35.6	13.3	30,579	42,752	16,620	31,570
1998	71.6	55,900	7.2	10.0	3.8	29.9	34.5	12.7	31,686	43,359	17,259	32,120
1999 [3]	73.2	57,201	6.8	9.3	3.6	27.8	32.8	11.9	31,971	43,869	17,927	32,057
2000 [4]	73.8	57,508	6.4	8.7	3.3	25.4	31.6	11.3	32,129	44,086	18,209	33,013
2001	74.3	56,691	6.8	9.2	3.5	26.4	32.9	11.7	32,092	44,262	18,322	33,547
2002	75.6	56,100	7.2	9.6	3.6	26.5	34.6	12.1	31,739	43,972	18,250	33,619
2003	76.2	55,905	7.6	10.0	3.9	28.0	35.9	12.5	31,763	44,044	18,316	33,591
2004	76.9	55,869	7.8	10.2	4.0	28.3	37.0	12.7	31,537	43,060	18,258	33,190
2005	77.4	56,194	7.7	9.9	4.0	28.7	37.0	12.6	31,275	42,188	18,576	33,256
WHITE												
1993	57.9	52,284	5.5	9.4	2.4	29.2	26.2	12.2	29,243	42,348	14,988	30,571
1994	58.4	53,269	5.3	9.1	2.3	29.0	25.4	11.7	29,536	42,267	15,153	31,132
1995	58.9	54,247	5.0	8.5	2.2	26.6	24.4	11.2	30,395	42,632	15,666	30,865
1996	58.9	55,443	5.1	8.6	2.3	27.3	24.7	11.2	30,906	43,036	16,056	31,413
1997	59.5	56,707	5.0	8.4	2.3	27.7	24.4	11.0	31,674	43,807	16,728	32,105
1998	60.1	58,634	4.8	8.0	2.1	24.9	23.5	10.5	33,066	44,488	17,483	32,657
1999 [3]	61.1	59,834	4.4	7.3	1.9	22.5	22.2	9.8	33,577	45,933	17,983	32,799
2000 [4]	61.3	60,112	4.3	7.1	1.8	21.2	21.6	9.5	33,777	45,630	18,227	33,952
2001	61.6	59,625	4.6	7.4	1.9	22.4	22.7	9.9	33,348	44,983	18,364	34,020
Alone [5]												
2002	62.3	59,306	4.9	7.8	2.0	22.6	23.5	10.2	32,982	44,914	18,278	34,086
2003	62.6	59,182	5.1	8.1	2.2	24.0	24.3	10.5	32,613	44,722	18,489	34,163
2004	63.1	58,620	5.3	8.4	2.3	24.7	25.3	10.8	32,393	44,021	18,291	33,826
2005	63.4	59,317	5.1	8.0	2.3	25.3	24.9	10.6	32,179	43,696	18,669	34,100
Alone or in combination [5]												
2002	63.0	59,106	5.0	7.9	2.1	22.6	24.1	10.3	32,909	44,850	18,242	34,073
2003	63.5	59,008	5.2	8.1	2.2	24.2	25.0	10.6	32,535	44,655	18,456	34,150
2004	64.0	58,477	5.4	8.5	2.3	24.8	26.1	10.9	32,322	43,907	18,260	33,786
2005	64.3	59,124	5.2	8.1	2.4	25.5	25.6	10.7	32,103	43,541	18,619	34,029
BLACK												
1993	8.0	28,659	2.5	31.3	1.9	49.9	10.9	33.1	19,430	31,351	12,649	27,026
1994	8.1	32,180	2.2	27.3	1.7	46.2	10.2	30.6	19,521	31,798	13,738	26,877
1995	8.1	33,035	2.1	26.4	1.7	45.1	9.9	29.3	20,360	31,544	13,943	26,813
1996	8.5	32,855	2.2	26.1	1.7	43.7	9.7	28.4	20,429	33,616	14,583	27,241
1997	8.4	34,691	2.0	23.6	1.6	39.8	9.1	26.5	21,948	32,623	15,826	27,610
1998	8.5	35,169	2.0	23.4	1.6	40.8	9.1	26.1	23,109	32,858	15,712	28,542
1999 [3]	8.7	37,309	1.9	21.8	1.5	39.2	8.4	23.6	23,945	35,323	17,309	29,450
2000 [4]	8.7	38,174	1.7	19.3	1.3	34.3	8.0	22.5	24,194	34,561	18,002	29,189
2001	8.8	37,052	1.8	20.7	1.4	35.2	8.1	22.7	23,673	35,202	17,956	30,103
Alone [5]												
2002	8.9	36,392	1.9	21.5	1.4	35.8	8.6	24.1	23,405	34,663	18,160	29,988
2003	8.9	36,473	2.0	22.3	1.5	36.9	8.8	24.4	23,332	35,475	17,596	29,313
2004	8.9	36,323	2.0	22.8	1.5	37.6	9.0	24.7	23,449	32,781	17,940	30,120
2005	9.1	35,464	2.0	22.1	1.5	36.1	9.2	24.9	22,653	34,233	17,631	30,363
Alone or in combination [5]												
2002	9.1	36,511	2.0	21.4	1.5	35.7	8.9	23.9	23,349	34,700	18,097	30,072
2003	9.1	36,726	2.0	22.1	1.5	36.8	9.1	24.3	23,278	35,513	17,553	29,369
2004	9.1	36,502	2.1	22.8	1.5	37.6	9.4	24.7	23,473	32,771	17,927	30,169
2005	9.3	35,594	2.1	22.0	1.5	36.2	9.5	24.7	22,609	34,144	17,595	30,366

[1] The term "family" refers to a group of two or more persons related by birth, marriage, or adoption and residing together. Every family must include a reference person.

[2] Current dollar median money income adjusted by CPI–U–RS.

[3] Reflects implementation of Census 2000-based population controls comparable with succeeding years.

[4] Reflects household sample expansion.

[5] Data are for white alone; for white alone or in combination; for black alone; and, for black alone or in combination. (Black is also Black or African American.) Beginning with data for 2002 the Current Population Survey allowed respondents to choose more than one race; for earlier years respondents could report only one race group.

Note.—Poverty rates (percent of persons below poverty level) for all races for years not shown above are: 1959, 22.4; 1960, 22.2; 1961, 21.9; 1962, 21.0; 1963, 19.5; 1964, 19.0; 1965, 17.3; 1966, 14.7; 1967, 14.2; 1968, 12.8; 1969, 12.1; 1970, 12.6; 1971, 12.5; 1972, 11.9; 1973, 11.1; 1974, 11.2; 1975, 12.3; 1976, 11.8; 1977, 11.6; 1978, 11.4; 1979, 11.7; 1980, 13.0; 1981, 14.0; 1982, 15.0; 1983, 15.2; 1984, 14.4; 1985, 14.0; 1986, 13.6; 1987, 13.4; 1988, 13.0; 1989, 12.8; 1990, 13.5; 1991, 14.2; and 1992, 14.8.

Poverty thresholds are updated each year to reflect changes in the consumer price index (CPI–U).

Data for 2004 reflect a correction to the sample weights for the 2005 Current Population Survey, Annual Social and Economic Supplement.

For details see "Current Population Survey, Annual Social and Economic Supplements," Series P–60.

Source: Department of Commerce, Bureau of the Census.

TABLE B–34.—*Population by age group, 1929–2006*

[Thousands of persons]

July 1	Total	Age (years)						
		Under 5	5-15	16-19	20-24	25-44	45-64	65 and over
1929	121,767	11,734	26,800	9,127	10,694	35,862	21,076	6,474
1933	125,579	10,612	26,897	9,302	11,152	37,319	22,933	7,363
1939	130,880	10,418	25,179	9,822	11,519	39,354	25,823	8,764
1940	132,122	10,579	24,811	9,895	11,690	39,868	26,249	9,031
1941	133,402	10,850	24,516	9,840	11,807	40,383	26,718	9,288
1942	134,860	11,301	24,231	9,730	11,955	40,861	27,196	9,584
1943	136,739	12,016	24,093	9,607	12,064	41,420	27,671	9,867
1944	138,397	12,524	23,949	9,561	12,062	42,016	28,138	10,147
1945	139,928	12,979	23,907	9,361	12,036	42,521	28,630	10,494
1946	141,389	13,244	24,103	9,119	12,004	43,027	29,064	10,828
1947	144,126	14,406	24,468	9,097	11,814	43,657	29,498	11,185
1948	146,631	14,919	25,209	8,952	11,794	44,288	29,931	11,538
1949	149,188	15,607	25,852	8,788	11,700	44,916	30,405	11,921
1950	152,271	16,410	26,721	8,542	11,680	45,672	30,849	12,397
1951	154,878	17,333	27,279	8,446	11,552	46,103	31,362	12,803
1952	157,553	17,312	28,894	8,414	11,350	46,495	31,884	13,203
1953	160,184	17,638	30,227	8,460	11,062	46,786	32,394	13,617
1954	163,026	18,057	31,480	8,637	10,832	47,001	32,942	14,076
1955	165,931	18,566	32,682	8,744	10,714	47,194	33,506	14,525
1956	168,903	19,003	33,994	8,916	10,616	47,379	34,057	14,938
1957	171,984	19,494	35,272	9,195	10,603	47,440	34,591	15,388
1958	174,882	19,887	36,445	9,543	10,756	47,337	35,109	15,806
1959	177,830	20,175	37,368	10,215	10,969	47,192	35,663	16,248
1960	180,671	20,341	38,494	10,683	11,134	47,140	36,203	16,675
1961	183,691	20,522	39,765	11,025	11,483	47,084	36,722	17,089
1962	186,538	20,469	41,205	11,180	11,959	47,013	37,255	17,457
1963	189,242	20,342	41,626	12,007	12,714	46,994	37,782	17,778
1964	191,889	20,165	42,297	12,736	13,269	46,958	38,338	18,127
1965	194,303	19,824	42,938	13,516	13,746	46,912	38,916	18,451
1966	196,560	19,208	43,702	14,311	14,050	47,001	39,534	18,755
1967	198,712	18,563	44,244	14,200	15,248	47,194	40,193	19,071
1968	200,706	17,913	44,622	14,452	15,786	47,721	40,846	19,365
1969	202,677	17,376	44,840	14,800	16,480	48,064	41,437	19,680
1970	205,052	17,166	44,816	15,289	17,202	48,473	41,999	20,107
1971	207,661	17,244	44,591	15,688	18,159	48,936	42,482	20,561
1972	209,896	17,101	44,203	16,039	18,153	50,482	42,898	21,020
1973	211,909	16,851	43,582	16,446	18,521	51,749	43,235	21,525
1974	213,854	16,487	42,989	16,769	18,975	53,051	43,522	22,061
1975	215,973	16,121	42,508	17,017	19,527	54,302	43,801	22,696
1976	218,035	15,617	42,099	17,194	19,986	55,852	44,008	23,278
1977	220,239	15,564	41,298	17,276	20,499	57,561	44,150	23,892
1978	222,585	15,735	40,428	17,288	20,946	59,400	44,286	24,502
1979	225,055	16,063	39,552	17,242	21,297	61,379	44,390	25,134
1980	227,726	16,451	38,838	17,167	21,590	63,470	44,504	25,707
1981	229,966	16,893	38,144	16,812	21,869	65,528	44,500	26,221
1982	232,188	17,228	37,784	16,332	21,902	67,692	44,462	26,787
1983	234,307	17,547	37,526	15,823	21,844	69,733	44,474	27,361
1984	236,348	17,695	37,461	15,295	21,737	71,735	44,547	27,878
1985	238,466	17,842	37,450	15,005	21,478	73,673	44,602	28,416
1986	240,651	17,963	37,404	15,024	20,942	75,651	44,660	29,008
1987	242,804	18,052	37,333	15,215	20,385	77,338	44,854	29,626
1988	245,021	18,195	37,593	15,198	19,846	78,595	45,471	30,124
1989	247,342	18,508	37,972	14,913	19,442	79,943	45,882	30,682
1990	250,132	18,856	38,632	14,466	19,323	81,291	46,316	31,247
1991	253,493	19,208	39,349	13,992	19,414	82,844	46,874	31,812
1992	256,894	19,528	40,161	13,781	19,314	83,201	48,553	32,356
1993	260,255	19,729	40,904	13,953	19,101	83,766	49,899	32,902
1994	263,436	19,777	41,689	14,228	18,758	84,334	51,318	33,331
1995	266,557	19,627	42,510	14,522	18,391	84,933	52,806	33,769
1996	269,667	19,408	43,172	15,057	17,965	85,527	54,396	34,143
1997	272,912	19,233	43,833	15,433	17,992	85,737	56,283	34,402
1998	276,115	19,145	44,332	15,856	18,250	85,663	58,249	34,619
1999	279,295	19,136	44,755	16,164	18,672	85,408	60,362	34,798
2000 [1]	282,403	19,187	45,155	16,215	19,190	85,159	62,419	35,078
2001 [1]	285,335	19,349	45,186	16,259	19,876	84,920	64,415	35,330
2002 [1]	288,216	19,537	45,147	16,317	20,416	84,649	66,561	35,589
2003 [1]	291,089	19,778	45,088	16,374	20,851	84,398	68,647	35,952
2004 [1]	293,908	20,061	44,955	16,531	21,066	84,262	70,700	36,333
2005 [1]	296,639	20,304	44,783	16,665	21,121	84,132	72,845	36,790
2006	299,801	.....	.....	.....	.....	.....	.....	.....

[1] Revised total population data are available as follows: 2000, 282,430; 2001, 285,454; 2002, 288,427; 2003, 291,289; 2004, 294,056; and 2005, 296,940.

Note.—Includes Armed Forces overseas beginning 1940. Includes Alaska and Hawaii beginning 1950.
All estimates are consistent with decennial census enumerations.

Source: Department of Commerce, Bureau of the Census.

TABLE B–35.—*Civilian population and labor force, 1929–2006*

[Monthly data seasonally adjusted, except as noted]

Year or month	Civilian noninstitutional population[1]	Civilian labor force					Not in labor force	Civilian labor force participation rate[2]	Civilian employment/population ratio[3]	Unemployment rate, civilian workers[4]
		Total	Employment			Unemployment				
			Total	Agricultural	Nonagricultural					
	Thousands of persons 14 years of age and over							Percent		
1929	.....	49,180	47,630	10,450	37,180	1,550	.....	.....	.....	3.2
1933	.....	51,590	38,760	10,090	28,670	12,830	.....	.....	.....	24.9
1939	.....	55,230	45,750	9,610	36,140	9,480	.....	.....	.....	17.2
1940	99,840	55,640	47,520	9,540	37,980	8,120	44,200	55.7	47.6	14.6
1941	99,900	55,910	50,350	9,100	41,250	5,560	43,990	56.0	50.4	9.9
1942	98,640	56,410	53,750	9,250	44,500	2,660	42,230	57.2	54.5	4.7
1943	94,640	55,540	54,470	9,080	45,390	1,070	39,100	58.7	57.6	1.9
1944	93,220	54,630	53,960	8,950	45,010	670	38,590	58.6	57.9	1.2
1945	94,090	53,860	52,820	8,580	44,240	1,040	40,230	57.2	56.1	1.9
1946	103,070	57,520	55,250	8,320	46,930	2,270	45,550	55.8	53.6	3.9
1947	106,018	60,168	57,812	8,256	49,557	2,356	45,850	56.8	54.5	3.9
	Thousands of persons 16 years of age and over									
1947	101,827	59,350	57,038	7,890	49,148	2,311	42,477	58.3	56.0	3.9
1948	103,068	60,621	58,343	7,629	50,714	2,276	42,447	58.8	56.6	3.8
1949	103,994	61,286	57,651	7,658	49,993	3,637	42,708	58.9	55.4	5.9
1950	104,995	62,208	58,918	7,160	51,758	3,288	42,787	59.2	56.1	5.3
1951	104,621	62,017	59,961	6,726	53,235	2,055	42,604	59.2	57.3	3.3
1952	105,231	62,138	60,250	6,500	53,749	1,883	43,093	59.0	57.3	3.0
1953[5]	107,056	63,015	61,179	6,260	54,919	1,834	44,041	58.9	57.1	2.9
1954	108,321	63,643	60,109	6,205	53,904	3,532	44,678	58.8	55.5	5.5
1955	109,683	65,023	62,170	6,450	55,722	2,852	44,660	59.3	56.7	4.4
1956	110,954	66,552	63,799	6,283	57,514	2,750	44,402	60.0	57.5	4.1
1957	112,265	66,929	64,071	5,947	58,123	2,859	45,336	59.6	57.1	4.3
1958	113,727	67,639	63,036	5,586	57,450	4,602	46,088	59.5	55.4	6.8
1959	115,329	68,369	64,630	5,565	59,065	3,740	46,960	59.3	56.0	5.5
1960[5]	117,245	69,628	65,778	5,458	60,318	3,852	47,617	59.4	56.1	5.5
1961	118,771	70,459	65,746	5,200	60,546	4,714	48,312	59.3	55.4	6.7
1962[5]	120,153	70,614	66,702	4,944	61,759	3,911	49,539	58.8	55.5	5.5
1963	122,416	71,833	67,762	4,687	63,076	4,070	50,583	58.7	55.4	5.7
1964	124,485	73,091	69,305	4,523	64,782	3,786	51,394	58.7	55.7	5.2
1965	126,513	74,455	71,088	4,361	66,726	3,366	52,058	58.9	56.2	4.5
1966	128,058	75,770	72,895	3,979	68,915	2,875	52,288	59.2	56.9	3.8
1967	129,874	77,347	74,372	3,844	70,527	2,975	52,527	59.6	57.3	3.8
1968	132,028	78,737	75,920	3,817	72,103	2,817	53,291	59.6	57.5	3.6
1969	134,335	80,734	77,902	3,606	74,296	2,832	53,602	60.1	58.0	3.5
1970	137,085	82,771	78,678	3,463	75,215	4,093	54,315	60.4	57.4	4.9
1971	140,216	84,382	79,367	3,394	75,972	5,016	55,834	60.2	56.6	5.9
1972[5]	144,126	87,034	82,153	3,484	78,669	4,882	57,091	60.4	57.0	5.6
1973[5]	147,096	89,429	85,064	3,470	81,594	4,365	57,667	60.8	57.8	4.9
1974	150,120	91,949	86,794	3,515	83,279	5,156	58,171	61.3	57.8	5.6
1975	153,153	93,775	85,846	3,408	82,438	7,929	59,377	61.2	56.1	8.5
1976	156,150	96,158	88,752	3,331	85,421	7,406	59,991	61.6	56.8	7.7
1977	159,033	99,009	92,017	3,283	88,734	6,991	60,025	62.3	57.9	7.1
1978[5]	161,910	102,251	96,048	3,387	92,661	6,202	59,659	63.2	59.3	6.1
1979	164,863	104,962	98,824	3,347	95,477	6,137	59,900	63.7	59.9	5.8
1980	167,745	106,940	99,303	3,364	95,938	7,637	60,806	63.8	59.2	7.1
1981	170,130	108,670	100,397	3,368	97,030	8,273	61,460	63.9	59.0	7.6
1982	172,271	110,204	99,526	3,401	96,125	10,678	62,067	64.0	57.8	9.7
1983	174,215	111,550	100,834	3,383	97,450	10,717	62,665	64.0	57.9	9.6
1984	176,383	113,544	105,005	3,321	101,685	8,539	62,839	64.4	59.5	7.5
1985	178,206	115,461	107,150	3,179	103,971	8,312	62,744	64.8	60.1	7.2
1986[5]	180,587	117,834	109,597	3,163	106,434	8,237	62,752	65.3	60.7	7.0
1987	182,753	119,865	112,440	3,208	109,232	7,425	62,888	65.6	61.5	6.2
1988	184,613	121,669	114,968	3,169	111,800	6,701	62,944	65.9	62.3	5.5
1989	186,393	123,869	117,342	3,199	114,142	6,528	62,523	66.5	63.0	5.3
1990[5]	189,164	125,840	118,793	3,223	115,570	7,047	63,324	66.5	62.8	5.6
1991	190,925	126,346	117,718	3,269	114,449	8,628	64,578	66.2	61.7	6.8
1992	192,805	128,105	118,492	3,247	115,245	9,613	64,700	66.4	61.5	7.5
1993	194,838	129,200	120,259	3,115	117,144	8,940	65,638	66.3	61.7	6.9
1994[5]	196,814	131,056	123,060	3,409	119,651	7,996	65,758	66.6	62.5	6.1
1995	198,584	132,304	124,900	3,440	121,460	7,404	66,280	66.6	62.9	5.6
1996	200,591	133,943	126,708	3,443	123,264	7,236	66,647	66.8	63.2	5.4
1997[5]	203,133	136,297	129,558	3,399	126,159	6,739	66,837	67.1	63.8	4.9
1998[5]	205,220	137,673	131,463	3,378	128,085	6,210	67,547	67.1	64.1	4.5
1999[5]	207,753	139,368	133,488	3,281	130,207	5,880	68,385	67.1	64.3	4.2

[1] Not seasonally adjusted.
[2] Civilian labor force as percent of civilian noninstitutional population.
[3] Civilian employment as percent of civilian noninstitutional population.
[4] Unemployed as percent of civilian labor force.

See next page for continuation of table.

TABLE B–35.—*Civilian population and labor force, 1929–2006*—Continued

[Monthly data seasonally adjusted, except as noted]

Year or month	Civilian noninstitutional population[1]	Civilian labor force					Not in labor force	Civilian labor force participation rate[2]	Civilian employment/population ratio[3]	Unemployment rate, civilian workers[4]
		Total	Employment			Unemployment				
			Total	Agricultural	Nonagricultural					
	Thousands of persons 16 years of age and over							Percent		
2000[5 6]	212,577	142,583	136,891	2,464	134,427	5,692	69,994	67.1	64.4	4.0
2001	215,092	143,734	136,933	2,299	134,635	6,801	71,359	66.8	63.7	4.7
2002	217,570	144,863	136,485	2,311	134,174	8,378	72,707	66.6	62.7	5.8
2003[5]	221,168	146,510	137,736	2,275	135,461	8,774	74,658	66.2	62.3	6.0
2004[5]	223,357	147,401	139,252	2,232	137,020	8,149	75,956	66.0	62.3	5.5
2005[5]	226,082	149,320	141,730	2,197	139,532	7,591	76,762	66.0	62.7	5.1
2006[5]	228,815	151,428	144,427	2,206	142,221	7,001	77,387	66.2	63.1	4.6
2003: Jan[5]	219,897	145,944	137,421	2,342	135,032	8,523	73,954	66.4	62.5	5.8
Feb[5]	220,114	146,092	137,470	2,239	135,298	8,622	74,023	66.4	62.5	5.9
Mar	220,317	146,015	137,439	2,268	135,220	8,576	74,302	66.3	62.4	5.9
Apr	220,540	146,461	137,628	2,152	135,548	8,833	74,079	66.4	62.4	6.0
May	220,768	146,486	137,538	2,182	135,359	8,948	74,283	66.4	62.3	6.1
June	221,014	147,036	137,782	2,181	135,416	9,254	73,978	66.5	62.3	6.3
July	221,252	146,501	137,483	2,184	135,254	9,018	74,752	66.2	62.1	6.2
Aug	221,507	146,436	137,542	2,298	135,210	8,894	75,071	66.1	62.1	6.1
Sept	221,779	146,519	137,591	2,344	135,363	8,928	75,259	66.1	62.0	6.1
Oct	222,039	146,715	137,985	2,476	135,575	8,731	75,324	66.1	62.1	6.0
Nov	222,279	147,043	138,453	2,376	136,032	8,590	75,236	66.2	62.3	5.8
Dec	222,509	146,763	138,425	2,252	136,153	8,338	75,746	66.0	62.2	5.7
2004: Jan[5]	222,161	146,837	138,471	2,208	136,207	8,367	75,324	66.1	62.3	5.7
Feb	222,357	146,679	138,507	2,223	136,319	8,171	75,678	66.0	62.3	5.6
Mar	222,550	146,888	138,436	2,192	136,283	8,452	75,662	66.0	62.2	5.8
Apr	222,757	146,821	138,667	2,242	136,449	8,155	75,935	65.9	62.3	5.6
May	222,967	147,031	138,835	2,297	136,532	8,197	75,936	65.9	62.3	5.6
June	223,196	147,421	139,162	2,227	136,755	8,259	75,775	66.1	62.3	5.6
July	223,422	147,747	139,584	2,208	137,386	8,163	75,675	66.1	62.5	5.5
Aug	223,677	147,562	139,569	2,312	137,254	7,993	76,115	66.0	62.4	5.4
Sept	223,941	147,445	139,491	2,239	137,373	7,953	76,496	65.8	62.3	5.4
Oct	224,192	147,802	139,750	2,207	137,618	8,052	76,390	65.9	62.3	5.4
Nov	224,422	148,222	140,272	2,212	138,017	7,950	76,200	66.0	62.5	5.4
Dec	224,640	148,151	140,154	2,196	137,942	7,997	76,489	66.0	62.4	5.4
2005: Jan[5]	224,837	147,992	140,236	2,134	138,084	7,756	76,845	65.8	62.4	5.2
Feb	225,041	148,286	140,320	2,155	138,158	7,966	76,754	65.9	62.4	5.4
Mar	225,236	148,281	140,599	2,205	138,403	7,683	76,955	65.8	62.4	5.2
Apr	225,441	148,887	141,229	2,240	138,979	7,657	76,554	66.0	62.6	5.1
May	225,670	149,225	141,569	2,219	139,329	7,656	76,445	66.1	62.7	5.1
June	225,911	149,211	141,704	2,288	139,260	7,507	76,700	66.0	62.7	5.0
July	226,153	149,548	142,084	2,284	139,841	7,464	76,605	66.1	62.8	5.0
Aug	226,421	149,782	142,423	2,153	140,322	7,360	76,639	66.2	62.9	4.9
Sept	226,693	150,056	142,449	2,163	140,395	7,606	76,637	66.2	62.8	5.1
Oct	226,959	150,022	142,586	2,174	140,488	7,436	76,937	66.1	62.8	5.0
Nov	227,204	150,145	142,597	2,183	140,391	7,548	77,058	66.1	62.8	5.0
Dec	227,425	150,113	142,782	2,135	140,634	7,331	77,312	66.0	62.8	4.9
2006: Jan[5]	227,553	150,122	143,099	2,199	140,881	7,023	77,431	66.0	62.9	4.7
Feb	227,763	150,477	143,319	2,224	141,054	7,158	77,287	66.1	62.9	4.8
Mar	227,975	150,689	143,680	2,197	141,466	7,009	77,285	66.1	63.0	4.7
Apr	228,199	150,862	143,763	2,232	141,468	7,098	77,338	66.1	63.0	4.7
May	228,428	151,051	144,045	2,190	141,810	7,006	77,378	66.1	63.1	4.6
June	228,671	151,370	144,386	2,238	142,051	6,984	77,301	66.2	63.1	4.6
July	228,912	151,558	144,330	2,246	142,166	7,228	77,354	66.2	63.1	4.8
Aug	229,167	151,734	144,618	2,193	142,509	7,116	77,433	66.2	63.1	4.7
Sept	229,420	151,818	144,906	2,150	142,836	6,912	77,602	66.2	63.2	4.6
Oct	229,675	152,052	145,337	2,150	143,260	6,715	77,623	66.2	63.3	4.4
Nov	229,905	152,449	145,623	2,173	143,423	6,826	77,456	66.3	63.3	4.5
Dec	230,108	152,775	145,926	2,291	143,646	6,849	77,333	66.4	63.4	4.5

[5] Not strictly comparable with earlier data due to population adjustments or other changes. See *Employment and Earnings* for details on breaks in series.

[6] Beginning in 2000, data for agricultural employment are for agricultural and related industries; data for this series and for nonagricultural employment are not strictly comparable with data for earlier years. Because of independent seasonal adjustment for these two series, monthly data will not add to total civilian employment.

Note.—Labor force data in Tables B-35 through B-44 are based on household interviews and relate to the calendar week including the 12th of the month. For definitions of terms, area samples used, historical comparability of the data, comparability with other series, etc., see *Employment and Earnings*.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–36.—*Civilian employment and unemployment by sex and age, 1959–2006*

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

Year or month	Civilian employment							Unemployment						
	Total	Males			Females			Total	Males			Females		
		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
1959	64,630	43,466	2,198	41,267	21,164	1,640	19,524	3,740	2,420	398	2,022	1,320	256	1,063
1960	65,778	43,904	2,361	41,543	21,874	1,768	20,105	3,852	2,486	426	2,060	1,366	286	1,080
1961	65,746	43,656	2,315	41,342	22,090	1,793	20,296	4,714	2,997	479	2,518	1,717	349	1,368
1962	66,702	44,177	2,362	41,815	22,525	1,833	20,693	3,911	2,423	408	2,016	1,488	313	1,175
1963	67,762	44,657	2,406	42,251	23,105	1,849	21,257	4,070	2,472	501	1,971	1,598	383	1,216
1964	69,305	45,474	2,587	42,886	23,831	1,929	21,903	3,786	2,205	487	1,718	1,581	385	1,195
1965	71,088	46,340	2,918	43,422	24,748	2,118	22,630	3,366	1,914	479	1,435	1,452	395	1,056
1966	72,895	46,919	3,253	43,668	25,976	2,468	23,510	2,875	1,551	432	1,120	1,324	405	921
1967	74,372	47,479	3,186	44,294	26,893	2,496	24,397	2,975	1,508	448	1,060	1,468	391	1,078
1968	75,920	48,114	3,255	44,859	27,807	2,526	25,281	2,817	1,419	426	993	1,397	412	985
1969	77,902	48,818	3,430	45,388	29,084	2,687	26,397	2,832	1,403	440	963	1,429	413	1,015
1970	78,678	48,990	3,409	45,581	29,688	2,735	26,952	4,093	2,238	599	1,638	1,855	506	1,349
1971	79,367	49,390	3,478	45,912	29,976	2,730	27,246	5,016	2,789	693	2,097	2,227	568	1,658
1972	82,153	50,896	3,765	47,130	31,257	2,980	28,276	4,882	2,659	711	1,948	2,222	598	1,625
1973	85,064	52,349	4,039	48,310	32,715	3,231	29,484	4,365	2,275	653	1,624	2,089	583	1,507
1974	86,794	53,024	4,103	48,922	33,769	3,345	30,424	5,156	2,714	757	1,957	2,441	665	1,777
1975	85,846	51,857	3,839	48,018	33,989	3,263	30,726	7,929	4,442	966	3,476	3,486	802	2,684
1976	88,752	53,138	3,947	49,190	35,615	3,389	32,226	7,406	4,036	939	3,098	3,369	780	2,588
1977	92,017	54,728	4,174	50,555	37,289	3,514	33,775	6,991	3,667	874	2,794	3,324	789	2,535
1978	96,048	56,479	4,336	52,143	39,569	3,734	35,836	6,202	3,142	813	2,328	3,061	769	2,292
1979	98,824	57,607	4,300	53,308	41,217	3,783	37,434	6,137	3,120	811	2,308	3,018	743	2,276
1980	99,303	57,186	4,085	53,101	42,117	3,625	38,492	7,637	4,267	913	3,353	3,370	755	2,615
1981	100,397	57,397	3,815	53,582	43,000	3,411	39,590	8,273	4,577	962	3,615	3,696	800	2,895
1982	99,526	56,271	3,379	52,891	43,256	3,170	40,086	10,678	6,179	1,090	5,089	4,499	886	3,613
1983	100,834	56,787	3,300	53,487	44,047	3,043	41,004	10,717	6,260	1,003	5,257	4,457	825	3,632
1984	105,005	59,091	3,322	55,769	45,915	3,122	42,793	8,539	4,744	812	3,932	3,794	687	3,107
1985	107,150	59,891	3,328	56,562	47,259	3,105	44,154	8,312	4,521	806	3,715	3,791	661	3,129
1986	109,597	60,892	3,323	57,569	48,706	3,149	45,556	8,237	4,530	779	3,751	3,707	675	3,032
1987	112,440	62,107	3,381	58,726	50,334	3,260	47,074	7,425	4,101	732	3,369	3,324	616	2,709
1988	114,968	63,273	3,492	59,781	51,696	3,313	48,383	6,701	3,655	667	2,987	3,046	558	2,487
1989	117,342	64,315	3,477	60,837	53,027	3,282	49,745	6,528	3,525	658	2,867	3,003	536	2,467
1990	118,793	65,104	3,427	61,678	53,689	3,154	50,535	7,047	3,906	667	3,239	3,140	544	2,596
1991	117,718	64,223	3,044	61,178	53,496	2,862	50,634	8,628	4,946	751	4,195	3,683	608	3,074
1992	118,492	64,440	2,944	61,496	54,052	2,724	51,328	9,613	5,523	806	4,717	4,090	621	3,469
1993	120,259	65,349	2,994	62,355	54,910	2,811	52,099	8,940	5,055	768	4,287	3,885	597	3,288
1994	123,060	66,450	3,156	63,294	56,610	3,005	53,606	7,996	4,367	740	3,627	3,629	580	3,049
1995	124,900	67,377	3,292	64,085	57,523	3,127	54,396	7,404	3,983	744	3,239	3,421	602	2,819
1996	126,708	68,207	3,310	64,897	58,501	3,190	55,311	7,236	3,880	733	3,146	3,356	573	2,783
1997	129,558	69,685	3,401	66,284	59,873	3,260	56,613	6,739	3,577	694	2,882	3,162	577	2,585
1998	131,463	70,693	3,558	67,135	60,771	3,493	57,278	6,210	3,266	686	2,580	2,944	519	2,424
1999	133,488	71,446	3,685	67,761	62,042	3,487	58,555	5,880	3,066	633	2,433	2,814	529	2,285
2000	136,891	73,305	3,671	69,634	63,586	3,519	60,067	5,692	2,975	599	2,376	2,717	483	2,235
2001	136,933	73,196	3,420	69,776	63,737	3,320	60,417	6,801	3,690	650	3,040	3,111	512	2,599
2002	136,485	72,903	3,169	69,734	63,582	3,162	60,420	8,378	4,597	700	3,896	3,781	553	3,228
2003	137,736	73,332	2,917	70,415	64,404	3,002	61,402	8,774	4,906	697	4,209	3,868	554	3,314
2004	139,252	74,524	2,952	71,572	64,728	2,955	61,773	8,149	4,456	664	3,791	3,694	543	3,150
2005	141,730	75,973	2,923	73,050	65,757	3,055	62,702	7,591	4,059	667	3,392	3,531	519	3,013
2006	144,427	77,502	3,071	74,431	66,925	3,091	63,834	7,001	3,753	622	3,131	3,247	496	2,751
2005: Jan	140,236	74,953	2,901	72,052	65,282	3,017	62,265	7,756	4,222	653	3,569	3,535	495	3,040
Feb	140,320	75,087	2,834	72,253	65,233	2,979	62,254	7,966	4,375	722	3,653	3,591	513	3,078
Mar	140,599	75,361	2,906	72,455	65,237	3,042	62,195	7,683	4,198	724	3,474	3,485	482	3,003
Apr	141,229	75,747	2,916	72,832	65,482	2,997	62,485	7,657	4,086	742	3,344	3,572	542	3,030
May	141,569	75,986	2,881	73,105	65,583	3,039	62,544	7,656	4,028	713	3,314	3,629	577	3,052
June	141,704	76,095	2,902	73,192	65,609	3,087	62,522	7,507	3,972	664	3,308	3,535	495	3,039
July	142,084	76,295	2,914	73,381	65,789	3,100	62,689	7,464	3,924	651	3,273	3,540	491	3,049
Aug	142,423	76,450	2,930	73,521	65,972	3,130	62,842	7,360	3,950	640	3,310	3,410	535	2,875
Sept	142,449	76,250	2,940	73,309	66,200	3,115	63,084	7,606	4,079	605	3,474	3,527	508	3,019
Oct	142,586	76,397	2,894	73,502	66,189	3,076	63,113	7,436	3,888	587	3,301	3,548	553	2,995
Nov	142,597	76,432	2,984	73,447	66,166	3,030	63,135	7,548	3,996	709	3,287	3,552	535	3,017
Dec	142,782	76,564	3,061	73,503	66,218	3,020	63,198	7,331	3,882	586	3,296	3,449	506	2,944
2006: Jan	143,099	76,864	3,027	73,837	66,235	3,063	63,172	7,023	3,675	585	3,090	3,348	504	2,844
Feb	143,319	76,922	3,042	73,880	66,397	3,111	63,286	7,158	3,860	625	3,235	3,297	486	2,811
Mar	143,680	77,259	3,079	74,180	66,421	3,072	63,349	7,009	3,752	622	3,130	3,257	517	2,739
Apr	143,763	77,234	3,071	74,163	66,530	3,098	63,432	7,098	3,825	598	3,228	3,273	455	2,818
May	144,045	77,315	3,107	74,208	66,730	3,109	63,622	7,006	3,856	607	3,249	3,150	415	2,735
June	144,386	77,361	3,128	74,233	67,026	3,125	63,901	6,984	3,734	647	3,087	3,250	507	2,743
July	144,330	77,176	3,071	74,105	67,154	3,126	64,029	7,228	3,869	635	3,234	3,359	516	2,843
Aug	144,618	77,482	3,062	74,421	67,136	3,017	64,118	7,116	3,827	632	3,195	3,289	551	2,738
Sept	144,906	77,920	3,051	74,868	66,986	3,008	63,978	6,912	3,612	658	2,954	3,300	524	2,776
Oct	145,337	77,985	3,061	74,924	67,352	3,099	64,252	6,715	3,626	614	3,012	3,089	490	2,599
Nov	145,623	78,148	3,060	75,088	67,475	3,142	64,333	6,826	3,650	614	3,036	3,176	485	2,691
Dec	145,926	78,311	3,077	75,235	67,615	3,124	64,491	6,849	3,718	619	3,100	3,130	490	2,641

Note.—See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–37.—*Civilian employment by demographic characteristic, 1959–2006*

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

Year or month	All civilian workers	White [1]				Black and other [1]				Black or African American [1]			
		Total	Males	Females	Both sexes 16-19	Total	Males	Females	Both sexes 16-19	Total	Males	Females	Both sexes 16-19
1959	64,630	58,006	39,494	18,512	3,475	6,623	3,971	2,652	362	.....	.....	.....	.....
1960	65,778	58,850	39,755	19,095	3,700	6,928	4,149	2,779	430	.....	.....	.....	.....
1961	65,746	58,913	39,588	19,325	3,693	6,833	4,068	2,765	414	.....	.....	.....	.....
1962	66,702	59,698	40,016	19,682	3,774	7,003	4,160	2,843	420	.....	.....	.....	.....
1963	67,762	60,622	40,428	20,194	3,851	7,140	4,229	2,911	404	.....	.....	.....	.....
1964	69,305	61,922	41,115	20,807	4,076	7,383	4,359	3,024	440	.....	.....	.....	.....
1965	71,088	63,446	41,844	21,602	4,562	7,643	4,496	3,147	474	.....	.....	.....	.....
1966	72,895	65,021	42,331	22,690	5,176	7,877	4,588	3,289	545	.....	.....	.....	.....
1967	74,372	66,361	42,833	23,528	5,114	8,011	4,646	3,365	568	.....	.....	.....	.....
1968	75,920	67,750	43,411	24,339	5,195	8,169	4,702	3,467	584	.....	.....	.....	.....
1969	77,902	69,518	44,048	25,470	5,508	8,384	4,770	3,614	609	.....	.....	.....	.....
1970	78,678	70,217	44,178	26,039	5,571	8,464	4,813	3,650	574	.....	.....	.....	.....
1971	79,367	70,878	44,595	26,283	5,670	8,488	4,796	3,692	538	.....	.....	.....	.....
1972	82,153	73,370	45,944	27,426	6,173	8,783	4,952	3,832	573	7,802	4,368	3,433	509
1973	85,064	75,708	47,085	28,623	6,623	9,356	5,265	4,092	647	8,128	4,527	3,601	570
1974	86,794	77,184	47,674	29,511	6,796	9,610	5,352	4,258	652	8,203	4,527	3,677	554
1975	85,846	76,411	46,697	29,714	6,487	9,435	5,161	4,275	615	7,894	4,275	3,618	507
1976	88,752	78,853	47,775	31,078	6,724	9,899	5,363	4,536	611	8,227	4,404	3,823	508
1977	92,017	81,700	49,150	32,550	7,068	10,317	5,579	4,739	619	8,540	4,565	3,975	508
1978	96,048	84,936	50,544	34,392	7,367	11,112	5,936	5,177	703	9,102	4,796	4,307	571
1979	98,824	87,259	51,452	35,807	7,356	11,565	6,156	5,409	727	9,359	4,923	4,436	579
1980	99,303	87,715	51,127	36,587	7,021	11,588	6,059	5,529	689	9,313	4,798	4,515	547
1981	100,397	88,709	51,315	37,394	6,588	11,688	6,083	5,606	637	9,355	4,794	4,561	505
1982	99,526	87,903	50,287	37,615	5,984	11,624	5,983	5,641	565	9,189	4,637	4,552	428
1983	100,834	88,893	50,621	38,272	5,799	11,941	6,166	5,775	543	9,375	4,753	4,622	416
1984	105,005	92,120	52,462	39,659	5,836	12,885	6,629	6,256	607	10,119	5,124	4,995	474
1985	107,150	93,736	53,046	40,690	5,768	13,414	6,845	6,569	666	10,501	5,270	5,231	532
1986	109,597	95,660	53,785	41,876	5,792	13,937	7,107	6,830	681	10,814	5,428	5,386	536
1987	112,440	97,789	54,647	43,142	5,898	14,652	7,459	7,192	742	11,309	5,661	5,648	587
1988	114,968	99,812	55,550	44,262	6,030	15,156	7,722	7,434	774	11,658	5,824	5,834	601
1989	117,342	101,584	56,352	45,232	5,946	15,757	7,963	7,795	813	11,953	5,928	6,025	625
1990	118,793	102,261	56,703	45,558	5,779	16,533	8,401	8,131	801	12,175	5,995	6,180	598
1991	117,718	101,182	55,797	45,385	5,216	16,536	8,426	8,110	690	12,074	5,961	6,113	494
1992	118,492	101,669	55,959	45,710	4,985	16,823	8,482	8,342	684	12,151	5,930	6,221	492
1993	120,259	103,045	56,656	46,390	5,113	17,214	8,693	8,521	691	12,382	6,047	6,334	494
1994	123,060	105,190	57,452	47,738	5,398	17,870	8,998	8,872	763	12,835	6,241	6,595	552
1995	124,900	106,490	58,146	48,344	5,593	18,409	9,231	9,179	826	13,279	6,422	6,857	586
1996	126,708	107,808	58,888	48,920	5,667	18,900	9,319	9,580	832	13,542	6,456	7,086	613
1997	129,558	109,856	59,998	49,859	5,807	19,701	9,687	10,014	853	13,969	6,607	7,362	631
1998	131,463	110,931	60,604	50,327	6,089	20,532	10,089	10,443	962	14,556	6,871	7,685	736
1999	133,488	112,235	61,139	51,096	6,204	21,253	10,307	10,945	968	15,056	7,027	8,029	691
2000	136,891	114,424	62,289	52,136	6,160	.....	.....	.....	.....	15,156	7,082	8,073	711
2001	136,933	114,430	62,212	52,218	5,817	.....	.....	.....	.....	15,006	6,938	8,068	637
2002	136,485	114,013	61,849	52,164	5,441	.....	.....	.....	.....	14,872	6,959	7,914	611
2003	137,736	114,235	61,866	52,369	5,064	.....	.....	.....	.....	14,739	6,820	7,919	516
2004	139,252	115,239	62,712	52,527	5,039	.....	.....	.....	.....	14,909	6,912	7,997	520
2005	141,730	116,949	63,763	53,186	5,105	.....	.....	.....	.....	15,313	7,155	8,158	536
2006	144,427	118,833	64,883	53,950	5,215	.....	.....	.....	.....	15,765	7,354	8,410	618
2005: Jan	140,236	116,046	63,149	52,896	5,045	.....	.....	.....	.....	14,970	6,917	8,054	566
Feb	140,320	116,119	63,246	52,874	5,011	.....	.....	.....	.....	14,908	6,904	8,004	498
Mar	140,599	116,209	63,426	52,782	5,060	.....	.....	.....	.....	15,041	7,011	8,030	551
Apr	141,229	116,629	63,634	52,995	5,034	.....	.....	.....	.....	15,196	7,128	8,068	528
May	141,569	116,878	63,814	53,064	5,066	.....	.....	.....	.....	15,320	7,188	8,132	529
June	141,704	116,775	63,871	52,904	5,108	.....	.....	.....	.....	15,404	7,235	8,170	542
July	142,084	117,174	63,908	53,266	5,125	.....	.....	.....	.....	15,598	7,371	8,227	561
Aug	142,423	117,477	64,063	53,414	5,192	.....	.....	.....	.....	15,479	7,304	8,175	517
Sept	142,449	117,314	63,764	53,550	5,236	.....	.....	.....	.....	15,480	7,258	8,222	499
Oct	142,586	117,367	63,965	53,402	5,098	.....	.....	.....	.....	15,608	7,251	8,356	513
Nov	142,597	117,588	64,081	53,506	5,143	.....	.....	.....	.....	15,323	7,101	8,222	527
Dec	142,782	117,710	64,196	53,514	5,120	.....	.....	.....	.....	15,394	7,176	8,218	601
2006: Jan	143,099	118,075	64,570	53,504	5,214	.....	.....	.....	.....	15,489	7,201	8,288	548
Feb	143,319	117,961	64,457	53,504	5,199	.....	.....	.....	.....	15,656	7,306	8,350	647
Mar	143,680	118,228	64,746	53,483	5,211	.....	.....	.....	.....	15,721	7,346	8,375	608
Apr	143,763	118,397	64,711	53,686	5,229	.....	.....	.....	.....	15,699	7,362	8,337	627
May	144,045	118,482	64,715	53,768	5,235	.....	.....	.....	.....	15,770	7,362	8,409	643
June	144,386	118,760	64,779	53,982	5,261	.....	.....	.....	.....	15,704	7,315	8,389	630
July	144,330	118,885	64,681	54,204	5,275	.....	.....	.....	.....	15,731	7,327	8,404	600
Aug	144,618	119,023	64,887	54,135	5,166	.....	.....	.....	.....	15,839	7,356	8,483	598
Sept	144,906	119,164	65,102	54,062	5,147	.....	.....	.....	.....	15,659	7,317	8,342	573
Oct	145,337	119,511	65,221	54,290	5,158	.....	.....	.....	.....	15,902	7,384	8,518	671
Nov	145,623	119,636	65,311	54,325	5,223	.....	.....	.....	.....	15,950	7,446	8,504	629
Dec	145,926	119,813	65,398	54,415	5,252	.....	.....	.....	.....	16,045	7,519	8,527	634

[1] Beginning in 2003, persons who selected this race group only. Prior to 2003, persons who selected more than one race were included in the group they identified as the main race. Data for black or African American were for black prior to 2003. Data discontinued for black and other series. See *Employment and Earnings*, for details.

Note.—Beginning with data for 2000, since data for all race groups are not shown here, detail will not sum to total. See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–38.—*Unemployment by demographic characteristic, 1959–2006*

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

Year or month	All civilian workers	White [1]				Black and other [1]				Black or African American [1]			
		Total	Males	Females	Both sexes 16-19	Total	Males	Females	Both sexes 16-19	Total	Males	Females	Both sexes 16-19
1959	3,740	2,946	1,903	1,043	525	793	517	276	128	.....	.....	.....	.....
1960	3,852	3,065	1,988	1,077	575	788	498	290	138	.....	.....	.....	.....
1961	4,714	3,743	2,398	1,345	669	971	599	372	159	.....	.....	.....	.....
1962	3,911	3,052	1,915	1,137	580	861	509	352	142	.....	.....	.....	.....
1963	4,070	3,208	1,976	1,232	708	863	496	367	176	.....	.....	.....	.....
1964	3,786	2,999	1,779	1,220	708	787	426	361	165	.....	.....	.....	.....
1965	3,366	2,691	1,556	1,135	705	678	360	318	171	.....	.....	.....	.....
1966	2,875	2,255	1,241	1,014	651	622	310	312	186	.....	.....	.....	.....
1967	2,975	2,338	1,208	1,130	635	638	300	338	203	.....	.....	.....	.....
1968	2,817	2,226	1,142	1,084	644	590	277	313	194	.....	.....	.....	.....
1969	2,832	2,260	1,137	1,123	660	571	267	304	193	.....	.....	.....	.....
1970	4,093	3,339	1,857	1,482	871	754	380	374	235	.....	.....	.....	.....
1971	5,016	4,085	2,309	1,777	1,011	930	481	450	249	.....	.....	.....	.....
1972	4,882	3,906	2,173	1,733	1,021	977	486	491	288	906	448	458	279
1973	4,365	3,442	1,836	1,606	955	924	440	484	280	846	395	451	262
1974	5,156	4,097	2,169	1,927	1,104	1,058	544	514	318	965	494	470	297
1975	7,929	6,421	3,627	2,794	1,413	1,507	815	692	355	1,369	741	629	330
1976	7,406	5,914	3,258	2,656	1,364	1,492	779	713	355	1,334	698	637	330
1977	6,991	5,441	2,883	2,558	1,284	1,550	784	766	379	1,393	698	695	354
1978	6,202	4,698	2,411	2,287	1,189	1,505	731	774	394	1,330	641	690	360
1979	6,137	4,664	2,405	2,260	1,193	1,473	714	759	362	1,319	636	683	333
1980	7,637	5,884	3,345	2,540	1,291	1,752	922	830	377	1,553	815	738	343
1981	8,273	6,343	3,580	2,762	1,374	1,930	997	933	388	1,731	891	840	357
1982	10,678	8,241	4,846	3,395	1,534	2,437	1,334	1,104	443	2,142	1,167	975	396
1983	10,717	8,128	4,859	3,270	1,387	2,588	1,401	1,187	441	2,272	1,213	1,059	392
1984	8,539	6,372	3,600	2,772	1,116	2,167	1,144	1,022	384	1,914	1,003	911	353
1985	8,312	6,191	3,426	2,765	1,074	2,121	1,095	1,026	394	1,864	951	913	357
1986	8,237	6,140	3,433	2,708	1,070	2,097	1,097	999	383	1,840	946	894	347
1987	7,425	5,501	3,132	2,369	995	1,924	969	955	353	1,684	826	858	312
1988	6,701	4,944	2,766	2,177	910	1,757	888	869	316	1,547	771	776	288
1989	6,528	4,770	2,636	2,135	863	1,757	889	868	331	1,544	773	772	300
1990	7,047	5,186	2,935	2,251	903	1,860	971	889	308	1,565	806	758	268
1991	8,628	6,560	3,859	2,701	1,029	2,068	1,087	981	330	1,723	890	833	280
1992	9,613	7,169	4,209	2,959	1,037	2,444	1,314	1,130	390	2,011	1,067	944	324
1993	8,940	6,655	3,828	2,827	992	2,285	1,227	1,058	373	1,844	971	872	313
1994	7,996	5,892	3,275	2,617	960	2,104	1,092	1,011	360	1,666	848	818	300
1995	7,404	5,459	2,999	2,460	952	1,945	984	961	394	1,538	762	777	325
1996	7,236	5,300	2,896	2,404	939	1,936	984	952	367	1,592	808	784	310
1997	6,739	4,836	2,641	2,195	912	1,903	935	967	359	1,560	747	813	302
1998	6,210	4,484	2,431	2,053	876	1,726	835	891	329	1,426	671	756	281
1999	5,880	4,273	2,274	1,999	844	1,606	792	814	318	1,309	626	684	268
2000	5,692	4,121	2,177	1,944	795	.....	.....	.....	.....	1,241	620	621	230
2001	6,801	4,969	2,754	2,215	845	.....	.....	.....	.....	1,416	709	706	260
2002	8,378	6,137	3,459	2,678	925	.....	.....	.....	.....	1,693	835	858	260
2003	8,774	6,311	3,643	2,668	909	.....	.....	.....	.....	1,787	891	895	255
2004	8,149	5,847	3,282	2,565	890	.....	.....	.....	.....	1,729	860	868	241
2005	7,591	5,350	2,931	2,419	845	.....	.....	.....	.....	1,700	844	856	267
2006	7,001	5,002	2,730	2,271	794	.....	.....	.....	.....	1,549	774	775	253
2005: Jan	7,756	5,423	3,043	2,380	832	.....	.....	.....	.....	1,767	889	878	244
Feb	7,966	5,575	3,120	2,454	922	.....	.....	.....	.....	1,803	934	869	234
Mar	7,683	5,374	3,054	2,320	868	.....	.....	.....	.....	1,735	855	879	267
Apr	7,657	5,394	2,925	2,469	918	.....	.....	.....	.....	1,740	864	875	299
May	7,656	5,378	2,901	2,477	912	.....	.....	.....	.....	1,735	847	888	316
June	7,507	5,222	2,804	2,418	828	.....	.....	.....	.....	1,779	914	866	266
July	7,464	5,227	2,829	2,398	805	.....	.....	.....	.....	1,574	761	813	261
Aug	7,360	5,176	2,845	2,332	813	.....	.....	.....	.....	1,662	817	846	292
Sept	7,606	5,460	3,028	2,432	793	.....	.....	.....	.....	1,602	782	820	240
Oct	7,436	5,454	2,899	2,555	844	.....	.....	.....	.....	1,567	762	805	248
Nov	7,548	5,231	2,830	2,400	823	.....	.....	.....	.....	1,834	916	918	329
Dec	7,331	5,220	2,821	2,399	780	.....	.....	.....	.....	1,576	754	822	197
2006: Jan	7,023	5,072	2,759	2,313	787	.....	.....	.....	.....	1,501	672	829	243
Feb	7,158	5,075	2,777	2,298	759	.....	.....	.....	.....	1,615	795	820	283
Mar	7,009	4,903	2,682	2,221	766	.....	.....	.....	.....	1,616	793	823	301
Apr	7,098	4,997	2,740	2,258	740	.....	.....	.....	.....	1,619	834	785	260
May	7,006	5,026	2,802	2,224	769	.....	.....	.....	.....	1,539	825	714	216
June	6,984	5,021	2,739	2,282	824	.....	.....	.....	.....	1,544	788	756	247
July	7,228	5,098	2,763	2,336	788	.....	.....	.....	.....	1,638	831	806	277
Aug	7,116	5,127	2,820	2,307	853	.....	.....	.....	.....	1,522	771	751	243
Sept	6,912	4,898	2,589	2,309	824	.....	.....	.....	.....	1,565	771	794	264
Oct	6,715	4,853	2,619	2,234	800	.....	.....	.....	.....	1,476	781	696	239
Nov	6,826	4,900	2,654	2,246	784	.....	.....	.....	.....	1,494	742	752	239
Dec	6,849	4,970	2,787	2,183	814	.....	.....	.....	.....	1,466	679	787	226

[1] See footnote 1 and Note, Table B–37.

Note.—See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–39.—*Civilian labor force participation rate and employment/population ratio, 1959–2006*

[Percent;[1] monthly data seasonally adjusted]

Year or month	Labor force participation rate							Employment/population ratio						
	All civilian workers	Males	Females	Both sexes 16–19 years	White[2]	Black and other[2]	Black or African American[2]	All civilian workers	Males	Females	Both sexes 16–19 years	White[2]	Black and other[2]	Black or African American[2]
1959	59.3	83.7	37.1	46.7	58.7	64.3	.....	56.0	79.3	35.0	39.9	55.9	57.5	.....
1960	59.4	83.3	37.7	47.5	58.8	64.5	.....	56.1	78.9	35.5	40.5	55.9	57.9	.....
1961	59.3	82.9	38.1	46.9	58.8	64.1	.....	55.4	77.6	35.4	39.1	55.3	56.2	.....
1962	58.8	82.0	37.9	46.1	58.3	63.2	.....	55.5	77.7	35.6	39.4	55.4	56.3	.....
1963	58.7	81.4	38.3	45.2	58.2	63.0	.....	55.4	77.1	35.8	37.4	55.3	56.2	.....
1964	58.7	81.0	38.7	44.5	58.2	63.1	.....	55.7	77.3	36.3	37.3	55.5	57.0	.....
1965	58.9	80.7	39.3	45.7	58.4	62.9	.....	56.2	77.5	37.1	38.9	56.0	57.8	.....
1966	59.2	80.4	40.3	48.2	58.7	63.0	.....	56.9	77.9	38.3	42.1	56.8	58.4	.....
1967	59.6	80.4	41.1	48.4	59.2	62.8	.....	57.3	78.0	39.0	42.2	57.2	58.2	.....
1968	59.6	80.1	41.6	48.3	59.3	62.2	.....	57.5	77.8	39.6	42.2	57.4	58.0	.....
1969	60.1	79.8	42.7	49.4	59.9	62.1	.....	58.0	77.6	40.7	43.4	58.0	58.1	.....
1970	60.4	79.7	43.3	49.9	60.2	61.8	.....	57.4	76.2	40.8	42.3	57.5	56.8	.....
1971	60.2	79.1	43.4	49.7	60.1	60.9	.....	56.6	74.9	40.4	41.3	56.8	54.9	.....
1972	60.4	78.9	43.9	51.9	60.4	60.2	59.9	57.0	75.0	41.0	43.5	57.4	54.1	53.7
1973	60.8	78.8	44.7	53.7	60.8	60.5	60.2	57.8	75.5	42.0	45.9	58.2	55.0	54.5
1974	61.3	78.7	45.7	54.8	61.4	60.3	59.8	57.8	74.9	42.6	46.0	58.3	54.3	53.5
1975	61.2	77.9	46.3	54.0	61.5	59.6	58.8	56.1	71.7	42.0	43.3	56.7	51.4	50.1
1976	61.6	77.5	47.3	54.5	61.8	59.8	59.0	56.8	72.0	43.2	44.2	57.5	52.0	50.8
1977	62.3	77.7	48.4	56.0	62.5	60.4	59.8	57.9	72.8	44.5	46.1	58.6	52.5	51.4
1978	63.2	77.9	50.0	57.8	63.3	62.2	61.5	59.3	73.8	46.4	48.3	60.0	54.7	53.6
1979	63.7	77.8	50.9	57.9	63.9	62.2	61.4	59.9	73.8	47.5	48.5	60.6	55.2	53.8
1980	63.8	77.4	51.5	56.7	64.1	61.7	61.0	59.2	72.0	47.7	46.6	60.0	53.6	52.3
1981	63.9	77.0	52.1	55.4	64.3	61.3	60.8	59.0	71.3	48.0	44.6	60.0	52.6	51.3
1982	64.0	76.6	52.6	54.1	64.3	61.6	61.0	57.8	69.0	47.7	41.5	58.8	50.9	49.4
1983	64.0	76.4	52.9	53.5	64.3	62.1	61.5	57.9	68.8	48.0	41.5	58.9	51.0	49.5
1984	64.4	76.4	53.6	53.9	64.6	62.6	62.2	59.5	70.7	49.5	43.7	60.5	53.6	52.3
1985	64.8	76.3	54.5	54.5	65.0	63.3	62.9	60.1	70.9	50.4	44.4	61.0	54.7	53.4
1986	65.3	76.3	55.3	54.7	65.5	63.7	63.3	60.7	71.0	51.4	44.6	61.5	55.4	54.1
1987	65.6	76.2	56.0	54.7	65.8	64.3	63.8	61.5	71.5	52.5	45.5	62.3	56.8	55.6
1988	65.9	76.2	56.6	55.3	66.2	64.0	63.8	62.3	72.0	53.4	46.8	63.1	57.4	56.3
1989	66.5	76.4	57.4	55.9	66.7	64.7	64.2	63.0	72.5	54.3	47.5	63.8	58.2	56.9
1990	66.5	76.4	57.5	53.7	66.9	64.4	64.0	62.8	72.0	54.3	45.3	63.7	57.9	56.7
1991	66.2	75.8	57.4	51.6	66.6	63.8	63.3	61.7	70.4	53.7	42.0	62.6	56.7	55.4
1992	66.4	75.8	57.8	51.3	66.8	64.6	63.9	61.5	69.8	53.8	41.0	62.4	56.4	54.9
1993	66.3	75.4	57.9	51.5	66.8	63.8	63.2	61.7	70.0	54.1	41.7	62.7	56.3	55.0
1994	66.6	75.1	58.8	52.7	67.1	63.9	63.4	62.5	70.4	55.3	43.4	63.5	57.2	56.1
1995	66.6	75.0	58.9	53.5	67.1	64.3	63.7	62.9	70.8	55.6	44.2	63.8	58.1	57.1
1996	66.8	74.9	59.3	52.3	67.2	64.6	64.1	63.2	70.9	56.0	43.5	64.1	58.6	57.4
1997	67.1	75.0	59.8	51.6	67.5	65.2	64.7	63.8	71.3	56.8	43.4	64.6	59.4	58.2
1998	67.1	74.9	59.8	52.8	67.3	66.0	65.6	64.1	71.6	57.1	45.1	64.7	60.9	59.7
1999	67.1	74.7	60.0	52.0	67.3	65.9	65.8	64.3	71.6	57.4	44.7	64.8	61.3	60.6
2000	67.1	74.8	59.9	52.0	67.3	.....	65.8	64.4	71.9	57.5	45.2	64.9	.....	60.9
2001	66.8	74.4	59.8	49.6	67.0	.....	65.3	63.7	70.9	57.0	42.3	64.2	.....	59.7
2002	66.6	74.1	59.6	47.4	66.8	.....	64.8	62.7	69.7	56.3	39.6	63.4	.....	58.1
2003	66.2	73.5	59.5	44.5	66.5	.....	64.3	62.3	68.9	56.1	36.8	63.0	.....	57.4
2004	66.0	73.3	59.2	43.9	66.3	.....	63.8	62.3	69.2	56.0	36.4	63.1	.....	57.2
2005	66.0	73.3	59.3	43.7	66.3	.....	64.2	62.7	69.6	56.2	36.5	63.4	.....	57.7
2006	66.2	73.5	59.4	43.7	66.5	.....	64.1	63.1	70.1	56.6	36.9	63.8	.....	58.4
2005: Jan	65.8	73.0	59.1	43.3	66.1	.....	63.6	62.4	69.1	56.1	36.3	63.2	.....	56.9
Feb	65.9	73.2	59.1	43.2	66.2	.....	63.4	62.4	69.1	56.0	35.6	63.2	.....	56.6
Mar	65.8	73.2	59.0	43.8	66.1	.....	63.6	62.4	69.3	56.0	36.4	63.2	.....	57.0
Apr	66.0	73.4	59.2	44.0	66.3	.....	64.1	62.6	69.6	56.1	36.2	63.4	.....	57.5
May	66.1	73.5	59.3	44.1	66.4	.....	64.5	62.7	69.8	56.2	36.2	63.5	.....	57.9
June	66.0	73.4	59.2	43.6	66.2	.....	64.9	62.7	69.8	56.1	36.6	63.4	.....	58.2
July	66.1	73.5	59.3	43.6	66.3	.....	64.7	62.8	69.9	56.2	36.7	63.5	.....	58.8
Aug	66.2	73.5	59.3	44.1	66.4	.....	64.5	62.9	69.9	56.3	36.9	63.6	.....	58.3
Sept	66.2	73.4	59.5	43.6	66.4	.....	64.2	62.8	69.7	56.5	36.8	63.5	.....	58.2
Oct	66.1	73.2	59.4	43.2	66.4	.....	64.4	62.8	69.7	56.4	36.3	63.4	.....	58.5
Nov	66.1	73.3	59.4	44.0	66.3	.....	64.2	62.8	69.6	56.3	36.5	63.5	.....	57.4
Dec	66.0	73.2	59.3	43.4	66.3	.....	63.5	62.8	69.7	56.3	36.8	63.5	.....	57.6
2006: Jan	66.0	73.3	59.2	43.5	66.4	.....	63.4	62.9	69.9	56.3	36.9	63.7	.....	57.8
Feb	66.1	73.4	59.2	43.9	66.3	.....	64.4	62.9	69.9	56.4	37.2	63.6	.....	58.4
Mar	66.1	73.5	59.1	44.0	66.3	.....	64.5	63.0	70.1	56.4	37.1	63.7	.....	58.5
Apr	66.1	73.5	59.2	43.5	66.4	.....	64.4	63.0	70.0	56.4	37.1	63.7	.....	58.3
May	66.1	73.5	59.2	43.5	66.4	.....	64.2	63.1	70.0	56.5	37.4	63.7	.....	58.5
June	66.2	73.4	59.5	44.4	66.5	.....	63.9	63.1	70.0	56.7	37.5	63.8	.....	58.2
July	66.2	73.2	59.6	44.0	66.5	.....	64.3	63.1	69.7	56.8	37.1	63.8	.....	58.2
Aug	66.2	73.4	59.5	43.4	66.6	.....	64.1	63.1	69.9	56.7	36.3	63.8	.....	58.5
Sept	66.2	73.5	59.3	43.2	66.5	.....	63.5	63.2	70.2	56.5	36.2	63.8	.....	57.8
Oct	66.2	73.5	59.4	43.3	66.6	.....	64.0	63.3	70.2	56.8	36.7	64.0	.....	58.6
Nov	66.3	73.6	59.5	43.5	66.6	.....	64.2	63.3	70.3	56.8	36.9	64.0	.....	58.7
Dec	66.4	73.7	59.5	43.4	66.7	.....	64.3	63.4	70.4	56.9	36.8	64.0	.....	58.9

[1] Civilian labor force or civilian employment as percent of civilian noninstitutional population in group specified.
[2] See footnote 1, Table B–37.

Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–40.—*Civilian labor force participation rate by demographic characteristic, 1965–2006*

[Percent;[1] monthly data seasonally adjusted]

Year or month	All civilian workers	White[2]							Black and other or black or African American[2]						
		Total	Males			Females			Total	Males			Females		
			Total	16-19 years	20 years and over	Total	16-19 years	20 years and over		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
									Black and other						
1965	58.9	58.4	80.8	54.1	83.9	38.1	39.2	38.0	62.9	79.6	51.3	83.7	48.6	29.5	51.1
1966	59.2	58.7	80.6	55.9	83.6	39.2	42.6	38.8	63.0	79.0	51.4	83.3	49.4	33.5	51.6
1967	59.6	59.2	80.6	56.3	83.5	40.1	42.5	39.8	62.8	78.5	51.1	82.9	49.5	35.2	51.6
1968	59.6	59.3	80.4	55.9	83.2	40.7	43.0	40.4	62.2	77.7	49.7	82.2	49.3	34.8	51.4
1969	60.1	59.9	80.2	56.8	83.0	41.8	44.6	41.5	62.1	76.9	49.6	81.4	49.8	34.6	52.0
1970	60.4	60.2	80.0	57.5	82.8	42.6	45.6	42.2	61.8	76.5	47.4	81.4	49.5	34.1	51.8
1971	60.2	60.1	79.6	57.9	82.3	42.6	45.4	42.3	60.9	74.9	44.7	80.0	49.2	31.2	51.8
1972	60.4	60.4	79.6	60.1	82.0	43.2	48.1	42.7	60.2	73.9	46.0	78.6	48.8	32.3	51.2
									Black or African American[2]						
1972	60.4	60.4	79.6	60.1	82.0	43.2	48.1	42.7	59.9	73.6	46.3	78.5	48.7	32.2	51.2
1973	60.8	60.8	79.4	62.0	81.6	44.1	50.1	43.5	60.2	73.4	45.7	78.4	49.3	34.2	51.6
1974	61.3	61.4	79.4	62.9	81.4	45.2	51.7	44.4	59.8	72.9	46.7	77.6	49.0	33.4	51.4
1975	61.2	61.5	78.7	61.9	80.7	45.9	51.5	45.3	58.8	70.9	42.6	76.0	48.8	34.2	51.1
1976	61.6	61.8	78.4	62.3	80.3	46.9	52.8	46.2	59.0	70.0	41.3	75.4	49.8	32.9	52.5
1977	62.3	62.5	78.5	64.0	80.2	48.0	54.5	47.3	59.8	70.6	43.2	75.6	50.8	32.9	53.6
1978	63.2	63.3	78.6	65.0	80.1	49.4	56.7	48.7	61.5	71.5	44.9	76.2	53.1	37.3	55.5
1979	63.7	63.9	78.6	64.8	80.1	50.5	57.4	49.8	61.4	71.3	43.6	76.3	53.1	36.8	55.4
1980	63.8	64.1	78.2	63.7	79.8	51.2	56.2	50.6	61.0	70.3	43.2	75.1	53.1	34.9	55.6
1981	63.9	64.3	77.9	62.4	79.5	51.9	55.4	51.5	60.8	70.0	41.6	74.5	53.5	34.0	56.0
1982	64.0	64.3	77.4	60.0	79.2	52.4	55.0	52.2	61.0	70.1	39.8	74.7	53.7	33.5	56.2
1983	64.0	64.3	77.1	59.4	78.9	52.7	54.5	52.5	61.5	70.6	39.9	75.2	54.2	33.0	56.8
1984	64.4	64.6	77.1	59.0	78.7	53.3	55.4	53.1	62.2	70.8	41.7	74.8	55.2	35.0	57.6
1985	64.8	65.0	77.0	59.7	78.5	54.1	55.2	54.0	62.9	70.8	44.6	74.4	56.5	37.9	58.6
1986	65.3	65.5	76.9	59.3	78.5	55.0	56.3	54.9	63.3	71.2	43.7	74.8	56.9	39.1	58.9
1987	65.6	65.8	76.8	59.0	78.4	55.7	56.5	55.6	63.8	71.1	43.6	74.7	58.0	39.6	60.0
1988	65.9	66.2	76.9	60.0	78.3	56.4	57.2	56.3	63.8	71.0	43.8	74.6	58.0	37.9	60.1
1989	66.5	66.7	77.1	61.0	78.5	57.2	57.1	57.2	64.2	71.0	44.6	74.4	58.7	40.4	60.6
1990	66.5	66.9	77.1	59.6	78.5	57.4	55.3	57.6	64.0	71.0	40.7	75.0	58.3	36.8	60.6
1991	66.2	66.6	76.5	57.3	78.0	57.4	54.1	57.6	63.3	70.4	37.3	74.6	57.5	33.5	60.0
1992	66.4	66.8	76.5	56.9	78.0	57.7	52.5	58.1	63.9	70.7	40.6	74.3	58.5	35.2	60.8
1993	66.3	66.8	76.2	56.6	77.7	58.0	53.5	58.3	63.2	69.6	39.5	73.2	57.9	34.6	60.2
1994	66.6	67.1	75.9	57.7	77.3	58.9	55.1	59.2	63.4	69.1	40.8	72.5	58.7	36.3	60.9
1995	66.6	67.1	75.7	58.5	77.1	59.0	55.5	59.2	63.7	69.0	40.1	72.5	59.5	39.8	61.4
1996	66.8	67.2	75.8	57.1	77.3	59.1	54.7	59.4	64.1	68.7	39.5	72.3	60.4	38.9	62.6
1997	67.1	67.5	75.9	56.1	77.5	59.5	54.1	59.9	64.7	68.3	37.4	72.2	61.7	39.9	64.0
1998	67.1	67.3	75.6	56.6	77.2	59.4	55.4	59.7	65.6	69.0	40.7	72.5	62.8	42.5	64.8
1999	67.1	67.3	75.6	56.4	77.2	59.6	54.5	59.9	65.8	68.7	38.6	72.4	63.5	38.8	66.1
2000	67.1	67.3	75.5	56.5	77.1	59.5	54.5	59.9	65.8	69.2	39.2	72.8	63.1	39.6	65.4
2001	66.8	67.0	75.1	53.7	76.9	59.4	52.4	59.9	65.3	68.4	37.9	72.1	62.8	37.3	65.2
2002	66.6	66.8	74.8	50.3	76.7	59.3	50.8	60.0	64.8	68.4	37.3	72.1	61.8	34.7	64.4
2003	66.2	66.5	74.2	47.5	76.3	59.2	47.9	59.9	64.3	67.3	31.1	71.5	61.9	33.7	64.6
2004	66.0	66.3	74.1	47.4	76.2	58.9	46.7	59.7	63.8	66.7	30.0	70.9	61.5	32.8	64.2
2005	66.0	66.3	74.1	46.2	76.2	58.9	47.6	59.7	64.2	67.3	32.6	71.3	61.6	32.2	64.4
2006	66.2	66.5	74.3	46.9	76.4	59.0	46.6	59.9	64.1	67.0	32.3	71.1	61.7	35.6	64.2
2005: Jan	65.8	66.1	73.9	46.0	76.0	58.8	47.0	59.6	63.6	66.3	33.7	70.0	61.5	32.5	64.2
Feb	65.9	66.2	74.0	46.1	76.2	58.8	47.7	59.6	63.4	66.5	32.2	70.4	61.0	27.6	64.1
Mar	65.8	66.1	74.1	46.8	76.2	58.5	46.9	59.3	63.6	66.6	34.6	70.3	61.2	32.0	63.9
Apr	66.0	66.3	74.1	46.8	76.2	58.9	47.2	59.7	64.1	67.6	36.1	71.2	61.3	31.1	64.2
May	66.1	66.4	74.2	46.4	76.4	58.9	48.0	59.7	64.5	67.8	34.6	71.6	61.8	33.8	64.4
June	66.0	66.2	74.1	45.9	76.3	58.6	47.8	59.4	64.9	68.7	33.5	72.7	61.8	31.7	64.6
July	66.1	66.3	74.1	45.9	76.3	58.9	47.6	59.7	64.7	68.4	31.4	72.7	61.8	34.7	64.3
Aug	66.2	66.4	74.2	45.9	76.4	59.0	48.8	59.7	64.5	68.2	31.9	72.3	61.5	33.2	64.2
Sept	66.2	66.4	74.0	46.1	76.2	59.2	48.8	59.9	64.2	67.4	29.0	71.8	61.6	30.2	64.5
Oct	66.1	66.4	74.0	45.3	76.2	59.1	48.1	59.9	64.4	67.0	27.7	71.6	62.3	33.0	65.1
Nov	66.1	66.3	74.0	46.8	76.1	59.0	46.9	59.9	64.2	66.9	35.4	70.6	62.1	32.8	64.8
Dec	66.0	66.3	74.0	46.1	76.2	59.0	46.4	59.9	63.5	66.1	31.0	70.2	61.3	32.4	64.0
2006: Jan	66.0	66.4	74.3	47.2	76.4	58.8	46.9	59.7	63.4	65.5	27.8	69.9	61.7	34.7	64.3
Feb	66.1	66.3	74.2	47.0	76.3	58.8	46.3	59.7	64.4	67.3	33.7	71.2	62.0	39.6	64.1
Mar	66.1	66.3	74.3	47.1	76.4	58.6	46.3	59.5	64.5	67.5	34.0	71.4	62.1	37.5	64.5
Apr	66.1	66.4	74.3	46.7	76.4	58.9	46.5	59.7	64.4	67.9	34.9	71.7	61.5	34.7	64.1
May	66.1	66.4	74.3	47.1	76.4	58.9	46.5	59.7	64.2	67.7	34.4	71.5	61.5	32.9	64.2
June	66.2	66.5	74.2	47.6	76.3	59.1	47.0	60.0	63.9	66.9	33.7	70.7	61.5	34.7	64.1
July	66.2	66.5	74.1	46.6	76.2	59.3	47.6	60.2	64.3	67.2	33.3	71.2	61.9	34.9	64.5
Aug	66.2	66.6	74.3	47.1	76.4	59.2	46.3	60.1	64.1	66.8	31.3	71.0	61.9	34.0	64.6
Sept	66.2	66.5	74.2	47.1	76.3	59.1	45.4	60.0	63.5	66.4	28.1	70.9	61.2	36.6	63.6
Oct	66.2	66.6	74.3	46.3	76.5	59.2	46.0	60.1	64.0	66.9	32.6	70.9	61.6	37.6	63.9
Nov	66.3	66.6	74.3	45.9	76.6	59.2	47.0	60.1	64.2	67.0	32.0	71.1	61.8	34.8	64.4
Dec	66.4	66.7	74.5	47.0	76.7	59.2	46.7	60.1	64.3	67.0	30.0	71.3	62.1	36.0	64.7

[1]Civilian labor force as percent of civilian noninstitutional population in group specified.
[2]See footnote 1, Table B–37.
Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–41.—*Civilian employment/population ratio by demographic characteristic, 1965–2006*

[Percent;[1] monthly data seasonally adjusted]

Year or month	All civilian workers	White[2]						Black and other or black or African American[2]						
		Total	Males			Females			Total	Males			Females		
			Total	16-19 years	20 years and over	Total	16-19 years	20 years and over		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
									Black and other						
1965	56.2	56.0	77.9	47.1	81.5	36.2	33.7	36.5	57.8	73.7	39.4	78.7	44.1	20.2	47.3
1966	56.9	56.8	78.3	50.1	81.7	37.5	37.5	37.5	58.4	74.0	40.5	79.2	45.1	23.1	48.2
1967	57.3	57.2	78.4	50.2	81.7	38.3	37.7	38.3	58.2	73.8	38.8	79.4	45.0	24.8	47.9
1968	57.5	57.4	78.3	50.3	81.6	38.9	37.8	39.1	58.0	73.3	38.7	78.9	45.2	24.7	48.2
1969	58.0	58.0	78.2	51.1	81.4	40.1	39.5	40.1	58.1	72.8	39.0	78.4	45.9	25.1	48.9
1970	57.4	57.5	76.8	49.6	80.1	40.3	39.5	40.4	56.8	70.9	35.5	76.8	44.9	22.4	48.2
1971	56.6	56.8	75.7	49.2	79.0	39.9	38.6	40.1	54.9	68.1	31.8	74.2	43.9	20.2	47.3
1972	57.0	57.4	76.0	51.5	79.0	40.7	41.3	40.6	54.1	67.3	32.4	73.2	43.3	19.9	46.7
									Black or African American[2]						
1972	57.0	57.4	76.0	51.5	79.0	40.7	41.3	40.6	53.7	66.8	31.6	73.0	43.0	19.2	46.5
1973	57.8	58.2	76.5	54.3	79.2	41.8	43.6	41.6	54.5	67.5	32.8	73.7	43.8	22.0	47.2
1974	57.8	58.3	75.9	54.4	78.6	42.4	44.3	42.2	53.5	65.8	31.4	71.9	43.5	20.9	46.9
1975	56.1	56.7	73.0	50.6	75.7	42.0	42.5	41.9	50.1	60.6	26.3	66.5	41.6	20.2	44.9
1976	56.8	57.5	73.4	51.5	76.0	43.2	44.2	43.1	50.8	60.6	25.8	66.8	42.8	19.2	46.4
1977	57.9	58.6	74.1	54.4	76.5	44.5	45.9	44.4	51.4	61.4	26.4	67.5	43.3	18.5	47.0
1978	59.3	60.0	75.0	56.3	77.2	46.3	48.5	46.1	53.6	63.3	28.5	69.1	45.8	22.1	49.3
1979	59.9	60.6	75.1	55.7	77.3	47.5	49.4	47.3	53.8	63.4	28.7	69.1	46.0	22.4	49.3
1980	59.2	60.0	73.4	53.4	75.6	47.8	47.9	47.8	52.3	60.4	27.0	65.8	45.7	21.0	49.1
1981	59.0	60.0	72.8	51.3	75.1	48.3	46.2	48.5	51.3	59.1	24.6	64.5	45.1	19.7	48.5
1982	57.8	58.8	70.6	47.0	73.0	48.1	44.6	48.4	49.4	56.0	20.3	61.4	44.2	17.7	47.5
1983	57.9	58.9	70.4	47.4	72.6	48.5	44.5	48.9	49.5	56.3	20.4	61.6	44.1	17.0	47.4
1984	59.5	60.5	72.1	49.1	74.3	49.8	47.0	50.0	52.3	59.2	23.9	64.1	46.7	20.1	49.8
1985	60.1	61.0	72.3	49.9	74.3	50.7	47.1	51.0	53.4	60.0	26.3	64.6	48.1	23.1	50.9
1986	60.7	61.5	72.3	49.6	74.3	51.7	47.9	52.0	54.1	60.6	26.5	65.1	48.8	23.8	51.6
1987	61.5	62.3	72.7	49.9	74.7	52.8	49.0	53.1	55.6	62.0	28.5	66.4	50.3	25.8	53.0
1988	62.3	63.1	73.2	51.7	75.1	53.8	50.2	54.0	56.3	62.7	29.4	67.1	51.2	25.8	53.9
1989	63.0	63.8	73.7	52.6	75.4	54.6	50.5	54.9	56.9	62.8	30.4	67.0	52.0	27.1	54.6
1990	62.8	63.7	73.3	51.0	75.1	54.7	48.3	55.2	56.7	62.6	27.7	67.1	51.9	25.8	54.7
1991	61.7	62.6	71.6	47.2	73.5	54.2	45.9	54.8	55.4	61.3	23.8	65.9	50.6	21.5	53.6
1992	61.5	62.4	71.1	46.4	73.1	54.2	44.2	54.9	54.9	59.9	23.6	64.3	50.8	22.1	53.6
1993	61.7	62.7	71.4	46.6	73.3	54.6	45.7	55.2	55.0	60.0	23.6	64.3	50.9	21.6	53.8
1994	62.5	63.5	71.8	48.3	73.6	55.8	47.5	56.4	56.1	60.8	25.4	65.0	52.3	24.5	55.0
1995	62.9	63.8	72.0	49.4	73.8	56.1	48.1	56.7	57.1	61.7	25.2	66.1	53.4	26.1	56.1
1996	63.2	64.1	72.3	48.2	74.2	56.3	47.6	57.0	57.4	61.1	24.9	65.5	54.4	27.1	57.1
1997	63.8	64.6	72.7	48.1	74.7	57.0	47.2	57.8	58.2	61.4	23.7	66.1	55.6	28.5	58.4
1998	64.1	64.7	72.7	48.6	74.7	57.1	49.3	57.7	59.7	62.9	28.4	67.1	57.2	31.8	59.7
1999	64.3	64.8	72.8	49.3	74.8	57.3	48.3	58.0	60.6	63.1	26.7	67.5	58.6	29.0	61.5
2000	64.4	64.9	73.0	49.5	74.9	57.4	48.8	58.0	60.9	63.6	28.9	67.7	58.6	30.6	61.3
2001	63.7	64.2	72.0	46.2	74.0	57.0	46.5	57.7	59.7	62.1	26.4	66.3	57.8	27.0	60.7
2002	62.7	63.4	70.8	42.3	73.1	56.4	44.1	57.3	58.1	61.1	25.6	65.2	55.8	24.9	58.7
2003	62.3	63.0	70.1	39.4	72.5	56.3	41.5	57.3	57.4	59.5	19.9	64.1	55.6	23.4	58.6
2004	62.3	63.1	70.4	39.7	72.8	56.1	40.3	57.2	57.2	59.3	19.3	63.9	55.5	23.6	58.5
2005	62.7	63.4	70.8	38.8	73.3	56.3	41.8	57.4	57.7	60.2	20.8	64.7	55.7	22.4	58.9
2006	63.1	63.8	71.3	40.0	73.7	56.6	41.1	57.7	58.4	60.6	21.7	65.2	56.5	26.4	59.4
2005: Jan	62.4	63.2	70.5	38.4	73.0	56.2	41.5	57.3	56.9	58.7	23.8	62.7	55.4	22.5	58.5
Feb	62.4	63.2	70.5	37.8	73.1	56.2	41.5	57.2	56.6	58.5	21.0	62.8	55.0	19.7	58.3
Mar	62.4	63.2	70.7	38.4	73.2	56.1	41.6	57.1	57.0	59.4	22.1	63.6	55.1	22.7	58.2
Apr	62.6	63.4	70.9	38.6	73.4	56.2	41.0	57.3	57.5	60.3	22.0	64.6	55.3	20.9	58.6
May	62.7	63.5	71.0	38.4	73.5	56.3	41.6	57.3	57.9	60.7	21.4	65.2	55.7	21.4	58.9
June	62.7	63.4	71.0	38.7	73.5	56.1	42.0	57.1	58.2	61.0	20.7	65.6	55.9	23.0	59.0
July	62.8	63.5	71.0	38.7	73.5	56.4	42.1	57.4	58.8	62.0	19.4	66.9	56.2	25.7	59.1
Aug	62.9	63.6	71.1	38.9	73.6	56.5	42.9	57.5	58.3	61.3	19.1	66.2	55.8	22.4	58.9
Sept	62.8	63.5	70.7	39.1	73.1	56.6	43.4	57.5	58.2	60.8	19.5	65.6	56.0	20.4	59.3
Oct	62.8	63.4	70.8	38.4	73.3	56.4	41.8	57.4	58.5	60.7	18.3	65.5	56.8	22.6	60.0
Nov	62.8	63.5	70.9	39.7	73.3	56.5	41.1	57.6	57.4	59.3	19.6	63.9	55.8	22.4	59.0
Dec	62.8	63.5	70.9	39.8	73.3	56.4	40.5	57.6	57.6	59.8	23.4	64.0	55.7	24.3	58.7
2006: Jan	62.9	63.7	71.3	40.4	73.7	56.4	41.4	57.5	57.8	59.9	19.5	64.6	56.1	23.8	59.2
Feb	62.9	63.6	71.1	40.1	73.5	56.4	41.3	57.4	58.4	60.7	23.1	65.0	56.5	28.0	59.2
Mar	63.0	63.7	71.4	40.5	73.8	56.3	41.0	57.4	58.5	60.9	23.0	65.3	56.6	24.9	59.6
Apr	63.0	63.7	71.3	40.0	73.7	56.5	41.6	57.5	58.3	61.0	23.7	65.3	56.2	25.5	59.2
May	63.1	63.7	71.2	40.0	73.6	56.5	41.6	57.6	58.5	60.9	24.1	65.1	56.6	26.2	59.5
June	63.1	63.8	71.2	40.6	73.6	56.7	41.3	57.8	58.2	60.4	22.7	64.8	56.4	26.4	59.3
July	63.1	63.8	71.0	40.0	73.4	56.9	42.1	57.9	58.2	60.4	21.4	64.9	56.5	25.3	59.5
Aug	63.1	63.8	71.2	40.0	73.6	56.8	40.2	58.0	58.5	60.5	21.2	65.1	56.9	25.2	60.0
Sept	63.2	63.8	71.4	40.1	73.8	56.7	39.7	57.9	57.8	60.1	17.2	65.1	55.9	27.0	58.7
Oct	63.3	64.0	71.4	39.6	73.9	56.8	40.3	58.0	58.6	60.5	21.5	65.1	57.0	30.2	59.6
Nov	63.3	64.0	71.4	39.4	73.9	56.8	41.4	57.9	58.7	60.9	21.6	65.5	56.8	26.8	59.7
Dec	63.4	64.0	71.5	39.9	73.9	56.9	41.3	58.0	58.9	61.4	21.7	66.1	56.9	27.0	59.8

[1] Civilian employment as percent of civilian noninstitutional population in group specified.
[2] See footnote 1, Table B–37.

Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–42.—*Civilian unemployment rate, 1959–2006*

[Percent;[1] monthly data seasonally adjusted, except as noted by NSA]

Year or month	All civilian workers	Males			Females			Both sexes 16–19 years	By race				Hispanic or Latino ethnicity[3]	Married men, spouse present	Women who maintain families (NSA)
		Total	16–19 years	20 years and over	Total	16–19 years	20 years and over		White[2]	Black and other[2]	Black or African American[2]	Asian (NSA)[2]			
1959	5.5	5.2	15.3	4.7	5.9	13.5	5.2	14.6	4.8	10.7	.....	.....	.....	3.6	.....
1960	5.5	5.4	15.3	4.7	5.9	13.9	5.1	14.7	5.0	10.2	.....	.....	.....	3.7	.....
1961	6.7	6.4	17.1	5.7	7.2	16.3	6.3	16.8	6.0	12.4	.....	.....	.....	4.6	.....
1962	5.5	5.2	14.7	4.6	6.2	14.6	5.4	14.7	4.9	10.9	.....	.....	.....	3.6	.....
1963	5.7	5.2	17.2	4.5	6.5	17.2	5.4	17.2	5.0	10.8	.....	.....	.....	3.4	.....
1964	5.2	4.6	15.8	3.9	6.2	16.6	5.2	16.2	4.6	9.6	.....	.....	.....	2.8	.....
1965	4.5	4.0	14.1	3.2	5.5	15.7	4.5	14.8	4.1	8.1	.....	.....	.....	2.4	.....
1966	3.8	3.2	11.7	2.5	4.8	14.1	3.8	12.8	3.4	7.3	.....	.....	.....	1.9	.....
1967	3.8	3.1	12.3	2.3	5.2	13.5	4.2	12.9	3.4	7.4	.....	.....	.....	1.8	4.9
1968	3.6	2.9	11.6	2.2	4.8	14.0	3.8	12.7	3.2	6.7	.....	.....	.....	1.6	4.4
1969	3.5	2.8	11.4	2.1	4.7	13.3	3.7	12.2	3.1	6.4	.....	.....	.....	1.5	4.4
1970	4.9	4.4	15.0	3.5	5.9	15.6	4.8	15.3	4.5	8.2	.....	.....	.....	2.6	5.4
1971	5.9	5.3	16.6	4.4	6.9	17.2	5.7	16.9	5.4	9.9	.....	.....	.....	3.2	7.3
1972	5.6	5.0	15.9	4.0	6.6	16.7	5.4	16.2	5.1	10.0	10.4	.....	.....	2.8	7.2
1973	4.9	4.2	13.9	3.3	6.0	15.3	4.9	14.5	4.3	9.0	9.4	.....	7.5	2.3	7.1
1974	5.6	4.9	15.6	3.8	6.7	16.6	5.5	16.0	5.0	9.9	10.5	.....	8.1	2.7	7.0
1975	8.5	7.9	20.1	6.8	9.3	19.7	8.0	19.9	7.8	13.8	14.8	.....	12.2	5.1	10.0
1976	7.7	7.1	19.2	5.9	8.6	18.7	7.4	19.0	7.0	13.1	14.0	.....	11.5	4.2	10.1
1977	7.1	6.3	17.3	5.2	8.2	18.3	7.0	17.8	6.2	13.1	14.0	.....	10.1	3.6	9.4
1978	6.1	5.3	15.8	4.3	7.2	17.1	6.0	16.4	5.2	11.9	12.8	.....	9.1	2.8	8.5
1979	5.8	5.1	15.9	4.2	6.8	16.4	5.7	16.1	5.1	11.3	12.3	.....	8.3	2.8	8.3
1980	7.1	6.9	18.3	5.9	7.4	17.2	6.4	17.8	6.3	13.1	14.3	.....	10.1	4.2	9.2
1981	7.6	7.4	20.1	6.3	7.9	19.0	6.8	19.6	6.7	14.2	15.6	.....	10.4	4.3	10.4
1982	9.7	9.9	24.4	8.8	9.4	21.9	8.3	23.2	8.6	17.3	18.9	.....	13.8	6.5	11.7
1983	9.6	9.9	23.3	8.9	9.2	21.3	8.1	22.4	8.4	17.8	19.5	.....	13.7	6.5	12.2
1984	7.5	7.4	19.6	6.6	7.6	18.0	6.8	18.9	6.5	14.4	15.9	.....	10.7	4.6	10.3
1985	7.2	7.0	19.5	6.2	7.4	17.6	6.6	18.6	6.2	13.7	15.1	.....	10.5	4.3	10.4
1986	7.0	6.9	19.0	6.1	7.1	17.6	6.2	18.3	6.0	13.1	14.5	.....	10.6	4.4	9.8
1987	6.2	6.2	17.8	5.4	6.2	15.9	5.4	16.9	5.3	11.6	13.0	.....	8.8	3.9	9.2
1988	5.5	5.5	16.0	4.8	5.6	14.4	4.9	15.3	4.7	10.4	11.7	.....	8.2	3.3	8.1
1989	5.3	5.2	15.9	4.5	5.4	14.0	4.7	15.0	4.5	10.0	11.4	.....	8.0	3.0	8.1
1990	5.6	5.7	16.3	5.0	5.5	14.7	4.9	15.5	4.8	10.1	11.4	.....	8.2	3.4	8.3
1991	6.8	7.2	19.8	6.4	6.4	17.5	5.7	18.7	6.1	11.1	12.5	.....	10.0	4.4	9.3
1992	7.5	7.9	21.5	7.1	7.0	18.6	6.3	20.1	6.6	12.7	14.2	.....	11.6	5.1	10.0
1993	6.9	7.2	20.4	6.4	6.6	17.5	5.9	19.0	6.1	11.7	13.0	.....	10.8	4.4	9.7
1994	6.1	6.2	19.0	5.4	6.0	16.2	5.4	17.6	5.3	10.5	11.5	.....	9.9	3.7	8.9
1995	5.6	5.6	18.4	4.8	5.6	16.1	4.9	17.3	4.9	9.6	10.4	.....	9.3	3.3	8.0
1996	5.4	5.4	18.1	4.6	5.4	15.2	4.8	16.7	4.7	9.3	10.5	.....	8.9	3.0	8.2
1997	4.9	4.9	16.9	4.2	5.0	15.0	4.4	16.0	4.2	8.8	10.0	.....	7.7	2.7	8.1
1998	4.5	4.4	16.2	3.7	4.6	12.9	4.1	14.6	3.9	7.8	8.9	.....	7.2	2.4	7.2
1999	4.2	4.1	14.7	3.5	4.3	13.2	3.8	13.9	3.7	7.0	8.0	.....	6.4	2.2	6.4
2000	4.0	3.9	14.0	3.3	4.1	12.1	3.6	13.1	3.5	.....	7.6	3.6	5.7	2.0	5.9
2001	4.7	4.8	16.0	4.2	4.7	13.4	4.1	14.7	4.2	.....	8.6	4.5	6.6	2.7	6.6
2002	5.8	5.9	18.1	5.3	5.6	14.9	5.1	16.5	5.1	.....	10.2	5.9	7.5	3.6	8.0
2003	6.0	6.3	19.3	5.6	5.7	15.6	5.1	17.5	5.2	.....	10.8	6.0	7.7	3.8	8.5
2004	5.5	5.6	18.4	5.0	5.4	15.5	4.9	17.0	4.8	.....	10.4	4.4	7.0	3.1	8.0
2005	5.1	5.1	18.6	4.4	5.1	14.5	4.6	16.6	4.4	.....	10.0	4.0	6.0	2.8	7.8
2006	4.6	4.6	16.9	4.0	4.6	13.8	4.1	15.4	4.0	.....	8.9	3.0	5.2	2.4	7.1
2005: Jan	5.2	5.3	18.4	4.7	5.1	14.1	4.7	16.2	4.5	.....	10.6	4.2	6.2	3.1	8.2
Feb	5.4	5.5	20.3	4.8	5.2	14.7	4.7	17.5	4.6	.....	10.8	4.5	6.4	3.0	8.0
Mar	5.2	5.3	19.9	4.6	5.1	13.7	4.6	16.9	4.4	.....	10.3	3.9	5.8	2.9	8.0
Apr	5.1	5.1	20.3	4.4	5.2	15.3	4.6	17.8	4.4	.....	10.3	3.9	6.4	2.6	7.7
May	5.1	5.0	19.8	4.3	5.2	16.0	4.7	17.9	4.4	.....	10.2	3.9	6.0	2.7	7.9
June	5.0	5.0	18.6	4.3	5.1	13.8	4.6	16.2	4.3	.....	10.4	4.0	5.7	2.6	8.2
July	5.0	4.9	18.3	4.3	5.1	13.7	4.6	16.0	4.3	.....	9.2	5.2	5.5	2.6	8.8
Aug	4.9	4.9	17.9	4.3	4.9	14.6	4.4	16.2	4.2	.....	9.7	3.6	5.8	2.8	7.2
Sept	5.1	5.1	17.1	4.5	5.1	14.0	4.6	15.5	4.4	.....	9.4	4.1	6.4	2.8	7.6
Oct	5.0	4.8	16.9	4.3	5.1	15.2	4.5	16.0	4.4	.....	9.1	3.1	5.8	2.7	7.3
Nov	5.0	5.0	19.2	4.3	5.1	15.0	4.6	17.1	4.3	.....	10.7	3.6	6.1	2.6	7.2
Dec	4.9	4.8	16.1	4.3	5.0	14.3	4.5	15.2	4.2	.....	9.3	3.8	6.0	2.6	6.9
2006: Jan	4.7	4.6	16.2	4.0	4.8	14.1	4.3	15.2	4.1	.....	8.8	3.2	5.7	2.4	8.2
Feb	4.8	4.8	17.0	4.2	4.7	13.5	4.3	15.3	4.1	.....	9.3	3.2	5.5	2.4	7.5
Mar	4.7	4.6	16.8	4.0	4.7	14.4	4.1	15.6	4.0	.....	9.3	3.4	5.2	2.4	7.5
Apr	4.7	4.7	16.3	4.2	4.7	12.8	4.3	14.6	4.0	.....	9.3	3.6	5.3	2.5	7.5
May	4.6	4.8	16.3	4.2	4.5	11.8	4.1	14.1	4.1	.....	8.9	3.0	5.0	2.5	6.3
June	4.6	4.6	17.1	4.0	4.6	14.0	4.1	15.6	4.1	.....	9.0	3.5	5.3	2.5	7.2
July	4.8	4.8	17.1	4.2	4.8	14.2	4.3	15.7	4.1	.....	9.4	2.7	5.3	2.5	7.4
Aug	4.7	4.7	17.1	4.1	4.7	15.4	4.1	16.3	4.1	.....	8.8	2.9	5.3	2.5	6.7
Sept	4.6	4.4	17.7	3.8	4.7	14.8	4.2	16.3	3.9	.....	9.1	2.8	5.4	2.3	6.8
Oct	4.4	4.4	16.7	3.9	4.4	13.6	3.9	15.2	3.9	.....	8.5	2.7	4.6	2.3	6.5
Nov	4.5	4.5	16.7	3.9	4.5	13.4	4.0	15.1	3.9	.....	8.6	3.2	5.0	2.3	6.9
Dec	4.5	4.5	16.7	4.0	4.4	13.6	3.9	15.2	4.0	.....	8.4	2.4	4.9	2.5	6.2

[1] Unemployed as percent of civilian labor force in group specified.

[2] See footnote 1, Table B–37.

[3] Persons whose ethnicity is identified as Hispanic or Latino may be of any race.

Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B–35.
NSA indicates data are not seasonally adjusted.
Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–43.—*Civilian unemployment rate by demographic characteristic, 1965–2006*

[Percent;[1] monthly data seasonally adjusted]

Year or month	All civilian workers	White[2]							Black and other or black or African American[2]						
		Total	Males			Females			Total	Males			Females		
			Total	16-19 years	20 years and over	Total	16-19 years	20 years and over		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
									Black and other						
1965	4.5	4.1	3.6	12.9	2.9	5.0	14.0	4.0	8.1	7.4	23.3	6.0	9.2	31.7	7.5
1966	3.8	3.4	2.8	10.5	2.2	4.3	12.1	3.3	7.3	6.3	21.3	4.9	8.7	31.3	6.6
1967	3.8	3.4	2.7	10.7	2.1	4.6	11.5	3.8	7.4	6.0	23.9	4.3	9.1	29.6	7.1
1968	3.6	3.2	2.6	10.1	2.0	4.3	12.1	3.4	6.7	5.6	22.1	3.9	8.3	28.7	6.3
1969	3.5	3.1	2.5	10.0	1.9	4.2	11.5	3.4	6.4	5.3	21.4	3.7	7.8	27.6	5.8
1970	4.9	4.5	4.0	13.7	3.2	5.4	13.4	4.4	8.2	7.3	25.0	5.6	9.3	34.5	6.9
1971	5.9	5.4	4.9	15.1	4.0	6.3	15.1	5.3	9.9	9.1	28.8	7.3	10.9	35.4	8.7
1972	5.6	5.1	4.5	14.2	3.6	5.9	14.2	4.9	10.0	8.9	29.7	6.9	11.4	38.4	8.8
									Black or African American[2]						
1972	5.6	5.1	4.5	14.2	3.6	5.9	14.2	4.9	10.4	9.3	31.7	7.0	11.8	40.5	9.0
1973	4.9	4.3	3.8	12.3	3.0	5.3	13.0	4.3	9.4	8.0	27.8	6.0	11.1	36.1	8.6
1974	5.6	5.0	4.4	13.5	3.5	6.1	14.5	5.1	10.5	9.8	33.1	7.4	11.3	37.4	8.8
1975	8.5	7.8	7.2	18.3	6.2	8.6	17.4	7.5	14.8	14.8	38.1	12.5	14.8	41.0	12.2
1976	7.7	7.0	6.4	17.3	5.4	7.9	16.4	6.8	14.0	13.7	37.5	11.4	14.3	41.6	11.7
1977	7.1	6.2	5.5	15.0	4.7	7.3	15.9	6.2	14.0	13.3	39.2	10.7	14.9	43.4	12.3
1978	6.1	5.2	4.6	13.5	3.7	6.2	14.4	5.2	12.8	11.8	36.7	9.3	13.8	40.8	11.2
1979	5.8	5.1	4.5	13.9	3.6	5.9	14.0	5.0	12.3	11.4	34.2	9.3	13.3	39.1	10.9
1980	7.1	6.3	6.1	16.2	5.3	6.5	14.8	5.6	14.3	14.5	37.5	12.4	14.0	39.8	11.9
1981	7.6	6.7	6.5	17.9	5.6	6.9	16.6	5.9	15.6	15.7	40.7	13.5	15.6	42.2	13.4
1982	9.7	8.6	8.8	21.7	7.8	8.3	19.0	7.3	18.9	20.1	48.9	17.8	17.6	47.1	15.4
1983	9.6	8.4	8.8	20.2	7.9	7.9	18.3	6.9	19.5	20.3	48.8	18.1	18.6	48.2	16.5
1984	7.5	6.5	6.4	16.8	5.7	6.5	15.2	5.8	15.9	16.4	42.7	14.3	15.4	42.6	13.5
1985	7.2	6.2	6.1	16.5	5.4	6.4	14.8	5.7	15.1	15.3	41.0	13.2	14.9	39.2	13.1
1986	7.0	6.0	6.0	16.3	5.3	6.1	14.9	5.4	14.5	14.8	39.3	12.9	14.2	39.2	12.4
1987	6.2	5.3	5.4	15.5	4.8	5.2	13.4	4.6	13.0	12.7	34.4	11.1	13.2	34.9	11.6
1988	5.5	4.7	4.7	13.9	4.1	4.7	12.3	4.1	11.7	11.7	32.7	10.1	11.7	32.0	10.4
1989	5.3	4.5	4.5	13.7	3.9	4.5	11.5	4.0	11.4	11.5	31.9	10.0	11.4	33.0	9.8
1990	5.6	4.8	4.9	14.3	4.3	4.7	12.6	4.1	11.4	11.9	31.9	10.4	10.9	29.9	9.7
1991	6.8	6.1	6.5	17.6	5.8	5.6	15.2	5.0	12.5	13.0	36.3	11.5	12.0	36.0	10.6
1992	7.5	6.6	7.0	18.5	6.4	6.1	15.8	5.5	14.2	15.2	42.0	13.5	13.2	37.2	11.8
1993	6.9	6.1	6.3	17.7	5.7	5.7	14.7	5.2	13.0	13.8	40.1	12.1	12.1	37.4	10.7
1994	6.1	5.3	5.4	16.3	4.8	5.2	13.8	4.6	11.5	12.0	37.6	10.3	11.0	32.6	9.8
1995	5.6	4.9	4.9	15.6	4.3	4.8	13.4	4.3	10.4	10.6	37.1	8.8	10.2	34.3	8.6
1996	5.4	4.7	4.7	15.5	4.1	4.7	12.9	4.1	10.5	11.1	36.9	9.4	10.0	30.3	8.7
1997	4.9	4.2	4.2	14.3	3.6	4.2	12.8	3.7	10.0	10.2	36.5	8.5	9.9	28.7	8.8
1998	4.5	3.9	3.9	14.1	3.2	3.9	10.9	3.4	8.9	8.9	30.1	7.4	9.0	25.3	7.9
1999	4.2	3.7	3.6	12.6	3.0	3.8	11.3	3.3	8.0	8.2	30.9	6.7	7.8	25.1	6.8
2000	4.0	3.5	3.4	12.3	2.8	3.6	10.4	3.1	7.6	8.0	26.2	6.9	7.1	22.8	6.2
2001	4.7	4.2	4.2	13.9	3.7	4.1	11.4	3.6	8.6	9.3	30.4	8.0	8.1	27.5	7.0
2002	5.8	5.1	5.3	15.9	4.7	4.9	13.1	4.4	10.2	10.7	31.3	9.5	9.8	28.3	8.8
2003	6.0	5.2	5.6	17.1	5.0	4.8	13.3	4.4	10.8	11.6	36.0	10.3	10.2	30.3	9.2
2004	5.5	4.8	5.0	16.3	4.4	4.7	13.6	4.2	10.4	11.1	35.6	9.9	9.8	28.2	8.9
2005	5.1	4.4	4.4	16.1	3.8	4.4	12.3	3.9	10.0	10.5	36.3	9.2	9.5	30.3	8.5
2006	4.6	4.0	4.0	14.6	3.5	4.0	11.7	3.6	8.9	9.5	32.7	8.3	8.4	25.9	7.5
2005: Jan	5.2	4.5	4.6	16.6	4.0	4.3	11.7	3.9	10.6	11.4	29.3	10.4	9.8	30.9	8.8
Feb	5.4	4.6	4.7	18.0	4.1	4.4	13.0	4.0	10.8	11.9	34.9	10.7	9.8	28.7	9.0
Mar	5.2	4.4	4.6	17.9	4.0	4.2	11.3	3.8	10.3	10.9	36.1	9.4	9.9	29.0	9.0
Apr	5.1	4.4	4.4	17.6	3.8	4.5	13.2	4.0	10.3	10.8	39.0	9.2	9.8	32.9	8.7
May	5.1	4.4	4.3	17.1	3.7	4.5	13.4	4.0	10.2	10.5	38.1	9.0	9.8	36.7	8.5
June	5.0	4.3	4.2	15.8	3.7	4.4	12.1	3.9	10.4	11.2	38.1	9.8	9.6	27.6	8.8
July	5.0	4.3	4.2	15.6	3.7	4.3	11.6	3.9	9.2	9.4	38.3	7.9	9.0	25.9	8.1
Aug	4.9	4.2	4.3	15.1	3.7	4.2	12.0	3.7	9.7	10.1	40.1	8.5	9.4	32.4	8.3
Sept	5.1	4.4	4.5	15.2	4.0	4.3	11.2	4.0	9.4	9.7	32.7	8.7	9.1	32.2	8.0
Oct	5.0	4.4	4.3	15.2	3.8	4.6	13.3	4.1	9.1	9.5	33.8	8.4	8.8	31.6	7.7
Nov	5.0	4.3	4.2	15.1	3.7	4.3	12.4	3.8	10.7	11.4	44.6	9.5	10.0	31.9	9.0
Dec	4.9	4.2	4.2	13.7	3.8	4.3	12.7	3.8	9.3	9.5	24.3	8.8	9.1	25.0	8.3
2006: Jan	4.7	4.1	4.1	14.4	3.6	4.1	11.7	3.7	8.8	8.5	29.8	7.6	9.1	31.4	7.9
Feb	4.8	4.1	4.1	14.6	3.6	4.1	10.8	3.8	9.3	9.8	31.6	8.6	8.9	29.4	7.7
Mar	4.7	4.0	4.0	14.1	3.5	4.0	11.5	3.6	9.3	9.7	32.6	8.5	8.9	33.6	7.6
Apr	4.7	4.0	4.1	14.3	3.6	4.0	10.4	3.7	9.3	10.2	32.2	8.9	8.6	26.5	7.7
May	4.6	4.1	4.2	15.0	3.6	4.0	10.5	3.6	8.9	10.1	30.0	9.0	7.8	20.3	7.2
June	4.6	4.1	4.1	14.9	3.5	4.1	12.1	3.6	9.0	9.7	32.7	8.5	8.3	23.8	7.5
July	4.8	4.1	4.1	14.3	3.6	4.1	11.7	3.7	9.4	10.2	35.9	8.8	8.8	27.6	7.8
Aug	4.7	4.1	4.2	15.1	3.6	4.1	13.2	3.6	8.8	9.5	32.2	8.3	8.1	26.0	7.2
Sept	4.6	3.9	3.8	14.8	3.3	4.1	12.7	3.6	9.1	9.5	38.8	8.2	8.7	26.2	7.7
Oct	4.4	3.9	3.9	14.4	3.4	4.0	12.4	3.5	8.5	9.6	34.0	8.2	7.6	19.7	6.9
Nov	4.5	3.9	3.9	14.2	3.4	4.0	11.9	3.5	8.6	9.1	32.7	7.8	8.1	23.0	7.4
Dec	4.5	4.0	4.1	15.1	3.6	3.9	11.6	3.4	8.4	8.3	27.7	7.3	8.5	25.1	7.6

[1] Unemployed as percent of civilian labor force in group specified.
[2] See footnote 1, Table B–37.

Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B–35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–44.—*Unemployment by duration and reason, 1959–2006*

[Thousands of persons, except as noted; monthly data seasonally adjusted[1]]

Year or month	Unemployment	Duration of unemployment						Reason for unemployment					
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over	Average (mean) duration (weeks)	Median duration (weeks)	Job losers[3]			Job leavers	Reentrants	New entrants
								Total	On layoff	Other			
1959	3,740	1,585	1,114	469	571	14.4	.....	.....	.....	.....	.....	.....	.....
1960	3,852	1,719	1,176	503	454	12.8	.....	.....	.....	.....	.....	.....	.....
1961	4,714	1,806	1,376	728	804	15.6	.....	.....	.....	.....	.....	.....	.....
1962	3,911	1,663	1,134	534	585	14.7	.....	.....	.....	.....	.....	.....	.....
1963	4,070	1,751	1,231	535	553	14.0	.....	.....	.....	.....	.....	.....	.....
1964	3,786	1,697	1,117	491	482	13.3	.....	.....	.....	.....	.....	.....	.....
1965	3,366	1,628	983	404	351	11.8	.....	.....	.....	.....	.....	.....	.....
1966	2,875	1,573	779	287	239	10.4	.....	.....	.....	.....	.....	.....	.....
1967[2]	2,975	1,634	893	271	177	8.7	2.3	1,229	394	836	438	945	396
1968	2,817	1,594	810	256	156	8.4	4.5	1,070	334	736	431	909	407
1969	2,832	1,629	827	242	133	7.8	4.4	1,017	339	678	436	965	413
1970	4,093	2,139	1,290	428	235	8.6	4.9	1,811	675	1,137	550	1,228	504
1971	5,016	2,245	1,585	668	519	11.3	6.3	2,323	735	1,588	590	1,472	630
1972	4,882	2,242	1,472	601	566	12.0	6.2	2,108	582	1,526	641	1,456	677
1973	4,365	2,224	1,314	483	343	10.0	5.2	1,694	472	1,221	683	1,340	649
1974	5,156	2,604	1,597	574	381	9.8	5.2	2,242	746	1,495	768	1,463	681
1975	7,929	2,940	2,484	1,303	1,203	14.2	8.4	4,386	1,671	2,714	827	1,892	823
1976	7,406	2,844	2,196	1,018	1,348	15.8	8.2	3,679	1,050	2,628	903	1,928	895
1977	6,991	2,919	2,132	913	1,028	14.3	7.0	3,166	865	2,300	909	1,963	953
1978	6,202	2,865	1,923	766	648	11.9	5.9	2,585	712	1,873	874	1,857	885
1979	6,137	2,950	1,946	706	535	10.8	5.4	2,635	851	1,784	880	1,806	817
1980	7,637	3,295	2,470	1,052	820	11.9	6.5	3,947	1,488	2,459	891	1,927	872
1981	8,273	3,449	2,539	1,122	1,162	13.7	6.9	4,267	1,430	2,837	923	2,102	981
1982	10,678	3,883	3,311	1,708	1,776	15.6	8.7	6,268	2,127	4,141	840	2,384	1,185
1983	10,717	3,570	2,937	1,652	2,559	20.0	10.1	6,258	1,780	4,478	830	2,412	1,216
1984	8,539	3,350	2,451	1,104	1,634	18.2	7.9	4,421	1,171	3,250	823	2,184	1,110
1985	8,312	3,498	2,509	1,025	1,280	15.6	6.8	4,139	1,157	2,982	877	2,256	1,039
1986	8,237	3,448	2,557	1,045	1,187	15.0	6.9	4,033	1,090	2,943	1,015	2,160	1,029
1987	7,425	3,246	2,196	943	1,040	14.5	6.5	3,566	943	2,623	965	1,974	920
1988	6,701	3,084	2,007	801	809	13.5	5.9	3,092	851	2,241	983	1,809	816
1989	6,528	3,174	1,978	730	646	11.9	4.8	2,983	850	2,133	1,024	1,843	677
1990	7,047	3,265	2,257	822	703	12.0	5.3	3,387	1,028	2,359	1,041	1,930	688
1991	8,628	3,480	2,791	1,246	1,111	13.7	6.8	4,694	1,292	3,402	1,004	2,139	792
1992	9,613	3,376	2,830	1,453	1,954	17.7	8.7	5,389	1,260	4,129	1,002	2,285	937
1993	8,940	3,262	2,584	1,297	1,798	18.0	8.3	4,848	1,115	3,733	976	2,198	919
1994	7,996	2,728	2,408	1,237	1,623	18.8	9.2	3,815	977	2,838	791	2,786	604
1995	7,404	2,700	2,342	1,085	1,278	16.6	8.3	3,476	1,030	2,446	824	2,525	579
1996	7,236	2,633	2,287	1,053	1,262	16.7	8.3	3,370	1,021	2,349	774	2,512	580
1997	6,739	2,538	2,138	995	1,067	15.8	8.0	3,037	931	2,106	795	2,338	569
1998	6,210	2,622	1,950	763	875	14.5	6.7	2,822	866	1,957	734	2,132	520
1999	5,880	2,568	1,832	755	725	13.4	6.4	2,622	848	1,774	783	2,005	469
2000	5,692	2,558	1,815	669	649	12.6	5.9	2,517	852	1,664	780	1,961	434
2001	6,801	2,853	2,196	951	801	13.1	6.8	3,476	1,067	2,409	835	2,031	459
2002	8,378	2,893	2,580	1,369	1,535	16.6	9.1	4,607	1,124	3,483	866	2,368	536
2003	8,774	2,785	2,612	1,442	1,936	19.2	10.1	4,838	1,121	3,717	818	2,477	641
2004	8,149	2,696	2,382	1,293	1,779	19.6	9.8	4,197	998	3,199	858	2,408	686
2005	7,591	2,667	2,304	1,130	1,490	18.4	8.9	3,667	933	2,734	872	2,386	666
2006	7,001	2,614	2,121	1,031	1,235	16.8	8.3	3,321	921	2,400	827	2,237	616
2005: Jan	7,756	2,637	2,329	1,195	1,650	19.4	9.4	4,034	973	3,062	816	2,336	625
Feb	7,966	2,771	2,351	1,222	1,645	19.1	9.1	3,907	964	2,943	949	2,389	735
Mar	7,683	2,489	2,338	1,141	1,645	19.4	9.2	3,761	949	2,812	859	2,393	705
Apr	7,657	2,671	2,285	1,084	1,601	19.8	9.0	3,627	841	2,786	896	2,376	763
May	7,656	2,730	2,275	1,160	1,524	18.6	9.1	3,608	893	2,716	934	2,394	706
June	7,507	2,649	2,359	1,065	1,342	17.3	9.2	3,639	947	2,691	850	2,347	649
July	7,464	2,545	2,412	1,099	1,386	17.7	9.0	3,602	949	2,653	820	2,393	625
Aug	7,360	2,578	2,231	1,195	1,414	18.6	9.2	3,460	898	2,562	827	2,415	624
Sept	7,606	2,754	2,297	1,111	1,454	17.9	8.5	3,728	1,005	2,722	881	2,376	620
Oct	7,436	2,708	2,266	1,043	1,437	18.0	8.6	3,552	931	2,622	890	2,333	655
Nov	7,548	2,828	2,231	1,091	1,387	17.5	8.4	3,486	888	2,599	919	2,484	680
Dec	7,331	2,655	2,239	1,069	1,353	17.4	8.5	3,482	923	2,560	829	2,389	640
2006: Jan	7,023	2,549	2,242	1,085	1,170	16.8	8.5	3,374	874	2,500	826	2,277	619
Feb	7,158	2,604	2,100	1,136	1,361	17.8	8.9	3,379	889	2,491	852	2,280	685
Mar	7,009	2,671	2,002	1,029	1,295	17.0	8.5	3,414	920	2,493	811	2,161	626
Apr	7,098	2,632	2,123	1,036	1,329	16.9	8.5	3,476	912	2,564	845	2,183	585
May	7,006	2,517	2,234	984	1,323	17.1	8.5	3,463	955	2,508	876	2,128	519
June	6,984	2,676	2,061	1,010	1,120	16.1	7.6	3,373	976	2,396	817	2,150	643
July	7,228	2,686	2,171	1,028	1,315	17.3	8.2	3,351	924	2,427	854	2,361	630
Aug	7,116	2,615	2,198	1,036	1,309	17.3	8.4	3,289	892	2,398	851	2,276	646
Sept	6,912	2,582	2,077	1,010	1,254	17.2	8.1	3,195	872	2,323	804	2,292	635
Oct	6,715	2,588	2,064	974	1,088	16.4	8.0	3,088	958	2,130	783	2,249	593
Nov	6,826	2,517	2,135	1,006	1,145	16.3	8.2	3,179	965	2,214	793	2,279	591
Dec	6,849	2,707	2,037	991	1,090	15.9	7.3	3,236	958	2,278	807	2,199	601

[1] Because of independent seasonal adjustment of the various series, detail will not add to totals.
[2] Data for 1967 by reason for unemployment are not equal to total unemployment.
[3] Beginning January 1994, job losers and persons who completed temporary jobs.

Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–45.—*Unemployment insurance programs, selected data, 1978–2006*

Year or month	All programs			State programs					
	Covered employment[1]	Insured unemployment (weekly average)[2 3]	Total benefits paid (millions of dollars)[2 4]	Insured unemployment[3]	Initial claims	Exhaustions[5]	Insured unemployment as percent of covered employment	Benefits paid: Total (millions of dollars)[4]	Benefits paid: Average weekly check (dollars)[6]
	Thousands			Weekly average; thousands					
1978	88,804	2,645	9,007	2,359	346	39	3.3	7,717	83.67
1979	92,062	2,592	9,401	2,434	388	39	2.9	8,613	89.67
1980	92,659	3,837	16,175	3,350	488	59	3.9	13,761	98.95
1981	93,300	3,410	15,287	3,047	460	57	3.5	13,262	106.70
1982	91,628	4,592	24,491	4,059	583	80	4.6	20,649	119.34
1983	91,898	3,774	20,968	3,395	438	80	3.9	18,549	123.59
1984	96,474	2,560	13,739	2,475	377	50	2.8	13,237	123.47
1985	99,186	2,699	15,217	2,617	397	49	2.9	14,707	128.11
1986	101,099	2,739	16,563	2,643	378	52	2.8	15,950	135.65
1987	103,936	2,369	14,684	2,300	328	46	2.4	14,211	140.39
1988	107,156	2,135	13,481	2,081	310	38	2.0	13,086	144.74
1989	109,929	2,205	14,569	2,158	330	37	2.1	14,205	151.43
1990	111,500	2,575	18,387	2,522	388	45	2.4	17,932	161.20
1991	109,606	3,406	26,327	3,342	447	67	3.2	25,479	169.56
1992	110,167	3,348	[7] 26,035	3,245	408	74	3.1	25,056	173.38
1993	112,146	2,845	[7] 22,629	2,751	341	62	2.6	21,661	179.41
1994	115,255	2,746	22,508	2,670	340	57	2.4	21,537	181.91
1995	118,068	2,639	21,991	2,572	357	51	2.3	21,226	187.04
1996	120,567	2,656	22,495	2,595	356	53	2.2	21,820	189.27
1997	121,044	2,370	20,324	2,323	323	48	1.9	19,735	192.84
1998	124,184	2,260	19,941	2,222	321	44	1.8	19,431	200.58
1999	127,042	2,223	21,024	2,188	298	44	1.7	20,563	212.10
2000	129,877	2,146	20,983	2,110	301	41	1.6	20,507	221.01
2001	129,636	3,012	32,228	2,974	404	54	2.3	31,680	238.07
2002	128,234	3,624	[8] 42,980	3,585	407	85	2.8	47,251	256.79
2003	127,796	3,573	[8] 42,413	3,531	404	85	2.8	43,159	261.67
2004	129,278	2,999	[8] 36,388	2,950	345	68	2.3	35,776	262.50
2005	131,572	2,709	[8] 32,073	2,661	328	55	2.0	31,238	266.62
2006 *p*	.....	2,521	[8] 30,139	2,476	313	51	.....	28,740	277.19
				**	**		**		
2005: Jan	.....	3,659	3,378.7	2,732	332	66	2.2	3,303.4	268.39
Feb	.....	3,262	3,085.7	2,685	324	58	2.1	3,019.4	271.74
Mar	.....	2,958	3,336.7	2,665	342	57	2.1	3,250.9	272.14
Apr	.....	2,662	2,614.4	2,615	330	60	2.1	2,553.8	270.13
May	.....	2,589	2,544.6	2,609	335	59	2.1	2,480.7	268.95
June	.....	2,411	2,466.4	2,614	325	53	2.1	2,404.9	266.53
July	.....	2,619	2,400.7	2,597	320	57	2.0	2,338.3	263.30
Aug	.....	2,494	2,619.7	2,592	318	54	2.0	2,544.4	262.78
Sept	.....	2,228	2,196.1	2,756	387	46	2.2	2,132.8	263.75
Oct	.....	2,634	2,383.8	2,771	338	53	2.2	2,317.1	259.01
Nov	.....	2,475	2,453.7	2,673	316	49	2.1	2,384.0	261.12
Dec	.....	2,605	2,650.4	2,643	311	49	2.1	2,573.4	267.48
2006: Jan	.....	3,385	3,433.5	2,544	287	59	2.0	3,345.7	274.18
Feb	.....	3,043	2,916.2	2,494	303	61	1.9	2,841.5	277.71
Mar	.....	2,653	3,051.9	2,446	309	56	1.9	2,974.6	280.61
Apr	.....	2,662	2,477.4	2,423	315	58	1.9	2,408.6	278.97
May	.....	2,268	2,486.2	2,408	330	52	1.9	2,419.8	277.36
June	.....	2,171	2,273.8	2,423	308	46	1.9	2,215.8	275.16
July	.....	2,639	2,449.5	2,469	313	54	1.9	2,388.2	271.15
Aug	.....	2,267	2,483.6	2,486	317	47	1.9	2,415.8	271.21
Sept	.....	2,092	2,076.9	2,441	314	44	1.9	2,018.4	277.58
Oct	.....	2,283	2,318.4	2,435	311	47	1.9	2,251.0	279.30
Nov	.....	2,221	2,330.2	2,467	326	45	1.9	2,258.3	280.76
Dec *p*	.....	2,633	2,605.9	2,470	317	47	1.9	2,538.1	283.61

** Monthly data are seasonally adjusted.

[1] Through 1996 includes persons under the State, UCFE (Federal employee, effective January 1955), RRB (Railroad Retirement Board) programs, and UCX (unemployment compensation for ex-servicemembers, effective October 1958) programs. Beginning 1997, covered employment data are State and UCFE programs only. Workers covered by State programs account for about 97 percent of wage and salary earners.

Covered employment data beginning 2001 are based on the North American Industry Classification System (NAICS). Prior data are based on the Standard Industrial Classification (SIC).

[2] Includes State, UCFE, RR, and UCX. Also includes Federal and State extended benefit programs. Does not include FSB (Federal supplemental benefits), SUA (special unemployment assistance), Federal Supplemental Compensation, Emergency Unemployment Compensation, and TEUC (Temporary Extended Unemployment Compensation) programs.

[3] Covered workers who have completed at least 1 week of unemployment.

[4] Annual data are net amounts and monthly data are gross amounts.

[5] Individuals receiving final payments in benefit year.

[6] For total unemployment only.

[7] Including Emergency Unemployment Compensation, total benefits paid for 1992 and 1993 would be approximately (in millions of dollars): for 1992, 39,990 and for 1993, 34,876.

[8] Including Temporary Extended Unemployment Compensation, total benefits paid (not including RRB program) would be approximately (in millions of dollars): for 2002, 52,709; 2003, 63,097; 2004, 37,932; 2005, 32,051; and 2006, 29,505.

Note.—Insured unemployment and initial claims programs include Puerto Rican sugar cane workers.

Source: Department of Labor, Employment and Training Administration.

TABLE B–46.—*Employees on nonagricultural payrolls, by major industry, 1959–2006*

[Thousands of persons; monthly data seasonally adjusted]

Year or month	Total	Goods-producing industries						Service-providing industries		
		Total	Natural resources and mining	Construction	Manufacturing			Total	Trade, transportation, and utilities [1]	
					Total	Durable goods	Nondurable goods		Total	Retail trade
1959	53,374	19,163	789	3,050	15,325	8,988	6,337	34,211	10,960	5,453
1960	54,296	19,182	771	2,973	15,438	9,071	6,367	35,114	11,147	5,589
1961	54,105	18,647	728	2,908	15,011	8,711	6,300	35,458	11,040	5,560
1962	55,659	19,203	709	2,997	15,498	9,099	6,399	36,455	11,215	5,672
1963	56,764	19,385	694	3,060	15,631	9,226	6,405	37,379	11,367	5,781
1964	58,391	19,733	697	3,148	15,888	9,414	6,474	38,658	11,677	5,977
1965	60,874	20,595	694	3,284	16,617	9,973	6,644	40,279	12,139	6,262
1966	64,020	21,740	690	3,371	17,680	10,803	6,878	42,280	12,611	6,530
1967	65,931	21,882	679	3,305	17,897	10,952	6,945	44,049	12,950	6,711
1968	68,023	22,292	671	3,410	18,211	11,137	7,074	45,731	13,334	6,977
1969	70,512	22,893	683	3,637	18,573	11,396	7,177	47,619	13,853	7,295
1970	71,006	22,179	677	3,654	17,848	10,762	7,086	48,827	14,144	7,463
1971	71,335	21,602	658	3,770	17,174	10,229	6,944	49,734	14,318	7,657
1972	73,798	22,299	672	3,957	17,669	10,630	7,039	51,499	14,788	8,038
1973	76,912	23,450	693	4,167	18,589	11,414	7,176	53,462	15,349	8,371
1974	78,389	23,364	755	4,095	18,514	11,432	7,082	55,025	15,693	8,536
1975	77,069	21,318	802	3,608	16,909	10,266	6,643	55,751	15,606	8,600
1976	79,502	22,025	832	3,662	17,531	10,640	6,891	57,477	16,128	8,966
1977	82,593	22,972	865	3,940	18,167	11,132	7,035	59,620	16,765	9,359
1978	86,826	24,156	902	4,322	18,932	11,770	7,162	62,670	17,658	9,879
1979	89,932	24,997	1,008	4,562	19,426	12,220	7,206	64,935	18,303	10,180
1980	90,528	24,263	1,077	4,454	18,733	11,679	7,054	66,265	18,413	10,244
1981	91,289	24,118	1,180	4,304	18,634	11,611	7,023	67,172	18,604	10,364
1982	89,677	22,550	1,163	4,024	17,363	10,610	6,753	67,127	18,457	10,372
1983	90,280	22,110	997	4,065	17,048	10,326	6,722	68,171	18,668	10,635
1984	94,530	23,435	1,014	4,501	17,920	11,050	6,870	71,095	19,653	11,223
1985	97,511	23,585	974	4,793	17,819	11,034	6,784	73,926	20,379	11,733
1986	99,474	23,318	829	4,937	17,552	10,795	6,757	76,156	20,795	12,078
1987	102,088	23,470	771	5,090	17,609	10,767	6,842	78,618	21,302	12,419
1988	105,345	23,909	770	5,233	17,906	10,969	6,938	81,436	21,974	12,808
1989	108,014	24,045	750	5,309	17,985	11,004	6,981	83,969	22,510	13,108
1990	109,487	23,723	765	5,263	17,695	10,736	6,959	85,764	22,666	13,182
1991	108,374	22,588	739	4,780	17,068	10,219	6,849	85,787	22,281	12,896
1992	108,726	22,095	689	4,608	16,799	9,945	6,854	86,631	22,125	12,828
1993	110,844	22,219	666	4,779	16,774	9,900	6,873	88,625	22,378	13,021
1994	114,291	22,774	659	5,095	17,021	10,131	6,890	91,517	23,128	13,491
1995	117,298	23,156	641	5,274	17,241	10,372	6,869	94,142	23,834	13,897
1996	119,708	23,410	637	5,536	17,237	10,485	6,752	96,299	24,239	14,143
1997	122,776	23,886	654	5,813	17,419	10,704	6,716	98,890	24,700	14,389
1998	125,930	24,354	645	6,149	17,560	10,910	6,650	101,576	25,186	14,609
1999	128,993	24,465	598	6,545	17,322	10,830	6,492	104,528	25,771	14,970
2000	131,785	24,649	599	6,787	17,263	10,876	6,388	107,136	26,225	15,280
2001	131,826	23,873	606	6,826	16,441	10,335	6,107	107,952	25,983	15,239
2002	130,341	22,557	583	6,716	15,259	9,483	5,775	107,784	25,497	15,025
2003	129,999	21,816	572	6,735	14,510	8,963	5,547	108,182	25,287	14,917
2004	131,435	21,882	591	6,976	14,315	8,924	5,391	109,553	25,533	15,058
2005	133,463	22,133	625	7,277	14,232	8,953	5,278	111,330	25,909	15,255
2006 *p*	135,371	22,379	676	7,488	14,215	8,996	5,219	112,992	26,072	15,245
2005: Jan	132,471	21,988	605	7,115	14,268	8,943	5,325	110,483	25,724	15,157
Feb	132,736	22,052	610	7,166	14,276	8,963	5,313	110,684	25,787	15,198
Mar	132,876	22,077	616	7,193	14,268	8,959	5,309	110,799	25,822	15,211
Apr	133,104	22,119	620	7,243	14,256	8,959	5,297	110,985	25,861	15,234
May	133,210	22,126	620	7,255	14,251	8,964	5,287	111,084	25,897	15,249
June	133,376	22,133	623	7,277	14,233	8,953	5,280	111,243	25,908	15,256
July	133,617	22,131	624	7,283	14,224	8,946	5,278	111,486	25,976	15,310
Aug	133,792	22,146	627	7,306	14,213	8,950	5,263	111,646	25,985	15,313
Sept	133,840	22,143	631	7,325	14,187	8,933	5,254	111,697	25,944	15,267
Oct	133,877	22,179	636	7,347	14,196	8,952	5,244	111,698	25,945	15,260
Nov	134,231	22,264	641	7,409	14,214	8,960	5,254	111,967	26,006	15,293
Dec	134,376	22,282	644	7,416	14,222	8,970	5,252	112,094	26,015	15,300
2006: Jan	134,530	22,335	648	7,460	14,227	8,977	5,250	112,195	26,042	15,300
Feb	134,730	22,373	653	7,494	14,226	8,981	5,245	112,357	26,048	15,289
Mar	134,905	22,381	661	7,495	14,225	8,992	5,233	112,524	26,075	15,307
Apr	135,017	22,419	670	7,505	14,244	9,017	5,227	112,598	26,053	15,260
May	135,117	22,407	672	7,501	14,234	9,014	5,220	112,710	26,039	15,226
June	135,251	22,435	677	7,499	14,259	9,033	5,226	112,816	26,040	15,221
July	135,374	22,420	680	7,504	14,236	9,011	5,225	112,954	26,052	15,222
Aug	135,604	22,427	683	7,512	14,232	9,014	5,218	113,177	26,052	15,212
Sept	135,807	22,419	685	7,511	14,223	9,011	5,212	113,388	26,073	15,207
Oct	135,893	22,355	690	7,483	14,182	8,987	5,195	113,538	26,092	15,213
Nov *p*	136,047	22,314	694	7,458	14,162	8,970	5,192	113,733	26,153	15,252
Dec *p*	136,214	22,303	698	7,455	14,150	8,964	5,186	113,911	26,167	15,243

[1] Includes wholesale trade, transportation and warehousing, and utilities, not shown separately.

Note.—Data in Tables B–46 and B–47 are based on reports from employing establishments and relate to full- and part-time wage and salary workers in nonagricultural establishments who received pay for any part of the pay period that includes the 12th of the month. Not comparable with labor force data (Tables B–35 through B–44), which include proprietors, self-employed persons, unpaid family workers, and private household workers; which count persons as employed when they are not at work because of industrial disputes, bad

See next page for continuation of table.

TABLE B–46.—*Employees on nonagricultural payrolls, by major industry, 1959–2006*—Continued
[Thousands of persons; monthly data seasonally adjusted]

Year or month	Service-providing industries—Continued									
	Information	Financial activities	Professional and business services	Education and health services	Leisure and hospitality	Other services	Government			
							Total	Federal	State	Local
1959	1,718	2,454	3,591	2,822	3,365	1,107	8,192	2,342	1,484	4,366
1960	1,728	2,532	3,694	2,937	3,460	1,152	8,464	2,381	1,536	4,547
1961	1,693	2,590	3,744	3,030	3,468	1,188	8,706	2,391	1,607	4,708
1962	1,723	2,656	3,885	3,172	3,557	1,243	9,004	2,455	1,669	4,881
1963	1,735	2,731	3,990	3,288	3,639	1,288	9,341	2,473	1,747	5,121
1964	1,766	2,811	4,137	3,438	3,772	1,346	9,711	2,463	1,856	5,392
1965	1,824	2,878	4,306	3,587	3,951	1,404	10,191	2,495	1,996	5,700
1966	1,908	2,961	4,517	3,770	4,127	1,475	10,910	2,690	2,141	6,080
1967	1,955	3,087	4,720	3,986	4,269	1,558	11,525	2,852	2,302	6,371
1968	1,991	3,234	4,918	4,191	4,453	1,638	11,972	2,871	2,442	6,660
1969	2,048	3,404	5,156	4,428	4,670	1,731	12,330	2,893	2,533	6,904
1970	2,041	3,532	5,267	4,577	4,789	1,789	12,687	2,865	2,664	7,158
1971	2,009	3,651	5,328	4,675	4,914	1,827	13,012	2,828	2,747	7,437
1972	2,056	3,784	5,523	4,863	5,121	1,900	13,465	2,815	2,859	7,790
1973	2,135	3,920	5,774	5,092	5,341	1,990	13,862	2,794	2,923	8,146
1974	2,160	4,023	5,974	5,322	5,471	2,078	14,303	2,858	3,039	8,407
1975	2,061	4,047	6,034	5,497	5,544	2,144	14,820	2,882	3,179	8,758
1976	2,111	4,155	6,287	5,756	5,794	2,244	15,001	2,863	3,273	8,865
1977	2,185	4,348	6,587	6,052	6,065	2,359	15,258	2,859	3,377	9,023
1978	2,287	4,599	6,972	6,427	6,411	2,505	15,812	2,893	3,474	9,446
1979	2,375	4,843	7,312	6,767	6,631	2,637	16,068	2,894	3,541	9,633
1980	2,361	5,025	7,544	7,072	6,721	2,755	16,375	3,000	3,610	9,765
1981	2,382	5,163	7,782	7,357	6,840	2,865	16,180	2,922	3,640	9,619
1982	2,317	5,209	7,848	7,515	6,874	2,924	15,982	2,884	3,640	9,458
1983	2,253	5,334	8,039	7,766	7,078	3,021	16,011	2,915	3,662	9,434
1984	2,398	5,553	8,464	8,193	7,489	3,186	16,159	2,943	3,734	9,482
1985	2,437	5,815	8,871	8,657	7,869	3,366	16,533	3,014	3,832	9,687
1986	2,445	6,128	9,211	9,061	8,156	3,523	16,838	3,044	3,893	9,901
1987	2,507	6,385	9,608	9,515	8,446	3,699	17,156	3,089	3,967	10,100
1988	2,585	6,500	10,090	10,063	8,778	3,907	17,540	3,124	4,076	10,339
1989	2,622	6,562	10,555	10,616	9,062	4,116	17,927	3,136	4,182	10,609
1990	2,688	6,614	10,848	10,984	9,288	4,261	18,415	3,196	4,305	10,914
1991	2,677	6,558	10,714	11,506	9,256	4,249	18,545	3,110	4,355	11,081
1992	2,641	6,540	10,970	11,891	9,437	4,240	18,787	3,111	4,408	11,267
1993	2,668	6,709	11,495	12,303	9,732	4,350	18,989	3,063	4,488	11,438
1994	2,738	6,867	12,174	12,807	10,100	4,428	19,275	3,018	4,576	11,682
1995	2,843	6,827	12,844	13,289	10,501	4,572	19,432	2,949	4,635	11,849
1996	2,940	6,969	13,462	13,683	10,777	4,690	19,539	2,877	4,606	12,056
1997	3,084	7,178	14,335	14,087	11,018	4,825	19,664	2,806	4,582	12,276
1998	3,218	7,462	15,147	14,446	11,232	4,976	19,909	2,772	4,612	12,525
1999	3,419	7,648	15,957	14,798	11,543	5,087	20,307	2,769	4,709	12,829
2000	3,631	7,687	16,666	15,109	11,862	5,168	20,790	2,865	4,786	13,139
2001	3,629	7,807	16,476	15,645	12,036	5,258	21,118	2,764	4,905	13,449
2002	3,395	7,847	15,976	16,199	11,986	5,372	21,513	2,766	5,029	13,718
2003	3,188	7,977	15,987	16,588	12,173	5,401	21,583	2,761	5,002	13,820
2004	3,118	8,031	16,395	16,953	12,493	5,409	21,621	2,730	4,982	13,909
2005	3,066	8,141	16,882	17,342	12,802	5,386	21,803	2,724	5,021	14,058
2006 *p*	3,064	8,320	17,324	17,746	13,071	5,404	21,990	2,706	5,050	14,234
2005: Jan	3,068	8,091	16,638	17,176	12,673	5,398	21,715	2,721	5,013	13,981
Feb	3,063	8,097	16,711	17,188	12,703	5,394	21,741	2,727	5,016	13,998
Mar	3,067	8,096	16,745	17,211	12,722	5,389	21,747	2,730	5,015	14,002
Apr	3,072	8,100	16,780	17,241	12,770	5,393	21,768	2,729	5,018	14,021
May	3,065	8,101	16,794	17,291	12,778	5,385	21,773	2,725	5,017	14,031
June	3,062	8,114	16,844	17,333	12,802	5,394	21,786	2,727	5,016	14,043
July	3,061	8,136	16,898	17,368	12,833	5,392	21,822	2,726	5,023	14,073
Aug	3,065	8,155	16,932	17,413	12,860	5,385	21,851	2,725	5,024	14,102
Sept	3,071	8,172	16,997	17,451	12,826	5,381	21,855	2,725	5,026	14,104
Oct	3,058	8,201	16,991	17,440	12,840	5,371	21,852	2,724	5,022	14,106
Nov	3,064	8,217	17,061	17,481	12,881	5,377	21,880	2,728	5,032	14,120
Dec	3,066	8,223	17,121	17,507	12,898	5,386	21,878	2,713	5,036	14,129
2006: Jan	3,065	8,244	17,127	17,544	12,932	5,397	21,844	2,705	5,007	14,132
Feb	3,073	8,268	17,156	17,585	12,955	5,396	21,876	2,707	5,024	14,145
Mar	3,072	8,282	17,199	17,622	12,976	5,399	21,899	2,706	5,024	14,169
Apr	3,070	8,308	17,211	17,650	12,989	5,399	21,918	2,704	5,032	14,182
May	3,061	8,315	17,276	17,676	13,014	5,405	21,924	2,708	5,032	14,184
June	3,062	8,315	17,319	17,704	13,023	5,402	21,951	2,708	5,038	14,205
July	3,052	8,321	17,364	17,735	13,062	5,398	21,970	2,716	5,039	14,215
Aug	3,062	8,333	17,402	17,805	13,099	5,404	22,020	2,708	5,055	14,257
Sept	3,060	8,360	17,415	17,863	13,129	5,412	22,076	2,707	5,079	14,290
Oct	3,062	8,359	17,444	17,883	13,181	5,419	22,098	2,700	5,075	14,323
Nov *p*	3,059	8,367	17,491	17,919	13,220	5,416	22,108	2,696	5,081	14,331
Dec *p*	3,071	8,376	17,541	17,962	13,251	5,418	22,125	2,691	5,088	14,346

Note (cont'd).—weather, etc., even if they are not paid for the time off; which are based on a sample of the working-age population; and which count persons only once—as employed, unemployed, or not in the labor force. In the data shown here, persons who work at more than one job are counted each time they appear on a payroll.

Establishment data for employment, hours, and earnings are classified based on the 2002 North American Industry Classification System (NAICS).

For further description and details see *Employment and Earnings.*

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–47.—*Hours and earnings in private nonagricultural industries, 1959–2006* [1]

[Monthly data seasonally adjusted]

Year or month	Average weekly hours			Average hourly earnings			Average weekly earnings, total private			
	Total private	Manufacturing		Total private		Manufacturing (current dollars)	Level		Percent change from year earlier	
		Total	Overtime	Current dollars	1982 dollars [2]		Current dollars	1982 dollars [2]	Current dollars	1982 dollars [2]
1959	.....	40.3	2.7	.....	.....	$2.08	.....	.....	.....	.....
1960	.....	39.8	2.5	.....	.....	2.15	.....	.....	.....	.....
1961	.....	39.9	2.4	.....	.....	2.20	.....	.....	.....	.....
1962	.....	40.5	2.8	.....	.....	2.27	.....	.....	.....	.....
1963	.....	40.6	2.8	.....	.....	2.34	.....	.....	.....	.....
1964	38.5	40.8	3.1	$2.53	$7.86	2.41	$97.41	$302.52	.....	.....
1965	38.6	41.2	3.6	2.63	8.04	2.49	101.52	310.46	4.2	2.6
1966	38.5	41.4	3.9	2.73	8.13	2.60	105.11	312.83	3.5	.8
1967	37.9	40.6	3.3	2.85	8.21	2.71	108.02	311.30	2.8	–.5
1968	37.7	40.7	3.5	3.02	8.37	2.89	113.85	315.37	5.4	1.3
1969	37.5	40.6	3.6	3.22	8.45	3.07	120.75	316.93	6.1	.5
1970	37.0	39.8	2.9	3.40	8.46	3.23	125.80	312.94	4.2	–1.3
1971	36.8	39.9	2.9	3.63	8.64	3.45	133.58	318.05	6.2	1.6
1972	36.9	40.6	3.4	3.90	8.99	3.70	143.91	331.59	7.7	4.3
1973	36.9	40.7	3.8	4.14	8.98	3.97	152.77	331.39	6.2	–.1
1974	36.4	40.0	3.2	4.43	8.65	4.31	161.25	314.94	5.6	–5.0
1975	36.0	39.5	2.6	4.73	8.48	4.71	170.28	305.16	5.6	–3.1
1976	36.1	40.1	3.1	5.06	8.58	5.09	182.67	309.61	7.3	1.5
1977	35.9	40.3	3.4	5.44	8.66	5.55	195.30	310.99	6.9	.4
1978	35.8	40.4	3.6	5.87	8.67	6.05	210.15	310.41	7.6	–.2
1979	35.6	40.2	3.3	6.33	8.40	6.57	225.35	298.87	7.2	–3.7
1980	35.2	39.7	2.8	6.84	7.99	7.15	240.77	281.27	6.8	–5.9
1981	35.2	39.8	2.8	7.43	7.88	7.86	261.54	277.35	8.6	–1.4
1982	34.7	38.9	2.3	7.86	7.86	8.36	272.74	272.74	4.3	–1.7
1983	34.9	40.1	2.9	8.19	7.95	8.70	285.83	277.50	4.8	1.7
1984	35.1	40.7	3.4	8.48	7.95	9.05	297.65	279.22	4.1	.6
1985	34.9	40.5	3.3	8.73	7.91	9.40	304.68	276.23	2.4	–1.1
1986	34.7	40.7	3.4	8.92	7.96	9.59	309.52	276.11	1.6	–.0
1987	34.7	40.9	3.7	9.13	7.86	9.77	316.81	272.88	2.4	–1.2
1988	34.6	41.0	3.8	9.43	7.81	10.05	326.28	270.32	3.0	–.9
1989	34.5	40.9	3.8	9.80	7.75	10.35	338.10	267.27	3.6	–1.1
1990	34.3	40.5	3.8	10.19	7.66	10.78	349.29	262.43	3.3	–1.8
1991	34.1	40.4	3.8	10.50	7.58	11.13	358.06	258.34	2.5	–1.6
1992	34.2	40.7	4.0	10.76	7.55	11.40	367.83	257.95	2.7	–.2
1993	34.3	41.1	4.4	11.03	7.52	11.70	378.40	258.12	2.9	.1
1994	34.5	41.7	5.0	11.32	7.53	12.04	390.73	259.97	3.3	.7
1995	34.3	41.3	4.7	11.64	7.53	12.34	399.53	258.43	2.3	–.6
1996	34.3	41.3	4.8	12.03	7.57	12.75	412.74	259.58	3.3	.4
1997	34.5	41.7	5.1	12.49	7.68	13.14	431.25	265.22	4.5	2.2
1998	34.5	41.4	4.8	13.00	7.89	13.45	448.04	271.87	3.9	2.5
1999	34.3	41.4	4.8	13.47	8.00	13.85	462.49	274.64	3.2	1.0
2000	34.3	41.3	4.7	14.00	8.03	14.32	480.41	275.62	3.9	.4
2001	34.0	40.3	4.0	14.53	8.11	14.76	493.20	275.38	2.7	–.1
2002	33.9	40.5	4.2	14.95	8.24	15.29	506.07	278.83	2.6	1.3
2003	33.7	40.4	4.2	15.35	8.27	15.74	517.30	278.72	2.2	–.0
2004	33.7	40.8	4.6	15.67	8.23	16.15	528.36	277.50	2.1	–.4
2005	33.8	40.7	4.6	16.11	8.17	16.56	543.65	275.82	2.9	–.6
2006 *p*	33.9	41.1	4.4	16.73	8.23	16.82	566.79	278.66	4.3	1.0
2005: Jan	33.7	40.7	4.5	15.88	8.23	16.38	535.16	277.43	2.6	–.4
Feb	33.7	40.6	4.6	15.91	8.21	16.42	536.17	276.80	2.2	–.9
Mar	33.7	40.4	4.5	15.95	8.19	16.43	537.52	276.08	2.6	–.5
Apr	33.8	40.5	4.4	16.00	8.17	16.48	540.80	276.20	3.0	–.6
May	33.7	40.4	4.4	16.03	8.20	16.54	540.21	276.18	2.3	–.6
June	33.7	40.4	4.4	16.07	8.22	16.56	541.56	276.87	3.0	.4
July	33.8	40.5	4.5	16.14	8.20	16.58	545.53	277.06	3.2	–.0
Aug	33.7	40.6	4.6	16.16	8.15	16.65	544.59	274.77	2.7	–1.2
Sept	33.8	40.7	4.5	16.19	8.05	16.60	547.22	272.25	2.7	–2.3
Oct	33.8	41.0	4.6	16.28	8.09	16.71	550.26	273.35	3.4	–1.2
Nov	33.8	40.8	4.6	16.28	8.15	16.68	550.26	275.54	3.3	–.3
Dec	33.8	40.8	4.5	16.35	8.20	16.70	552.63	277.01	3.2	–.2
2006: Jan	33.8	40.9	4.5	16.40	8.17	16.71	554.32	276.06	3.6	–.5
Feb	33.8	41.0	4.6	16.47	8.20	16.72	556.69	277.24	3.8	.2
Mar	33.8	41.1	4.5	16.51	8.19	16.74	558.04	276.67	3.8	.2
Apr	33.9	41.2	4.6	16.61	8.18	16.78	563.08	277.38	4.1	.4
May	33.8	41.2	4.6	16.62	8.15	16.79	561.76	275.51	4.0	–.2
June	33.9	41.3	4.6	16.69	8.17	16.80	565.79	276.94	4.5	.0
July	33.9	41.4	4.5	16.76	8.16	16.80	568.16	276.75	4.1	–.1
Aug	33.8	41.3	4.4	16.81	8.16	16.85	568.18	275.82	4.3	.4
Sept	33.8	41.1	4.3	16.85	8.24	16.84	569.53	278.50	4.1	2.3
Oct	33.9	41.1	4.3	16.91	8.32	16.90	573.25	282.11	4.2	3.2
Nov *p*	33.9	41.0	4.2	16.96	8.35	16.92	574.94	283.08	4.5	2.7
Dec *p*	33.9	41.0	4.3	17.04	8.34	16.97	577.66	282.75	4.5	2.1

[1] For production or nonsupervisory workers; total includes private industry groups shown in Table B–46.
[2] Current dollars divided by the consumer price index for urban wage earners and clerical workers on a 1982=100 base.

Note.—See Note, Table B–46.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–48.—*Employment cost index, private industry, 1990–2006*

Year and month	Total private			Goods-producing			Service-providing [1]			Manufacturing		
	Total compensation	Wages and salaries	Benefits [2]	Total compensation	Wages and salaries	Benefits [2]	Total compensation	Wages and salaries	Benefits [2]	Total compensation	Wages and salaries	Benefits [2]
	Indexes on SIC basis, December 2005=100; not seasonally adjusted											
December:												
1990	59.3	62.3	52.9	59.4	63.4	52.3	59.4	61.8	53.4	59.1	63.1	52.1
1991	61.9	64.6	56.2	62.1	65.8	55.5	61.9	64.1	56.7	61.9	65.6	55.2
1992	64.1	66.3	59.1	64.5	67.6	58.7	63.9	65.7	59.4	64.3	67.6	58.3
1993	66.4	68.3	62.0	67.0	69.6	62.0	66.2	67.8	62.0	66.9	69.7	61.8
1994	68.5	70.2	64.3	69.0	71.7	64.1	68.1	69.6	64.4	69.0	71.8	63.9
1995	70.2	72.2	65.7	70.7	73.7	65.2	70.0	71.7	66.0	70.8	73.9	65.0
1996	72.4	74.7	67.0	72.7	76.0	66.4	72.3	74.2	67.3	72.9	76.3	66.5
1997	74.9	77.6	68.5	74.5	78.3	67.3	75.1	77.4	69.2	74.6	78.6	67.4
1998	77.5	80.6	70.2	76.5	81.1	68.1	78.0	80.5	71.4	76.6	81.3	67.9
1999	80.2	83.5	72.6	79.1	83.8	70.5	80.6	83.4	73.8	79.2	84.1	70.3
2000	83.6	86.7	76.7	82.6	87.1	74.3	84.2	86.6	78.1	82.3	87.1	73.6
2001	87.1	90.0	80.6	85.7	90.2	77.3	87.8	89.9	82.5	85.3	90.2	76.3
	Indexes on NAICS basis, December 2005=100; not seasonally adjusted											
2001 [3]	87.3	89.9	81.3	86.0	90.0	78.5	87.8	89.8	82.4	85.5	90.2	77.2
2002	90.0	92.2	84.7	89.0	92.6	82.3	90.4	92.1	85.8	88.7	92.8	81.3
2003	93.6	95.1	90.2	92.6	94.9	88.2	94.0	95.2	91.0	92.4	95.1	87.3
2004	97.2	97.6	96.2	96.9	97.2	96.3	97.3	97.7	96.1	96.9	97.4	96.0
2005	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2006: Mar	100.8	100.7	101.0	100.3	100.7	99.6	101.0	100.8	101.5	100.1	100.7	99.0
June	101.7	101.7	101.7	101.3	101.8	100.4	101.8	101.7	102.3	101.0	101.7	99.7
Sept	102.5	102.5	102.5	102.0	102.3	101.3	102.7	102.6	103.0	101.4	101.9	100.5
	Indexes on NAICS basis, December 2005=100; seasonally adjusted											
2005: Mar	98.2	98.3	98.0	98.0	97.9	98.2	98.3	98.4	97.9	98.2	98.2	98.1
June	98.8	98.8	98.8	98.9	98.6	99.4	98.8	98.9	98.5	99.0	98.8	99.3
Sept	99.5	99.4	99.6	99.7	99.4	100.3	99.4	99.4	99.4	99.7	99.5	100.1
Dec	100.2	100.1	100.4	100.2	100.2	100.3	100.1	100.0	100.4	100.2	100.2	100.2
2006: Mar	100.8	100.8	100.8	100.3	100.8	99.5	100.9	100.8	101.3	100.0	100.7	98.8
June	101.6	101.7	101.5	101.2	101.7	100.2	101.7	101.6	102.0	100.8	101.5	99.6
Sept	102.5	102.5	102.5	101.8	102.1	101.3	102.7	102.6	103.0	101.4	101.8	100.6
	Percent change from 12 months earlier, not seasonally adjusted											
December:												
SIC basis.												
1990	4.6	4.0	6.7	4.8	3.6	7.2	4.6	3.9	6.4	5.0	4.1	7.0
1991	4.4	3.7	6.2	4.5	3.8	6.1	4.2	3.7	6.2	4.7	4.0	6.0
1992	3.6	2.6	5.2	3.9	2.7	5.8	3.2	2.5	4.8	3.9	3.0	5.6
1993	3.6	3.0	4.9	3.9	3.0	5.6	3.6	3.2	4.4	4.0	3.1	6.0
1994	3.2	2.8	3.7	3.0	3.0	3.4	2.9	2.7	3.9	3.1	3.0	3.4
1995	2.5	2.8	2.2	2.5	2.8	1.7	2.8	3.0	2.5	2.6	2.9	1.7
1996	3.1	3.5	2.0	2.8	3.1	1.8	3.3	3.5	2.0	3.0	3.2	2.3
1997	3.5	3.9	2.2	2.5	3.0	1.4	3.9	4.3	2.8	2.3	3.0	1.4
1998	3.5	3.9	2.5	2.7	3.6	1.2	3.9	4.0	3.2	2.7	3.4	.7
1999	3.5	3.6	3.4	3.4	3.3	3.5	3.3	3.6	3.4	3.4	3.4	3.5
2000	4.2	3.8	5.6	4.4	3.9	5.4	4.5	3.8	5.8	3.9	3.6	4.7
2001	4.2	3.8	5.1	3.8	3.6	4.0	4.3	3.8	5.6	3.6	3.6	3.7
NAICS basis.												
2001 [3]	4.1	3.8	5.2	3.6	3.6	3.7	4.4	3.8	5.6	3.4	3.6	3.5
2002	3.1	2.6	4.2	3.5	2.9	4.8	3.0	2.6	4.1	3.7	2.9	5.3
2003	4.0	3.1	6.5	4.0	2.5	7.2	4.0	3.4	6.1	4.2	2.5	7.4
2004	3.8	2.6	6.7	4.6	2.4	9.2	3.5	2.6	5.6	4.9	2.4	10.0
2005	2.9	2.5	4.0	3.2	2.9	3.8	2.8	2.4	4.1	3.2	2.7	4.2
2006: Mar	2.6	2.4	3.0	2.3	2.9	1.3	2.7	2.4	3.5	1.9	2.5	.7
June	2.8	2.8	2.7	2.3	3.1	.8	2.9	2.7	3.6	1.9	2.8	.3
Sept	3.0	3.0	2.8	2.2	2.8	.9	3.2	3.1	3.6	1.6	2.3	.5
	Percent change from 3 months earlier, seasonally adjusted											
2005: Mar	0.9	0.7	1.5	0.9	0.6	1.6	0.9	0.7	1.5	1.1	0.6	2.0
June	.6	.5	.8	.9	.7	1.2	.5	.5	.6	.8	.6	1.2
Sept	.7	.6	.9	.8	.8	.9	.7	.6	.9	.8	.8	.8
Dec	.7	.6	.7	.5	.8	.0	.7	.6	1.0	.5	.6	.2
2006: Mar	.6	.7	.4	.1	.6	–.8	.8	.8	.9	–.2	.5	–1.4
June	.8	.9	.7	.9	.9	.7	.8	.8	.7	.8	.8	.8
Sept	.9	.8	1.0	.6	.4	1.1	1.0	1.0	1.0	.6	.3	1.0

[1] On SIC basis, data are for service-producing industries.
[2] Employer costs for employee benefits.
[3] Data on NAICS basis available beginning 2001; not strictly comparable with earlier data shown on SIC basis.

Note.—In April 2006, with release of data for March 2006, among other changes, the industry classification for these series was switched to the North American Industry Classification System (NAICS) from the Standard Industrial Classification (SIC). Also, data were rebased to December 2005=100. Complete historical SIC data through December 2005, as well as technical details, are available from the Department of Labor, Bureau of Labor Statistics.

Data exclude farm and household workers.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–49.—*Productivity and related data, business sector, 1959–2006*

[Index numbers, 1992=100; quarterly data seasonally adjusted]

Year or quarter	Output per hour of all persons		Output[1]		Hours of all persons[2]		Compensation per hour[3]		Real compensation per hour[4]		Unit labor costs		Implicit price deflator[5]	
	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector
1959	48.0	51.3	31.4	31.2	65.5	60.9	13.3	13.9	59.4	61.8	27.8	27.1	26.8	26.3
1960	48.9	51.9	32.0	31.8	65.6	61.2	13.9	14.5	60.8	63.3	28.4	27.9	27.1	26.6
1961	50.6	53.5	32.7	32.4	64.6	60.6	14.4	15.0	62.5	64.8	28.5	28.0	27.3	26.8
1962	52.9	55.9	34.8	34.6	65.8	61.9	15.1	15.6	64.6	66.7	28.5	27.8	27.6	27.1
1963	55.0	57.8	36.4	36.2	66.2	62.6	15.6	16.1	66.1	68.1	28.4	27.8	27.7	27.3
1964	56.8	59.6	38.7	38.7	68.1	64.9	16.2	16.6	67.7	69.3	28.5	27.9	28.1	27.6
1965	58.8	61.4	41.4	41.4	70.4	67.4	16.8	17.1	69.1	70.5	28.6	27.9	28.5	28.0
1966	61.2	63.6	44.2	44.4	72.3	69.8	17.9	18.2	71.7	72.6	29.3	28.6	29.2	28.6
1967	62.5	64.7	45.1	45.1	72.1	69.7	19.0	19.2	73.5	74.5	30.3	29.7	30.0	29.5
1968	64.7	66.9	47.3	47.5	73.2	71.0	20.5	20.7	76.2	77.1	31.7	31.0	31.2	30.7
1969	65.0	67.0	48.8	48.9	75.0	73.0	21.9	22.1	77.3	78.1	33.7	33.0	32.6	32.1
1970	66.3	68.0	48.7	48.9	73.5	71.9	23.6	23.7	78.8	79.2	35.6	34.9	34.1	33.5
1971	69.0	70.7	50.6	50.7	73.3	71.7	25.1	25.2	80.2	80.7	36.3	35.7	35.5	35.0
1972	71.2	73.1	53.9	54.1	75.6	74.0	26.7	26.9	82.6	83.2	37.4	36.8	36.8	36.1
1973	73.4	75.3	57.6	58.0	78.5	77.0	28.9	29.1	84.3	84.7	39.4	38.6	38.7	37.4
1974	72.3	74.2	56.8	57.3	78.7	77.2	31.7	31.9	83.3	83.8	43.9	43.0	42.4	41.2
1975	74.8	76.2	56.3	56.3	75.3	73.9	34.9	35.1	84.1	84.5	46.7	46.0	46.6	45.6
1976	77.1	78.7	60.0	60.2	77.8	76.5	38.0	38.1	86.4	86.6	49.2	48.3	49.0	48.1
1977	78.5	80.0	63.3	63.6	80.7	79.5	41.0	41.2	87.6	88.0	52.2	51.5	52.0	51.2
1978	79.3	81.0	67.3	67.8	84.9	83.7	44.5	44.8	89.1	89.6	56.2	55.3	55.6	54.6
1979	79.3	80.7	69.6	70.0	87.7	86.6	48.9	49.1	89.3	89.7	61.6	60.8	60.4	59.2
1980	79.2	80.6	68.8	69.2	87.0	85.9	54.1	54.4	89.1	89.5	68.4	67.5	65.8	64.9
1981	80.8	81.7	70.7	70.7	87.6	86.6	59.3	59.7	89.3	89.8	73.5	73.1	71.8	71.1
1982	80.1	80.8	68.6	68.4	85.6	84.7	63.6	63.9	90.4	90.8	79.4	79.1	75.9	75.5
1983	83.0	84.5	72.3	72.9	87.1	86.3	66.3	66.6	90.3	90.9	79.8	78.9	78.5	77.9
1984	85.2	86.1	78.6	78.9	92.2	91.6	69.1	69.5	90.7	91.1	81.1	80.7	80.8	80.1
1985	87.1	87.5	82.2	82.2	94.3	94.0	72.5	72.6	92.0	92.2	83.2	83.0	82.7	82.5
1986	89.7	90.2	85.3	85.4	95.1	94.7	76.1	76.4	94.9	95.2	84.9	84.7	84.1	83.9
1987	90.1	90.6	88.3	88.4	97.9	97.6	79.0	79.2	95.2	95.5	87.6	87.4	85.9	85.7
1988	91.5	92.1	92.1	92.4	100.6	100.4	83.0	83.1	96.5	96.7	90.7	90.2	88.6	88.3
1989	92.4	92.8	95.4	95.7	103.3	103.1	85.2	85.3	95.0	95.1	92.2	91.9	91.9	91.5
1990	94.4	94.5	96.9	97.1	102.7	102.7	90.6	90.4	96.2	96.1	96.0	95.7	95.1	94.9
1991	95.9	96.1	96.1	96.3	100.2	100.2	95.1	95.0	97.4	97.4	99.1	98.9	98.2	98.1
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	100.4	100.4	103.1	103.4	102.7	102.9	102.2	102.0	99.7	99.5	101.8	101.6	102.1	102.1
1994	101.3	101.5	108.2	108.3	106.8	106.6	103.6	103.7	99.0	99.1	102.3	102.1	103.9	104.0
1995	101.5	102.0	111.4	111.8	109.7	109.6	105.8	105.9	98.7	98.8	104.2	103.8	105.7	105.8
1996	104.5	104.7	116.5	116.8	111.5	111.5	109.5	109.4	99.4	99.4	104.8	104.5	107.4	107.3
1997	106.5	106.4	122.7	122.8	115.2	115.4	113.0	112.8	100.5	100.3	106.1	106.0	109.0	109.1
1998	109.5	109.4	128.6	128.9	117.5	117.9	119.9	119.6	105.2	104.9	109.5	109.3	109.7	109.9
1999	112.8	112.5	135.2	135.6	119.8	120.5	125.8	125.2	108.0	107.5	111.5	111.3	110.7	111.1
2000	116.1	115.7	140.5	140.8	121.0	121.7	134.7	134.2	112.0	111.5	116.0	116.0	112.7	113.3
2001	119.1	118.6	141.0	141.3	118.4	119.2	140.4	139.5	113.5	112.8	117.9	117.7	114.9	115.4
2002	124.0	123.5	143.1	143.4	115.4	116.1	145.4	144.6	115.7	115.1	117.3	117.1	116.1	116.7
2003	128.7	128.0	147.5	147.8	114.6	115.4	151.2	150.4	117.7	117.1	117.5	117.5	117.8	118.3
2004	132.7	131.8	154.0	154.2	116.1	117.0	157.0	155.9	119.0	118.2	118.3	118.3	120.8	121.1
2005	135.7	134.9	159.8	160.0	117.7	118.7	163.8	162.7	120.2	119.3	120.7	120.7	124.3	124.9
2002: I	122.8	122.7	141.9	142.5	115.5	116.1	143.8	143.1	115.6	115.1	117.1	116.7	115.6	116.0
II	123.4	123.0	142.6	143.0	115.5	116.3	145.5	144.7	116.1	115.5	117.9	117.7	115.9	116.6
III	124.8	124.2	143.8	144.1	115.2	116.0	146.1	145.3	116.0	115.3	117.1	117.0	116.2	116.9
IV	124.8	124.2	144.0	144.1	115.4	116.0	146.2	145.4	115.3	114.7	117.1	117.1	116.7	117.3
2003: I	125.8	125.1	144.4	144.6	114.8	115.5	148.0	147.3	115.7	115.1	117.7	117.7	117.3	117.9
II	128.0	127.0	146.0	146.1	114.1	115.1	150.8	149.7	117.8	117.0	117.8	117.9	117.4	118.0
III	130.8	130.1	149.7	150.0	114.5	115.3	152.5	151.7	118.4	117.8	116.6	116.6	118.0	118.4
IV	130.3	129.9	150.1	150.6	115.2	115.9	153.6	152.9	118.9	118.4	117.9	117.7	118.5	118.7
2004: I	131.4	130.5	151.7	151.9	115.5	116.4	154.4	153.4	118.5	117.8	117.5	117.6	119.5	119.8
II	132.8	132.2	153.5	153.9	115.6	116.4	155.8	154.8	118.3	117.6	117.3	117.2	120.6	120.7
III	133.0	132.2	154.8	155.1	116.4	117.3	157.5	156.6	119.1	118.3	118.5	118.4	121.1	121.4
IV	133.5	132.4	155.8	156.0	116.7	117.8	160.1	158.7	120.0	118.9	119.9	119.9	122.1	122.5
2005: I	134.5	133.5	157.4	157.6	117.0	118.0	161.6	160.4	120.4	119.5	120.1	120.1	123.0	123.5
II	134.9	134.3	159.0	159.4	117.9	118.6	162.0	161.0	119.5	118.9	120.0	119.9	123.7	124.3
III	136.6	135.8	160.9	161.3	117.8	118.8	165.2	164.1	120.3	119.5	121.0	120.9	124.7	125.3
IV	136.7	135.8	161.7	162.0	118.3	119.3	166.5	165.3	120.3	119.4	121.8	121.7	125.7	126.4
2006: I	138.2	137.2	164.3	164.6	118.9	120.0	171.9	170.6	123.6	122.6	124.4	124.4	126.6	127.3
II	138.6	137.6	165.4	165.7	119.4	120.4	171.3	170.1	121.6	120.8	123.6	123.6	127.5	128.3
III	138.7	137.7	166.3	166.6	119.9	121.1	172.5	171.2	121.6	120.7	124.4	124.4	127.9	128.6

[1] Output refers to real gross domestic product in the sector.

[2] Hours at work of all persons engaged in the sector, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.

[3] Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

[4] Hourly compensation divided by the consumer price index for all urban consumers for recent quarters. The trend from 1978–2005 is based on the consumer price index research series (CPI–U–RS).

[5] Current dollar output divided by the output index.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–50.—*Changes in productivity and related data, business sector, 1959–2006*

[Percent change from preceding period; quarterly data at seasonally adjusted annual rates]

Year or quarter	Output per hour of all persons		Output[1]		Hours of all persons[2]		Compensation per hour[3]		Real compensation per hour[4]		Unit labor costs		Implicit price deflator[5]	
	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector
1959	3.8	3.8	8.1	8.6	4.2	4.6	4.1	3.9	3.4	3.2	0.3	0.1	0.8	1.3
1960	1.7	1.2	1.9	1.7	.2	.6	4.2	4.3	2.4	2.5	2.4	3.1	1.1	1.2
1961	3.5	3.1	1.9	2.0	–1.5	–1.1	3.9	3.3	2.8	2.3	.4	.2	.8	.8
1962	4.6	4.5	6.4	6.8	1.8	2.2	4.4	4.0	3.4	3.0	–.1	–.5	1.0	1.0
1963	3.9	3.5	4.6	4.7	.7	1.1	3.6	3.4	2.2	2.1	–.3	–.1	.6	.7
1964	3.4	3.0	6.4	6.7	2.9	3.7	3.8	3.1	2.4	1.8	.4	.2	1.1	1.3
1965	3.5	3.1	7.0	7.1	3.4	3.9	3.7	3.3	2.1	1.7	.2	.2	1.6	1.3
1966	4.1	3.6	6.8	7.1	2.6	3.5	6.7	5.9	3.8	3.0	2.6	2.3	2.5	2.3
1967	2.2	1.7	1.9	1.7	–.3	–.0	5.7	5.8	2.5	2.7	3.4	4.0	2.7	3.2
1968	3.4	3.4	5.0	5.2	1.5	1.8	8.1	7.8	3.7	3.5	4.5	4.3	4.0	4.0
1969	.5	.1	3.0	3.0	2.5	2.9	7.0	6.8	1.4	1.3	6.5	6.7	4.6	4.5
1970	2.0	1.5	–.0	–.1	–2.0	–1.6	7.7	7.2	1.9	1.4	5.6	5.6	4.4	4.5
1971	4.1	4.0	3.8	3.8	–.3	–.2	6.3	6.4	1.8	1.9	2.1	2.3	4.2	4.3
1972	3.2	3.3	6.5	6.7	3.1	3.2	6.3	6.5	3.0	3.2	3.0	3.1	3.6	3.2
1973	3.0	3.1	7.0	7.3	3.8	4.1	8.4	8.2	2.1	1.8	5.2	4.9	5.2	3.6
1974	–1.6	–1.5	–1.4	–1.4	.2	.1	9.6	9.8	–1.3	–1.2	11.4	11.4	9.6	10.2
1975	3.5	2.7	–1.0	–1.7	–4.3	–4.3	10.2	10.1	1.0	.9	6.5	7.2	9.8	10.8
1976	3.1	3.3	6.6	7.0	3.3	3.6	8.6	8.4	2.7	2.5	5.3	5.0	5.3	5.6
1977	1.7	1.6	5.6	5.6	3.8	3.9	8.0	8.1	1.4	1.5	6.2	6.4	6.0	6.3
1978	1.1	1.3	6.3	6.6	5.1	5.2	8.7	8.9	1.7	1.8	7.5	7.5	7.1	6.7
1979	–.0	–.3	3.4	3.2	3.4	3.6	9.7	9.6	.3	.2	9.8	10.0	8.5	8.4
1980	–.2	–.2	–1.1	–1.0	–.9	–.8	10.8	10.8	–.2	–.2	11.0	11.0	8.9	9.6
1981	2.1	1.4	2.8	2.1	.7	.7	9.6	9.8	.2	.4	7.4	8.3	9.2	9.6
1982	–.8	–1.1	–3.0	–3.2	–2.3	–2.2	7.2	7.1	1.2	1.1	8.1	8.2	5.7	6.2
1983	3.6	4.5	5.4	6.5	1.8	1.9	4.1	4.2	–.0	.0	.6	–.3	3.4	3.1
1984	2.7	2.0	8.7	8.2	5.8	6.1	4.4	4.2	.4	.2	1.7	2.2	2.9	2.9
1985	2.2	1.6	4.6	4.2	2.3	2.6	4.8	4.6	1.4	1.2	2.5	3.0	2.4	3.0
1986	2.9	3.1	3.7	3.9	.8	.8	5.1	5.2	3.2	3.3	2.1	2.0	1.6	1.7
1987	.5	.5	3.5	3.6	3.0	3.0	3.7	3.7	.3	.3	3.2	3.2	2.2	2.2
1988	1.5	1.7	4.3	4.6	2.7	2.9	5.1	4.9	1.4	1.2	3.5	3.2	3.1	3.0
1989	1.0	.7	3.7	3.5	2.6	2.7	2.7	2.6	–1.6	–1.6	1.7	1.8	3.7	3.6
1990	2.1	1.9	1.5	1.5	–.6	–.4	6.3	6.1	1.3	1.0	4.1	4.1	3.6	3.7
1991	1.6	1.6	–.8	–.8	–2.4	–2.4	4.9	5.1	1.3	1.4	3.3	3.4	3.2	3.4
1992	4.3	4.1	4.0	3.9	–.2	–.2	5.2	5.3	2.6	2.7	.9	1.1	1.8	1.9
1993	.4	.4	3.1	3.3	2.7	2.9	2.2	2.0	–.3	–.5	1.8	1.6	2.1	2.1
1994	1.0	1.1	5.0	4.8	4.0	3.6	1.4	1.7	–.7	–.4	.4	.5	1.8	1.9
1995	.1	.5	2.9	3.2	2.8	2.7	2.1	2.1	–.4	–.3	1.9	1.6	1.8	1.7
1996	3.0	2.7	4.6	4.5	1.6	1.8	3.5	3.4	.8	.7	.5	.7	1.6	1.4
1997	1.9	1.6	5.3	5.2	3.4	3.5	3.2	3.1	1.1	.9	1.3	1.4	1.5	1.7
1998	2.8	2.8	4.8	5.0	2.0	2.1	6.1	6.0	4.6	4.5	3.2	3.1	.6	.7
1999	3.1	2.9	5.1	5.2	2.0	2.2	4.9	4.7	2.8	2.6	1.8	1.8	.9	1.1
2000	2.9	2.8	3.9	3.8	1.0	1.0	7.1	7.2	3.6	3.7	4.1	4.2	1.8	1.9
2001	2.6	2.5	.3	.4	–2.2	–2.0	4.2	4.0	1.4	1.2	1.6	1.5	2.0	1.9
2002	4.1	4.1	1.5	1.5	–2.5	–2.6	3.6	3.7	2.0	2.0	–.5	–.5	1.0	1.1
2003	3.8	3.7	3.1	3.1	–.7	–.6	4.0	4.0	1.7	1.7	.2	.3	1.5	1.3
2004	3.1	3.0	4.4	4.3	1.3	1.3	3.8	3.6	1.1	.9	.7	.7	2.6	2.4
2005	2.3	2.3	3.7	3.8	1.4	1.5	4.4	4.4	1.0	1.0	2.1	2.0	2.9	3.1
2002: I	5.7	7.0	2.6	3.5	–2.9	–3.2	5.8	6.3	4.3	4.8	.1	–.6	.2	–.0
II	1.9	.9	2.1	1.4	.1	.5	4.7	4.5	1.7	1.4	2.7	3.5	1.0	2.0
III	4.7	4.1	3.6	3.1	–1.0	–.9	1.9	1.8	–.4	–.4	–2.6	–2.2	1.0	.9
IV	–.0	.0	.5	.1	.5	.1	.1	.3	–2.2	–2.0	.1	.3	1.7	1.6
2003: I	3.0	3.0	1.1	1.2	–1.9	–1.7	5.1	5.1	1.2	1.2	2.1	2.1	1.9	2.0
II	7.3	6.0	4.6	4.3	–2.5	–1.6	7.7	6.9	7.5	6.7	.4	.8	.6	.4
III	8.9	10.3	10.4	11.0	1.3	.6	4.6	5.4	2.1	2.9	–4.0	–4.4	1.8	1.3
IV	–1.4	–.6	1.1	1.6	2.5	2.2	2.9	3.2	1.8	2.1	4.3	3.8	1.8	1.1
2004: I	3.2	1.9	4.5	3.6	1.2	1.7	2.1	1.3	–1.5	–2.2	–1.1	–.5	3.6	3.6
II	4.5	5.1	4.8	5.2	.3	.1	3.5	3.7	–.5	–.4	–.9	–1.4	3.6	3.1
III	.5	.2	3.4	3.2	2.9	3.0	4.7	4.5	2.5	2.3	4.1	4.3	1.7	2.4
IV	1.6	.4	2.6	2.4	1.0	2.0	6.7	5.6	3.0	2.0	5.0	5.1	3.4	3.7
2005: I	3.1	3.6	4.2	4.2	1.0	.6	3.9	4.3	1.5	1.9	.7	.7	3.0	3.3
II	1.2	2.3	4.1	4.4	2.9	2.1	.8	1.6	–2.9	–2.0	–.4	–.7	2.3	2.5
III	5.0	4.4	4.9	4.9	–.1	.4	8.3	7.8	2.7	2.2	3.2	3.3	3.3	3.5
IV	.2	–.1	1.8	1.8	1.6	1.8	3.1	2.9	–.2	–.4	2.9	3.0	3.2	3.3
2006: I	4.5	4.3	6.7	6.7	2.1	2.3	13.6	13.7	11.3	11.3	8.7	9.0	2.7	2.9
II	1.1	1.2	2.7	2.7	1.7	1.5	–1.4	–1.2	–6.1	–5.9	–2.5	–2.4	3.1	3.4
III	.4	.2	2.2	2.3	1.8	2.1	2.9	2.6	–.1	–.4	2.5	2.3	1.1	.7

[1] Output refers to real gross domestic product in the sector.

[2] Hours at work of all persons engaged in the sector. See footnote 2, Table B–49.

[3] Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.

[4] Hourly compensation divided by a consumer price index. See footnote 4, Table B–49.

[5] Current dollar output divided by the output index.

Note.—Percent changes are based on original data and may differ slightly from percent changes based on indexes in Table B–49.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–51.—*Industrial production indexes, major industry divisions, 1959–2006*

[2002=100; monthly data seasonally adjusted]

Year or month	Total industrial production [1]	Manufacturing				Mining	Utilities
		Total [1]	Durable	Nondurable	Other (non-NAICS) [1]		
1959	24.9	22.6					
1960	25.4	23.0					
1961	25.6	23.1					
1962	27.7	25.1					
1963	29.4	26.7					
1964	31.3	28.5					
1965	34.5	31.6					
1966	37.5	34.4					
1967	38.3	35.1					
1968	40.5	37.1					
1969	42.3	38.7					
1970	40.9	37.0					
1971	41.5	37.5					
1972	45.5	41.5	30.0	61.0	65.6	106.9	50.3
1973	49.2	45.2	33.8	63.8	67.7	107.5	53.2
1974	49.1	45.1	33.6	64.1	68.0	105.9	53.0
1975	44.8	40.4	29.2	59.5	64.9	103.4	54.0
1976	48.3	44.1	31.9	64.9	66.8	104.2	56.4
1977	52.0	47.9	35.1	69.3	73.2	106.6	58.7
1978	54.9	50.8	37.9	71.8	75.7	109.9	60.2
1979	56.6	52.5	39.9	72.2	77.3	113.2	61.6
1980	55.1	50.6	38.1	70.0	80.0	115.3	62.0
1981	55.9	51.2	38.6	70.6	81.9	118.3	62.9
1982	53.1	48.5	35.4	69.5	82.8	112.4	60.9
1983	54.5	50.8	37.2	72.8	85.1	106.5	61.4
1984	59.5	55.9	42.6	76.2	89.0	113.4	65.0
1985	60.3	56.9	43.7	76.6	92.5	111.2	66.4
1986	61.0	58.3	44.5	78.8	94.2	103.1	67.0
1987	64.1	61.6	47.2	83.1	99.7	104.0	70.1
1988	67.4	64.8	50.6	85.8	99.3	106.6	74.1
1989	68.1	65.3	51.2	86.4	97.9	105.4	76.4
1990	68.7	65.9	51.4	87.7	96.7	106.9	77.9
1991	67.7	64.6	49.9	87.4	92.9	104.6	79.8
1992	69.7	67.0	52.5	89.6	91.0	102.2	79.7
1993	72.0	69.5	55.6	90.9	91.8	102.2	82.6
1994	76.0	73.7	60.6	94.1	90.9	104.6	84.2
1995	79.8	77.8	66.0	95.8	90.9	104.4	87.2
1996	83.2	81.4	71.7	96.0	90.2	106.2	89.7
1997	89.2	88.3	80.4	99.6	97.7	108.0	89.7
1998	94.6	94.4	89.2	101.0	104.2	106.5	92.0
1999	99.1	99.5	97.3	101.7	107.6	101.2	94.7
2000	103.6	104.3	105.4	102.3	109.6	103.5	97.4
2001	100.0	100.0	100.4	99.0	103.2	104.5	97.0
2002	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	101.1	101.1	102.3	100.1	97.0	99.9	101.9
2004	103.6	104.0	106.3	102.0	97.8	99.2	103.3
2005	106.9	108.0	112.1	104.5	99.6	97.6	105.5
2006 *p*	111.2	113.0	120.5	106.7	97.9	100.1	105.7
2005: Jan	105.6	106.4	108.7	104.3	101.0	99.9	103.3
Feb	106.2	107.0	109.7	104.6	99.7	101.5	103.3
Mar	106.1	106.7	109.4	104.5	100.0	100.3	104.9
Apr	106.2	106.9	109.8	104.5	99.5	100.4	104.1
May	106.6	107.6	110.6	104.9	100.5	100.0	103.4
June	107.3	108.0	111.2	105.2	99.6	100.2	106.9
July	107.3	108.1	111.4	105.3	99.0	99.5	107.0
Aug	107.6	108.4	112.7	104.7	99.1	99.0	107.3
Sept	105.8	107.5	113.1	102.4	99.2	89.4	107.2
Oct	107.1	109.2	116.0	102.8	100.1	90.0	105.6
Nov	108.2	110.1	116.3	104.8	98.4	94.8	104.6
Dec	109.1	110.6	116.6	105.5	98.5	96.8	107.8
2006: Jan	109.1	111.5	117.5	106.4	98.7	98.7	98.7
Feb	109.4	111.2	117.6	105.9	97.6	98.5	103.7
Mar	110.0	111.7	118.5	105.9	97.8	98.6	105.5
Apr	110.9	112.8	120.3	106.3	99.0	99.7	105.3
May	110.9	112.6	120.1	106.1	98.0	100.7	105.7
June	111.9	113.5	121.3	107.0	98.1	101.1	107.4
July	112.3	113.9	121.7	107.4	98.1	101.0	108.7
Aug	112.5	114.3	122.6	107.5	97.0	99.9	108.8
Sept	112.2	114.3	122.2	107.8	97.2	101.0	104.5
Oct *p*	112.1	113.6	121.4	106.9	99.2	101.1	109.3
Nov *p*	112.0	113.5	121.7	106.5	98.1	100.6	109.6
Dec *p*	112.4	114.3	123.0	106.9	98.1	101.4	106.7

[1] Total industry and total manufacturing series include manufacturing as defined in the North American Industry Classification System (NAICS) plus those industries—logging, and newspaper, periodical, book and directory-publishing—that have traditionally been considered to be manufacturing and included in the industrial sector.

Note.—Data based on the North American Industry Classification System; see footnote 1.

Source: Board of Governors of the Federal Reserve System.

TABLE B–52.—*Industrial production indexes, market groupings, 1959–2006*

[2002=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Final products								Nonindustrial supplies			Materials		
		Total	Consumer goods				Equipment			Total	Construction	Business	Total	Nonenergy	Energy
			Total	Automotive products	Other durable goods	Nondurable goods	Total [1]	Business	Defense and space						
1959	24.9	24.0	30.7	19.1	19.1	37.0	15.9	11.4	46.0	26.0	37.1	21.2	24.7	.....	51.0
1960	25.4	24.8	31.9	21.9	19.2	38.2	16.4	11.7	47.2	26.1	36.3	21.9	25.1	.....	51.7
1961	25.6	25.0	32.5	20.0	19.8	39.5	16.1	11.4	48.0	26.6	36.6	22.6	25.1	.....	52.1
1962	27.7	27.1	34.7	24.2	21.5	41.3	17.9	12.3	55.6	28.3	38.8	24.0	27.3	.....	53.9
1963	29.4	28.7	36.6	26.5	23.2	43.2	19.0	12.9	59.9	29.8	40.6	25.5	29.1	.....	57.1
1964	31.3	30.3	38.7	27.8	25.4	45.3	20.1	14.5	58.0	31.8	43.1	27.3	31.4	.....	59.4
1965	34.5	33.3	41.7	34.2	28.8	47.3	22.7	16.6	64.2	33.9	45.8	29.1	35.1	.....	62.1
1966	37.5	36.4	43.9	34.1	31.7	49.5	26.5	19.2	75.5	35.9	47.7	31.4	38.2	.....	66.1
1967	38.3	37.9	44.9	30.0	32.1	52.1	28.1	19.6	86.1	37.4	48.9	33.1	37.8	31.0	68.3
1968	40.5	39.7	47.6	35.7	34.4	54.1	29.0	20.5	86.3	39.6	51.5	35.1	40.3	33.2	71.5
1969	42.3	41.0	49.4	35.9	36.7	56.0	29.7	21.8	82.1	41.7	53.7	37.3	42.7	35.3	75.1
1970	40.9	39.5	48.8	30.2	35.5	56.9	27.6	21.0	69.5	41.1	51.8	37.5	41.2	33.2	78.9
1971	41.5	39.9	51.7	38.5	37.6	58.5	25.9	20.0	62.5	42.3	53.5	38.6	41.8	33.8	79.5
1972	45.5	43.3	55.8	41.5	43.1	62.3	28.3	22.7	60.8	47.3	60.7	42.5	46.1	37.9	82.5
1973	49.2	46.7	58.4	45.1	46.0	64.2	32.3	26.4	67.0	50.6	65.8	45.1	50.2	42.0	84.6
1974	49.1	46.6	56.6	38.9	43.3	64.2	34.0	27.9	69.4	50.1	64.3	45.0	50.1	41.9	84.2
1975	44.8	43.9	54.4	37.5	37.9	63.1	30.9	24.7	70.5	45.0	54.6	41.5	44.7	36.1	83.5
1976	48.3	47.0	58.9	42.7	42.6	67.1	32.5	26.3	68.6	48.0	58.9	44.2	48.6	40.2	85.3
1977	52.0	50.9	62.5	48.3	47.6	69.5	36.4	30.6	61.5	52.2	64.1	47.9	52.0	43.6	88.0
1978	54.9	54.1	64.5	48.0	49.8	72.0	40.6	34.6	62.2	55.0	67.8	50.4	54.7	46.4	89.1
1979	56.6	56.0	63.5	43.3	50.1	71.6	45.6	39.2	66.8	56.8	69.6	52.2	56.2	47.7	91.5
1980	55.1	55.7	61.1	33.3	46.5	71.6	47.7	40.1	79.9	54.5	64.4	51.0	54.1	44.9	92.2
1981	55.9	57.1	61.6	34.4	46.9	72.0	50.1	41.4	87.0	55.1	63.4	52.2	54.4	45.1	93.1
1982	53.1	56.0	61.4	33.4	43.5	73.2	47.9	38.0	104.4	53.1	57.6	51.6	50.2	40.6	89.1
1983	54.5	57.0	63.7	38.8	47.1	74.0	47.4	38.1	105.2	56.0	61.7	54.1	51.6	43.5	86.3
1984	59.5	61.9	66.6	43.4	52.7	75.5	54.6	44.2	119.7	61.0	67.2	58.8	56.6	48.5	91.8
1985	60.3	63.6	67.3	43.4	52.8	76.5	57.6	46.2	134.4	62.6	69.0	60.3	56.5	48.7	91.2
1986	61.0	64.7	69.6	46.6	55.9	78.3	56.9	45.7	142.9	64.7	71.4	62.3	56.5	49.7	87.7
1987	64.1	67.6	72.5	49.7	58.9	81.1	60.0	48.7	145.9	68.6	75.9	66.1	59.6	53.0	89.7
1988	67.4	71.2	75.3	52.4	61.9	83.7	64.5	53.4	147.0	70.9	77.6	68.6	62.9	56.4	92.8
1989	68.1	71.9	75.6	54.4	62.6	83.5	66.1	55.3	147.2	71.6	77.3	69.6	63.4	56.8	93.7
1990	68.7	72.7	75.9	50.9	62.5	84.9	67.4	57.3	141.4	72.7	76.6	71.3	63.8	56.9	95.6
1991	67.7	71.8	75.9	47.6	60.8	86.1	65.2	56.4	131.2	71.0	72.4	70.4	62.9	55.7	95.7
1992	69.7	73.5	78.1	55.7	63.5	86.8	66.1	58.7	121.9	73.0	75.5	72.0	65.0	58.5	94.8
1993	72.0	75.9	80.8	61.5	69.2	88.0	68.0	61.2	115.3	75.6	78.9	74.4	67.3	61.2	95.1
1994	76.0	79.3	84.6	68.9	75.8	90.1	70.8	65.0	108.6	79.3	84.7	77.4	71.8	66.3	96.6
1995	79.8	82.7	87.1	71.0	80.3	92.3	75.6	70.8	105.8	82.3	86.7	80.8	76.1	71.3	98.0
1996	83.2	86.0	88.9	73.2	84.3	93.5	81.5	77.8	102.7	85.5	90.6	83.7	79.8	75.3	99.5
1997	89.2	91.6	92.1	78.7	89.6	95.7	91.9	89.7	100.9	91.1	95.1	89.6	86.2	83.3	99.4
1998	94.6	97.0	95.5	83.9	96.1	97.8	101.4	100.3	105.1	96.4	100.2	95.0	91.7	90.0	99.8
1999	99.1	99.7	97.3	92.0	100.4	97.8	106.0	106.5	102.7	100.3	102.8	99.4	98.0	97.8	99.6
2000	103.6	102.9	99.3	93.9	104.8	99.3	111.6	114.6	92.1	104.5	105.1	104.2	104.0	105.0	101.0
2001	100.0	100.8	98.1	90.8	99.2	99.4	107.3	107.6	100.6	100.1	100.5	100.0	99.1	98.8	100.0
2002	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	101.1	101.2	101.3	105.6	100.9	100.5	100.9	100.2	103.8	101.0	99.8	101.5	100.9	101.3	99.9
2004	103.6	103.3	102.8	105.2	104.3	102.0	104.7	104.5	104.0	103.2	101.8	103.7	104.0	105.6	99.7
2005	106.9	107.6	105.7	102.6	109.1	105.5	112.7	112.8	109.7	107.0	106.7	107.1	106.2	109.4	98.4
2006 *P*	111.2	111.5	106.9	99.4	111.7	107.2	124.2	126.0	112.2	110.5	110.4	110.5	111.2	115.8	100.0
2005: Jan	105.6	105.6	104.5	102.0	106.0	104.6	108.6	108.5	106.6	105.2	103.0	106.0	105.7	107.9	99.8
Feb	106.2	106.6	105.4	106.7	107.3	104.8	109.6	109.4	108.8	105.2	103.7	105.7	106.3	108.4	100.6
Mar	106.1	106.2	104.8	102.5	107.4	104.6	110.0	109.7	109.6	105.4	103.6	106.1	106.3	108.5	100.3
Apr	106.2	106.2	104.4	100.2	107.3	104.6	110.9	110.6	110.7	106.3	105.4	106.6	106.2	108.6	99.9
May	106.6	106.9	105.2	100.8	108.1	105.3	111.6	111.8	110.1	106.4	105.9	106.6	106.4	108.8	99.8
June	107.3	107.8	106.2	102.4	108.5	106.3	112.2	112.1	110.7	106.8	105.3	107.4	106.9	109.1	101.0
July	107.3	107.7	105.8	100.1	108.3	106.2	112.8	112.9	110.0	107.0	106.2	107.3	107.0	109.6	100.2
Aug	107.6	108.1	106.1	103.6	109.3	105.9	113.5	113.6	111.0	107.5	106.7	107.8	107.1	109.9	100.1
Sept	105.8	107.6	106.5	106.0	111.1	105.7	110.3	110.1	108.2	107.5	108.3	107.2	103.6	108.4	92.3
Oct	107.1	109.0	106.3	104.8	112.4	105.4	116.4	117.0	109.1	108.6	110.4	107.8	104.6	109.9	92.4
Nov	108.2	109.4	106.1	101.6	111.7	105.8	118.2	118.9	110.0	109.0	110.7	108.3	106.9	111.3	96.4
Dec	109.1	110.1	107.0	100.8	111.3	107.1	118.6	119.5	111.2	109.5	111.2	108.9	108.1	112.3	97.9
2006: Jan	109.1	109.2	105.7	102.0	111.2	105.3	118.7	119.7	111.2	109.5	111.3	108.7	108.8	113.9	97.1
Feb	109.4	109.5	106.0	100.9	111.4	105.8	119.1	119.9	111.7	109.3	110.7	108.8	109.3	113.8	98.7
Mar	110.0	110.3	106.7	102.3	111.3	106.5	120.3	121.6	109.9	109.9	111.4	109.4	109.6	114.3	98.5
Apr	110.9	111.2	106.8	101.2	112.7	106.6	123.0	124.6	111.5	110.6	111.6	110.1	110.9	115.7	99.4
May	110.9	110.9	106.4	99.9	112.1	106.4	123.3	124.8	111.8	110.3	111.1	109.9	111.0	115.6	100.2
June	111.9	112.2	107.6	102.8	112.0	107.6	124.7	126.4	112.6	110.9	111.1	110.8	111.9	116.4	101.1
July	112.3	112.5	107.4	97.9	112.3	108.1	126.2	128.1	113.8	111.3	111.6	111.2	112.5	117.0	101.7
Aug	112.5	112.9	107.8	99.6	112.7	108.2	126.6	128.6	113.0	111.4	111.3	111.5	112.6	117.6	100.9
Sept	112.2	112.7	107.6	98.4	112.2	108.2	126.6	128.5	113.6	110.7	110.3	110.8	112.2	117.4	100.0
Oct *P*	112.1	112.4	107.2	94.5	111.1	108.5	126.6	128.6	113.7	111.1	109.0	111.9	112.1	116.6	101.3
Nov *P*	112.0	112.7	107.3	98.3	110.8	108.1	127.2	129.8	112.5	110.5	107.9	111.6	111.9	116.2	101.7
Dec *P*	112.4	113.4	107.6	100.6	111.7	107.9	129.0	131.8	113.4	110.7	108.2	111.8	112.2	116.9	101.1

[1] Includes other items, not shown separately.

Note.—See footnote 1 and Note, Table B–51.

Source: Board of Governors of the Federal Reserve System.

TABLE B–53.—*Industrial production indexes, selected manufacturing industries, 1967–2006*

[2002=100; monthly data seasonally adjusted]

Year or month	Durable manufacturing								Nondurable manufacturing					
	Primary metal		Fabricated metal products	Machinery	Computer and electronic products		Transportation equipment		Apparel	Paper	Printing and support	Chemical	Plastics and rubber products	Food
	Total	Iron and steel products			Total	Selected high-technology [1]	Total	Motor vehicles and parts						
1967	.....	.....	.....	.....	.....	0.2	.....	.....	.....	.....	.....	.....	.....	.....
1968	.....	.....	.....	.....	.....	.2	.....	.....	.....	.....	.....	.....	.....	.....
1969	.....	.....	.....	.....	.....	.2	.....	.....	.....	.....	.....	.....	.....	.....
1970	.....	.....	.....	.....	.....	.2	.....	.....	.....	.....	.....	.....	.....	.....
1971	.....	.....	.....	.....	.....	.2	.....	.....	.....	.....	.....	.....	.....	.....
1972	121.8	129.2	69.3	67.8	1.1	.2	53.2	44.2	170.3	66.1	51.6	47.8	35.2	58.7
1973	141.7	154.9	76.5	78.4	1.3	.3	60.8	50.6	175.4	71.5	54.2	52.4	39.5	58.8
1974	145.3	165.6	75.3	82.2	1.4	.3	56.0	43.4	163.4	74.6	52.6	54.4	38.5	59.4
1975	112.7	122.9	65.0	71.7	1.3	.3	50.7	37.9	159.8	64.5	49.1	47.8	32.9	58.3
1976	119.6	127.5	69.7	74.8	1.5	.4	56.8	48.3	168.8	71.2	52.7	53.5	36.4	63.0
1977	120.7	124.5	75.6	81.8	2.0	.5	61.7	55.0	179.5	74.3	57.1	58.2	42.9	64.1
1978	128.4	133.7	79.4	88.1	2.5	.7	65.7	57.3	184.6	77.7	60.4	61.1	44.4	66.1
1979	131.4	138.5	82.9	93.0	3.1	.9	66.5	52.5	175.0	78.8	62.2	62.5	43.7	65.4
1980	115.3	117.4	78.2	88.5	3.8	1.1	59.0	38.6	177.6	78.6	62.7	59.0	38.9	66.6
1981	115.5	121.7	77.7	87.7	4.4	1.3	56.9	37.7	176.6	79.7	64.3	59.9	41.2	67.5
1982	81.5	74.8	69.6	73.4	5.1	1.6	52.2	33.9	178.9	78.4	69.1	56.1	40.5	70.1
1983	83.5	75.4	70.1	66.3	5.8	1.9	57.6	43.4	184.2	83.5	74.3	59.9	44.0	70.9
1984	91.6	83.0	76.4	77.3	7.4	2.6	65.2	52.0	186.8	87.7	80.9	63.5	50.9	72.3
1985	84.6	77.1	77.4	77.6	8.0	2.8	68.7	54.0	179.5	86.0	84.2	62.9	52.8	74.9
1986	82.6	75.3	76.9	76.4	8.4	2.9	70.3	53.9	181.6	89.5	88.4	65.8	55.0	76.0
1987	88.9	85.7	78.3	77.9	9.5	3.6	72.8	55.9	182.8	92.5	94.9	71.0	60.9	77.7
1988	99.6	99.7	82.3	85.7	10.6	4.2	77.3	59.7	179.4	96.2	98.0	75.1	63.7	79.6
1989	97.4	96.2	81.7	89.0	10.9	4.5	78.8	59.1	170.7	97.2	98.4	76.5	65.8	79.8
1990	96.2	95.1	80.7	86.8	11.9	5.1	76.3	55.5	167.2	97.2	102.1	78.3	67.7	82.3
1991	90.3	86.9	77.0	81.4	12.5	5.5	73.3	53.1	168.1	97.4	98.9	78.0	66.9	83.8
1992	92.4	90.9	79.4	81.2	14.1	6.7	76.0	60.4	171.4	99.7	104.3	79.1	72.0	85.4
1993	96.8	96.4	82.4	87.2	15.8	8.0	78.2	66.8	175.6	100.9	104.6	80.1	77.1	87.6
1994	104.2	104.0	89.5	95.5	18.9	10.6	81.8	76.7	179.1	105.2	105.7	82.1	83.5	88.2
1995	105.4	105.6	95.0	102.3	24.9	15.3	81.9	79.0	179.4	106.8	107.3	83.5	85.6	90.4
1996	107.8	108.2	98.5	105.9	32.0	21.6	83.4	79.6	174.4	103.4	108.0	85.2	88.4	88.6
1997	112.4	111.4	102.9	111.7	43.0	32.0	91.0	85.8	172.2	105.6	110.2	90.2	93.9	91.0
1998	114.3	111.2	106.3	114.5	56.2	45.6	99.0	90.2	162.9	106.4	111.5	91.7	97.3	95.0
1999	114.0	112.0	107.0	112.0	75.5	67.7	104.4	100.1	156.1	107.2	112.4	93.6	102.4	96.0
2000	110.3	110.9	111.2	117.7	101.8	98.8	99.5	99.5	148.5	105.0	113.1	95.0	103.5	97.7
2001	99.8	100.3	103.1	104.1	103.5	101.5	95.7	90.6	127.2	99.0	106.3	93.3	97.4	97.7
2002	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	98.9	100.8	98.9	99.6	111.5	116.7	101.1	103.5	92.3	97.3	96.3	101.4	100.1	101.0
2004	109.3	116.4	99.1	103.7	126.2	132.6	100.8	103.8	79.5	98.0	97.0	105.7	101.3	101.1
2005	107.1	109.9	103.3	110.0	141.0	156.6	104.1	103.7	76.8	98.6	98.9	108.0	102.3	104.5
2006 *P*	112.6	117.5	108.9	117.0	169.6	199.0	109.5	101.9	78.0	98.4	103.0	110.4	105.7	107.7
2005: Jan	109.0	114.5	101.0	107.3	130.6	139.7	101.2	102.8	77.6	99.6	99.1	108.2	101.7	103.4
Feb	107.9	112.7	101.1	107.3	132.0	141.9	104.8	107.0	77.7	99.7	98.2	109.7	101.6	103.9
Mar	109.3	113.5	101.0	107.7	133.1	144.1	102.3	102.7	77.2	100.3	97.7	109.7	101.5	103.5
Apr	106.5	108.9	101.9	108.2	135.7	148.4	102.3	101.2	77.7	98.8	97.8	110.0	101.5	103.2
May	105.3	105.9	102.3	109.4	137.4	151.5	102.9	101.7	75.3	97.7	98.4	110.3	101.2	104.6
June	102.3	102.1	102.5	110.4	137.8	152.5	104.7	103.9	75.8	98.1	98.1	109.8	100.8	104.8
July	102.6	101.3	103.1	111.1	140.0	156.2	102.9	101.4	76.9	97.2	99.2	110.4	100.8	104.4
Aug	106.3	109.1	103.8	108.4	142.3	159.4	105.9	104.7	76.8	97.3	98.9	108.9	102.0	104.1
Sept	108.6	111.8	104.5	110.1	145.5	164.6	102.2	107.1	77.1	97.8	99.9	101.7	103.8	105.0
Oct	108.5	110.7	106.1	113.5	150.1	170.7	107.2	106.6	76.0	99.1	99.6	103.0	103.5	105.2
Nov	109.4	113.2	106.1	112.3	153.2	174.4	106.4	103.3	76.7	97.9	99.8	106.7	104.3	105.5
Dec	109.5	114.6	105.7	114.7	154.0	175.8	106.8	102.2	76.4	99.1	99.7	107.8	105.3	106.3
2006: Jan	112.9	116.0	106.9	112.1	154.7	176.8	108.7	104.2	77.3	100.4	101.3	109.0	104.9	106.9
Feb	112.6	116.8	107.3	112.0	156.0	178.1	108.4	102.9	76.8	98.3	101.8	108.7	105.0	106.2
Mar	111.8	117.6	108.1	114.0	158.9	182.9	109.1	104.3	77.3	97.2	102.3	109.4	105.6	106.7
Apr	114.3	120.2	109.4	116.2	164.0	189.5	110.1	104.3	78.6	97.6	103.9	110.1	106.9	107.8
May	117.1	125.5	108.4	114.1	165.8	192.8	109.3	102.5	78.3	97.8	102.7	110.0	105.9	106.6
June	117.7	126.1	109.1	114.8	169.1	196.0	111.2	104.6	78.9	99.0	103.0	111.1	106.9	106.6
July	115.7	123.3	109.9	119.6	171.6	199.3	109.2	100.3	79.3	98.0	102.7	111.8	108.1	107.0
Aug	114.5	121.8	110.7	121.0	174.0	204.3	110.4	102.2	77.9	98.7	102.7	112.4	107.1	107.0
Sept	112.8	119.8	110.5	120.6	177.2	210.7	109.8	100.9	77.5	99.3	103.1	111.7	106.1	108.5
Oct *P*	109.8	112.3	110.3	118.4	179.9	215.4	107.9	97.1	78.3	98.3	104.3	110.4	104.5	109.6
Nov *P*	105.6	103.9	109.8	118.2	181.5	219.0	110.5	100.5	78.0	98.1	103.4	109.8	104.7	109.8
Dec *P*	106.8	105.6	109.3	119.7	185.1	223.8	112.6	103.1	79.0	98.2	103.9	110.2	104.1	109.9

[1] Computers and office equipment, communications equipment, and semiconductors and related electronic components.

Note.—See footnote 1 and Note, Table B–51.

Source: Board of Governors of the Federal Reserve System.

TABLE B–54.—*Capacity utilization rates, 1959–2006*

[Percent [1]; monthly data seasonally adjusted]

Year or month	Total industry [2]	Manufacturing				Mining	Utilities	Stage-of-process		
		Total [2]	Durable goods	Non-durable goods	Other (non-NAICS) [2]			Crude	Primary and semi-finished	Finished
1959		81.6							83.0	81.1
1960		80.1							79.8	80.5
1961		77.3							77.9	77.2
1962		81.4							81.5	81.6
1963		83.5							83.8	83.4
1964		85.6							87.8	84.6
1965		89.5							91.0	88.8
1966		91.1							91.4	91.1
1967	87.0	87.2	87.5	86.3		81.2	94.5	81.1	85.0	88.2
1968	87.3	87.1	87.3	86.5		83.6	95.1	83.4	86.8	87.0
1969	87.4	86.6	87.0	86.2		86.8	96.8	85.7	88.1	85.4
1970	81.2	79.4	77.5	82.2		89.3	96.3	85.2	81.5	77.9
1971	79.6	77.9	75.1	81.9		88.0	94.7	84.4	81.6	75.4
1972	84.6	83.3	81.9	85.3	85.7	90.9	95.2	88.7	88.1	79.4
1973	88.4	87.6	88.5	86.6	84.7	92.0	94.3	90.6	92.2	83.0
1974	85.1	84.4	84.6	84.2	82.7	91.1	87.4	91.3	87.4	80.2
1975	75.6	73.5	71.6	76.0	77.2	89.2	84.5	83.9	75.0	73.5
1976	79.6	78.2	76.3	81.0	77.4	89.7	85.2	87.2	80.0	76.6
1977	83.2	82.4	81.1	84.2	83.4	89.8	85.3	89.1	84.3	79.7
1978	84.9	84.3	83.9	85.0	85.1	89.8	84.2	88.5	85.9	82.1
1979	85.0	84.2	84.4	83.7	85.4	91.1	85.5	89.3	85.9	82.0
1980	80.8	78.7	77.7	79.5	86.9	91.5	85.1	89.1	78.7	79.7
1981	79.7	77.0	75.2	78.9	87.5	91.4	84.3	89.4	77.1	77.9
1982	73.7	71.0	66.5	76.7	87.0	83.7	80.4	81.9	70.4	73.7
1983	74.8	73.5	68.6	79.8	87.6	78.5	79.7	78.8	74.2	73.5
1984	80.4	79.4	76.8	82.4	89.4	84.7	82.9	85.0	81.1	77.6
1985	79.4	78.3	75.8	80.9	90.3	83.4	83.1	83.3	80.0	77.0
1986	78.7	78.4	75.3	81.9	88.8	76.6	82.3	78.6	79.9	77.2
1987	81.1	80.9	77.5	84.8	90.6	79.6	83.9	82.6	82.9	78.6
1988	84.1	83.9	81.8	86.2	88.5	83.7	86.1	86.3	85.9	81.3
1989	83.6	83.1	81.5	85.0	85.4	84.9	86.6	87.0	84.8	81.1
1990	82.4	81.6	79.2	84.5	83.7	86.9	86.0	88.2	82.7	80.3
1991	79.6	78.3	74.8	82.4	81.5	84.9	86.8	85.5	79.7	77.7
1992	80.3	79.4	76.9	82.5	80.9	84.4	85.2	85.5	81.2	77.8
1993	81.4	80.3	78.7	82.3	81.9	85.8	87.7	85.7	83.6	77.8
1994	83.6	82.8	82.0	83.9	81.9	87.6	88.8	87.8	86.6	79.1
1995	84.0	83.1	82.6	83.9	82.2	87.9	89.9	88.6	86.8	79.5
1996	83.1	81.9	81.6	82.5	80.8	90.3	90.4	88.4	85.7	78.7
1997	83.9	83.0	82.7	83.2	84.6	91.2	89.1	90.2	85.9	80.1
1998	82.8	81.7	81.1	82.0	86.5	89.0	91.2	87.3	84.0	80.5
1999	81.9	80.8	80.6	80.4	86.9	86.1	92.5	86.6	84.1	78.5
2000	81.7	80.1	80.1	79.1	88.0	90.8	92.4	88.2	84.3	77.0
2001	76.1	73.9	71.6	75.7	83.5	91.1	88.9	85.3	77.6	72.4
2002	74.8	73.0	69.7	76.2	82.3	86.4	87.7	82.9	77.2	70.6
2003	76.1	74.2	71.3	77.0	82.8	88.2	86.3	84.6	78.3	71.7
2004	78.1	76.6	74.0	78.9	84.8	88.2	84.9	86.5	80.7	73.1
2005	80.2	78.8	76.4	80.8	85.9	87.9	86.0	86.4	82.6	75.5
2006 *P*	81.8	80.4	79.0	81.8	83.9	90.6	85.6	88.6	83.6	77.6
2005: Jan	79.6	78.2	75.2	80.7	87.3	89.2	84.2	88.2	81.8	74.6
Feb	80.0	78.6	75.8	81.0	86.2	90.7	84.2	89.7	81.8	75.2
Mar	79.9	78.3	75.4	80.9	86.4	89.8	85.5	89.3	81.9	74.8
Apr	79.9	78.4	75.5	80.9	85.9	90.1	84.9	89.1	82.0	74.7
May	80.2	78.7	75.8	81.2	86.8	89.9	84.3	88.6	82.0	75.4
June	80.6	78.9	76.0	81.5	85.9	90.2	87.2	88.5	82.7	75.6
July	80.5	78.8	75.9	81.5	85.3	89.7	87.4	88.6	82.7	75.4
Aug	80.7	79.0	76.6	81.0	85.4	89.4	87.6	87.8	82.9	75.6
Sept	79.2	78.1	76.6	79.1	85.5	80.8	87.5	77.7	82.9	75.3
Oct	80.0	79.2	78.2	79.4	86.2	81.4	86.2	79.4	83.1	76.4
Nov	80.7	79.7	78.2	80.9	84.7	85.9	85.4	83.9	83.4	76.5
Dec	81.3	79.8	78.0	81.4	84.7	87.8	87.9	85.6	83.9	76.7
2006: Jan	81.1	80.3	78.4	82.0	84.8	89.5	80.4	87.4	83.1	76.7
Feb	81.1	79.9	78.1	81.5	83.8	89.3	84.4	87.2	83.4	76.4
Mar	81.4	80.1	78.5	81.5	83.9	89.4	85.7	87.3	83.6	76.9
Apr	81.9	80.7	79.4	81.7	84.9	90.4	85.4	88.2	83.8	77.8
May	81.7	80.3	79.0	81.5	83.9	91.2	85.5	88.9	83.6	77.2
June	82.3	80.8	79.5	82.1	84.0	91.5	86.8	89.2	84.3	77.7
July	82.4	80.9	79.5	82.3	83.9	91.3	87.6	89.5	84.5	77.9
Aug	82.4	81.1	79.8	82.3	82.9	90.2	87.5	89.2	84.4	78.0
Sept	82.0	80.9	79.3	82.5	83.0	91.2	83.9	89.6	83.5	78.0
Oct *P*	81.8	80.2	78.5	81.7	84.6	91.1	87.6	89.2	83.3	77.7
Nov *P*	81.6	80.0	78.5	81.4	83.6	90.7	87.6	88.9	82.7	78.1
Dec *P*	81.8	80.4	79.1	81.6	83.6	91.3	85.1	89.1	82.5	78.6

[1] Output as percent of capacity.

[2] See footnote 1 and Note, Table B–51.

Source: Board of Governors of the Federal Reserve System.

TABLE B–55.—*New construction activity, 1964–2006*

[Value put in place, billions of dollars; monthly data at seasonally adjusted annual rates]

Year or month	Total new construction	Private construction									Public construction		
		Total	Residential buildings[1]		Nonresidential buildings and other construction						Total	Federal	State and local
			Total[2]	New housing units[3]	Total	Lodging	Office	Commercial[4]	Manufacturing	Other[5]			
1964	75.1	54.9	30.5	24.1	24.4	.....	.....	.....	.....	.....	20.2	3.7	16.5
1965	81.9	60.0	30.2	23.8	29.7	.....	.....	.....	.....	.....	21.9	3.9	18.0
1966	85.8	61.9	28.6	21.8	33.3	.....	.....	.....	.....	.....	23.8	3.8	20.0
1967	87.2	61.8	28.7	21.5	33.1	.....	.....	.....	.....	.....	25.4	3.3	22.1
1968	96.8	69.4	34.2	26.7	35.2	.....	.....	.....	.....	.....	27.4	3.2	24.2
1969	104.9	77.2	37.2	29.2	39.9	.....	.....	.....	.....	.....	27.8	3.2	24.6
1970	105.9	78.0	35.9	27.1	42.1	.....	.....	.....	.....	.....	27.9	3.1	24.8
1971	122.4	92.7	48.5	38.7	44.2	.....	.....	.....	.....	.....	29.7	3.8	25.9
1972	139.1	109.1	60.7	50.1	48.4	.....	.....	.....	.....	.....	30.0	4.2	25.8
1973	153.8	121.4	65.1	54.6	56.3	.....	.....	.....	.....	.....	32.3	4.7	27.6
1974	155.2	117.0	56.0	43.4	61.1	.....	.....	.....	.....	.....	38.1	5.1	33.0
1975	152.6	109.3	51.6	36.3	57.8	.....	.....	.....	.....	.....	43.3	6.1	37.2
1976	172.1	128.2	68.3	50.8	59.9	.....	.....	.....	.....	.....	44.0	6.8	37.2
1977	200.5	157.4	92.0	72.2	65.4	.....	.....	.....	.....	.....	43.1	7.1	36.0
1978	239.9	189.7	109.8	85.6	79.9	.....	.....	.....	.....	.....	50.1	8.1	42.0
1979	272.9	216.2	116.4	89.3	99.8	.....	.....	.....	.....	.....	56.6	8.6	48.1
1980	273.9	210.3	100.4	69.6	109.9	.....	.....	.....	.....	.....	63.6	9.6	54.0
1981	289.1	224.4	99.2	69.4	125.1	.....	.....	.....	.....	.....	64.7	10.4	54.3
1982	279.3	216.3	84.7	57.0	131.6	.....	.....	.....	.....	.....	63.1	10.0	53.1
1983	311.9	248.4	125.8	95.0	122.6	.....	.....	.....	.....	.....	63.5	10.6	52.9
1984	370.2	300.0	155.0	114.6	144.9	.....	.....	.....	.....	.....	70.2	11.2	59.0
1985	403.4	325.6	160.5	115.9	165.1	.....	.....	.....	.....	.....	77.8	12.0	65.8
1986	433.5	348.9	190.7	135.2	158.2	.....	.....	.....	.....	.....	84.6	12.4	72.2
1987	446.6	356.0	199.7	142.7	156.3	.....	.....	.....	.....	.....	90.6	14.1	76.6
1988	462.0	367.3	204.5	142.4	162.8	.....	.....	.....	.....	.....	94.7	12.3	82.5
1989	477.5	379.3	204.3	143.2	175.1	.....	.....	.....	.....	.....	98.2	12.2	86.0
1990	476.8	369.3	191.1	132.1	178.2	.....	.....	.....	.....	.....	107.5	12.1	95.4
1991	432.6	322.5	166.3	114.6	156.2	.....	.....	.....	.....	.....	110.1	12.8	97.3
1992	463.7	347.8	199.4	135.1	148.4	.....	.....	.....	.....	.....	115.8	14.4	101.5
1993	491.0	375.1	225.1	150.9	150.0	4.6	20.0	34.4	23.4	67.7	116.0	14.4	101.5
1994	539.2	419.0	258.6	176.4	160.4	4.7	20.4	39.6	28.8	66.9	120.2	14.4	105.8
1995	557.8	427.9	247.4	171.4	180.5	7.1	23.0	44.1	35.4	70.9	129.9	15.8	114.2
1996	615.9	476.6	281.1	191.1	195.5	10.9	26.5	49.4	38.1	70.6	139.3	15.3	123.9
1997	653.4	502.7	289.0	198.1	213.7	12.9	32.8	53.1	37.6	77.3	150.7	14.1	136.6
1998	706.3	552.0	314.6	224.0	237.4	14.8	40.4	55.7	40.5	86.0	154.3	14.3	140.0
1999	769.5	599.7	350.6	251.3	249.2	16.0	45.1	59.4	35.1	93.7	169.7	14.0	155.7
2000	835.3	649.8	374.5	265.0	275.3	16.3	52.4	64.1	37.6	104.9	185.5	14.2	171.4
2001	868.3	662.2	388.3	279.4	273.9	14.5	49.7	63.6	37.8	108.2	206.1	15.1	191.0
2002	876.8	659.7	421.9	298.8	237.7	10.5	35.3	59.0	22.7	110.2	217.2	16.6	200.6
2003	926.9	702.9	475.9	345.7	226.9	9.9	30.6	57.5	21.4	107.5	224.0	17.9	206.1
2004	1,034.7	804.2	564.8	417.5	239.4	12.0	32.9	64.1	23.7	106.8	230.5	18.3	212.2
2005	1,143.7	899.0	642.3	481.7	256.7	12.8	36.8	69.1	30.9	107.0	244.7	17.7	227.0
2005: Jan	1,085.1	853.6	605.6	443.2	248.0	12.0	35.9	65.1	28.7	106.3	231.4	17.5	213.9
Feb	1,105.0	868.2	616.7	452.3	251.4	12.5	38.0	65.8	29.0	106.1	236.8	18.0	218.8
Mar	1,119.5	880.5	626.9	457.6	253.5	13.8	36.6	67.5	29.7	106.0	239.1	17.8	221.3
Apr	1,117.0	878.9	627.8	463.9	251.0	13.2	37.4	68.5	29.3	102.6	238.2	16.0	222.2
May	1,137.5	891.9	636.0	472.2	255.8	12.1	37.1	69.7	28.9	108.0	245.6	16.2	229.4
June	1,139.9	891.5	642.2	482.2	249.3	11.6	36.7	67.5	29.3	104.3	248.4	18.2	230.2
July	1,141.2	895.5	646.6	487.3	248.9	11.6	34.9	67.8	29.6	105.0	245.8	18.1	227.7
Aug	1,150.3	902.7	650.8	491.1	252.0	12.4	35.6	69.1	31.6	103.2	247.6	18.2	229.4
Sept	1,162.1	917.3	655.0	497.1	262.4	13.2	37.4	69.7	31.9	110.1	244.7	17.4	227.3
Oct	1,172.6	924.0	659.3	502.0	264.8	13.4	37.0	71.7	33.0	109.7	248.5	18.9	229.6
Nov	1,183.1	931.3	663.1	506.9	268.2	13.5	36.9	72.7	34.0	111.1	251.7	18.3	233.5
Dec	1,194.5	940.2	665.6	509.1	274.6	14.2	39.0	74.8	34.9	111.7	254.3	18.7	235.5
2006: Jan	1,194.5	939.3	661.4	510.5	277.9	14.1	38.4	74.4	34.6	116.4	255.2	19.4	235.8
Feb	1,199.9	940.3	662.6	513.0	277.8	15.5	39.5	72.8	33.4	116.6	259.5	19.6	240.0
Mar	1,212.4	948.7	664.2	513.7	284.5	16.9	39.3	73.9	35.3	119.1	263.7	19.9	243.8
Apr	1,214.4	948.5	657.8	502.6	290.7	18.7	40.2	74.9	37.1	119.8	266.0	18.4	247.6
May	1,209.2	939.2	647.2	490.5	292.0	19.6	41.2	76.0	36.1	119.1	270.0	17.7	252.3
June	1,209.2	937.2	639.4	478.9	297.8	19.7	42.0	76.4	38.0	121.5	272.1	17.3	254.8
July	1,200.2	930.3	627.3	466.7	303.0	20.4	45.5	76.9	36.3	124.0	270.0	17.8	252.2
Aug	1,199.9	929.6	617.5	454.3	312.1	20.5	47.6	77.3	40.5	126.1	270.4	18.0	252.3
Sept	1,190.7	920.1	609.6	446.0	310.5	20.6	47.5	79.6	38.5	124.2	270.6	17.5	253.0
Oct[p]	1,186.7	911.0	599.0	433.4	312.0	22.2	47.8	79.6	37.4	124.9	275.7	19.8	255.9
Nov[p]	1,184.1	905.8	589.3	422.6	316.5	23.1	48.3	80.7	37.9	126.4	278.4	19.7	258.7

[1] Includes farm residential buildings.
[2] Includes residential improvements, not shown separately.
[3] New single- and multi-family units.
[4] Including farm.
[5] Health care, educational, religious, public safety, amusement and recreation, transportation, communication, power, highway and street, sewage and waste disposal, water supply, and conservation and development.

Note.—Data beginning 1993 reflect reclassification.

Source: Department of Commerce, Bureau of the Census.

TABLE B–56.—*New private housing units started, authorized, completed and houses sold, 1959–2006*

[Thousands; monthly data at seasonally adjusted annual rates]

Year or month	New housing units started				New housing units authorized [1]				New housing units completed	New houses sold
	Type of structure				Type of structure					
	Total	1 unit	2 to 4 units [2]	5 units or more	Total	1 unit	2 to 4 units	5 units or more		
1959	1,517.0	1,234.0	283.0		1,208.3	938.3	77.1	192.9	.....	.....
1960	1,252.2	994.7	257.5		998.0	746.1	64.6	187.4	.....	.....
1961	1,313.0	974.3	338.7		1,064.2	722.8	67.6	273.8	.....	.....
1962	1,462.9	991.4	471.5		1,186.6	716.2	87.1	383.3	.....	.....
1963	1,603.2	1,012.4	590.8		1,334.7	750.2	118.9	465.6	.....	560
1964	1,528.8	970.5	108.3	450.0	1,285.8	720.1	100.8	464.9	.....	565
1965	1,472.8	963.7	86.7	422.5	1,240.6	709.9	84.8	445.9	.....	575
1966	1,164.9	778.6	61.2	325.1	971.9	563.2	61.0	347.7	.....	461
1967	1,291.6	843.9	71.7	376.1	1,141.0	650.6	73.0	417.5	.....	487
1968	1,507.6	899.4	80.7	527.3	1,353.4	694.7	84.3	574.4	1,319.8	490
1969	1,466.8	810.6	85.1	571.2	1,322.3	624.8	85.2	612.4	1,399.0	448
1970	1,433.6	812.9	84.9	535.9	1,351.5	646.8	88.1	616.7	1,418.4	485
1971	2,052.2	1,151.0	120.5	780.9	1,924.6	906.1	132.9	885.7	1,706.1	656
1972	2,356.6	1,309.2	141.2	906.2	2,218.9	1,033.1	148.6	1,037.2	2,003.9	718
1973	2,045.3	1,132.0	118.2	795.0	1,819.5	882.1	117.0	820.5	2,100.5	634
1974	1,337.7	888.1	68.0	381.6	1,074.4	643.8	64.3	366.2	1,728.5	519
1975	1,160.4	892.2	64.0	204.3	939.2	675.5	63.9	199.8	1,317.2	549
1976	1,537.5	1,162.4	85.8	289.2	1,296.2	893.6	93.1	309.5	1,377.2	646
1977	1,987.1	1,450.9	121.7	414.4	1,690.0	1,126.1	121.3	442.7	1,657.1	819
1978	2,020.3	1,433.3	125.1	462.0	1,800.5	1,182.6	130.6	487.3	1,867.5	817
1979	1,745.1	1,194.1	122.0	429.0	1,551.8	981.5	125.4	444.8	1,870.8	709
1980	1,292.2	852.2	109.5	330.5	1,190.6	710.4	114.5	365.7	1,501.6	545
1981	1,084.2	705.4	91.2	287.7	985.5	564.3	101.8	319.4	1,265.7	436
1982	1,062.2	662.6	80.1	319.6	1,000.5	546.4	88.3	365.8	1,005.5	412
1983	1,703.0	1,067.6	113.5	522.0	1,605.2	901.5	133.6	570.1	1,390.3	623
1984	1,749.5	1,084.2	121.4	543.9	1,681.8	922.4	142.6	616.8	1,652.2	639
1985	1,741.8	1,072.4	93.5	576.0	1,733.3	956.6	120.1	656.6	1,703.3	688
1986	1,805.4	1,179.4	84.0	542.0	1,769.4	1,077.6	108.4	583.5	1,756.4	750
1987	1,620.5	1,146.4	65.1	408.7	1,534.8	1,024.4	89.3	421.1	1,668.8	671
1988	1,488.1	1,081.3	58.7	348.0	1,455.6	993.8	75.7	386.1	1,529.8	676
1989	1,376.1	1,003.3	55.3	317.6	1,338.4	931.7	67.0	339.8	1,422.8	650
1990	1,192.7	894.8	37.6	260.4	1,110.8	793.9	54.3	262.6	1,308.0	534
1991	1,013.9	840.4	35.6	137.9	948.8	753.5	43.1	152.1	1,090.8	509
1992	1,199.7	1,029.9	30.9	139.0	1,094.9	910.7	45.8	138.4	1,157.5	610
1993	1,287.6	1,125.7	29.4	132.6	1,199.1	986.5	52.3	160.2	1,192.7	666
1994	1,457.0	1,198.4	35.2	223.5	1,371.6	1,068.5	62.2	241.0	1,346.9	670
1995	1,354.1	1,076.2	33.8	244.1	1,332.5	997.3	63.7	271.5	1,312.6	667
1996	1,476.8	1,160.9	45.3	270.8	1,425.6	1,069.5	65.8	290.3	1,412.9	757
1997	1,474.0	1,133.7	44.5	295.8	1,441.1	1,062.4	68.5	310.3	1,400.5	804
1998	1,616.9	1,271.4	42.6	302.9	1,612.3	1,187.6	69.2	355.5	1,474.2	886
1999	1,640.9	1,302.4	31.9	306.6	1,663.5	1,246.7	65.8	351.1	1,604.9	880
2000	1,568.7	1,230.9	38.7	299.1	1,592.3	1,198.1	64.9	329.3	1,573.7	877
2001	1,602.7	1,273.3	36.6	292.8	1,636.7	1,235.6	66.0	335.2	1,570.8	908
2002	1,704.9	1,358.6	38.5	307.9	1,747.7	1,332.6	73.7	341.4	1,648.4	973
2003	1,847.7	1,499.0	33.5	315.2	1,889.2	1,460.9	82.5	345.8	1,678.7	1,086
2004	1,955.8	1,610.5	42.3	303.0	2,070.1	1,613.4	90.4	366.2	1,841.9	1,203
2005	2,068.3	1,715.8	41.1	311.4	2,155.3	1,682.0	84.0	389.3	1,931.4	1,283
2006 *p*	1,800.7	1,463.7	43.9	293.0	1,837.3	1,380.0	77.3	380.0	1,978.2	1,061
2005: Jan	2,137	1,736	46	355	2,144	1,651	79	414	1,891	1,193
Feb	2,213	1,796	52	365	2,121	1,636	89	396	1,899	1,252
Mar	1,856	1,578	34	244	2,084	1,600	80	404	1,775	1,324
Apr	2,079	1,680	48	351	2,177	1,671	76	430	1,923	1,270
May	2,034	1,717	37	280	2,111	1,669	82	360	2,089	1,311
June	2,078	1,724	38	316	2,188	1,690	86	412	1,977	1,272
July	2,070	1,740	36	294	2,206	1,722	99	385	1,883	1,367
Aug	2,075	1,713	43	319	2,205	1,706	87	412	1,954	1,271
Sept	2,158	1,790	58	310	2,240	1,778	87	375	1,944	1,253
Oct	2,046	1,726	33	287	2,131	1,717	81	333	1,967	1,346
Nov	2,131	1,795	38	298	2,191	1,716	81	394	1,909	1,236
Dec	2,002	1,633	31	338	2,107	1,642	84	381	1,953	1,259
2006: Jan	2,265	1,814	27	424	2,195	1,664	103	428	2,044	1,173
Feb	2,132	1,812	35	285	2,147	1,624	87	436	2,038	1,038
Mar	1,972	1,615	36	321	2,085	1,555	83	447	2,203	1,121
Apr	1,832	1,524	56	252	1,973	1,497	72	404	2,043	1,121
May	1,953	1,587	51	315	1,946	1,488	84	374	1,905	1,101
June	1,833	1,478	44	311	1,869	1,404	67	398	2,043	1,078
July	1,760	1,445	83	232	1,763	1,325	85	353	1,946	979
Aug	1,659	1,365	41	253	1,727	1,284	74	369	1,888	1,021
Sept	1,724	1,393	29	302	1,638	1,219	72	347	2,038	1,022
Oct	1,478	1,187	39	252	1,553	1,181	67	305	1,928	995
Nov *p*	1,572	1,282	22	268	1,513	1,150	62	301	1,893	1,069
Dec *p*	1,642	1,230	62	350	1,613	1,168	75	370	1,900	1,120

[1] Authorized by issuance of local building permits in permit-issuing places: beginning 2004, 20,000 places; 19,000 for 1994–2003; 17,000 for 1984–93; 16,000 for 1978–83; 14,000 for 1972–77; 13,000 for 1967–71; 12,000 for 1963–66; and 10,000 prior to 1963.

[2] Monthly data derived.

Note.—Data beginning 1999 for new housing units started and completed and for new houses sold are based on new estimation methods and are not directly comparable with earlier data.

Source: Department of Commerce, Bureau of the Census.

TABLE B–57.—*Manufacturing and trade sales and inventories, 1967–2006*

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	Total manufacturing and trade			Manufacturing			Merchant wholesalers			Retail trade			Retail and food services sales
	Sales[1]	Inventories[2]	Ratio[3]	Sales[1]	Inventories[2]	Ratio[3]	Sales[1]	Inventories[2]	Ratio[3]	Sales[1,4]	Inventories[2]	Ratio[3]	
SIC:[5]													
1967	90,820	145,681	1.60	46,486	84,646	1.82	19,576	25,786	1.32	24,757	35,249	1.42	.....
1968	98,685	156,611	1.59	50,229	90,560	1.80	21,012	27,166	1.29	27,445	38,885	1.42	.....
1969	105,690	170,400	1.61	53,501	98,145	1.83	22,818	29,800	1.31	29,371	42,455	1.45	.....
1970	108,221	178,594	1.65	52,805	101,599	1.92	24,167	33,354	1.38	31,249	43,641	1.40	.....
1971	116,895	188,991	1.62	55,906	102,567	1.83	26,492	36,568	1.38	34,497	49,856	1.45	.....
1972	131,081	203,227	1.55	63,027	108,121	1.72	29,866	40,297	1.35	38,189	54,809	1.44	.....
1973	153,677	234,406	1.53	72,931	124,499	1.71	38,115	46,918	1.23	42,631	62,989	1.48	.....
1974	177,912	287,144	1.61	84,790	157,625	1.86	47,982	58,667	1.22	45,141	70,852	1.57	.....
1975	182,198	288,992	1.59	86,589	159,708	1.84	46,634	57,774	1.24	48,975	71,510	1.46	.....
1976	204,150	318,345	1.56	98,797	174,636	1.77	50,698	64,622	1.27	54,655	79,087	1.45	.....
1977	229,513	350,706	1.53	113,201	188,378	1.66	56,136	73,179	1.30	60,176	89,149	1.48	.....
1978	260,320	400,931	1.54	126,905	211,691	1.67	66,413	86,934	1.31	67,002	102,306	1.53	.....
1979	297,701	452,640	1.52	143,936	242,157	1.68	79,051	99,679	1.26	74,713	110,804	1.48	.....
1980	327,233	508,924	1.56	154,391	265,215	1.72	93,099	122,631	1.32	79,743	121,078	1.52	.....
1981	355,822	545,786	1.53	168,129	283,413	1.69	101,180	129,654	1.28	86,514	132,719	1.53	.....
1982	347,625	573,908	1.67	163,351	311,852	1.95	95,211	127,428	1.36	89,062	134,628	1.49	.....
1983	369,286	590,287	1.56	172,547	312,379	1.78	99,225	130,075	1.28	97,514	147,833	1.44	.....
1984	410,124	649,780	1.53	190,682	339,516	1.73	112,199	142,452	1.23	107,243	167,812	1.49	.....
1985	422,583	664,039	1.56	194,538	334,749	1.73	113,459	147,409	1.28	114,586	181,881	1.52	.....
1986	430,419	662,738	1.55	194,657	322,654	1.68	114,960	153,574	1.32	120,803	186,510	1.56	.....
1987	457,735	709,848	1.50	206,326	338,109	1.59	122,968	163,903	1.29	128,442	207,836	1.55	.....
1988	497,157	767,222	1.49	224,619	369,374	1.57	134,521	178,801	1.30	138,017	219,047	1.54	.....
1989	527,039	815,455	1.52	236,698	391,212	1.63	143,760	187,009	1.28	146,581	237,234	1.58	.....
1990	545,909	840,594	1.52	242,686	405,073	1.65	149,506	195,833	1.29	153,718	239,688	1.56	.....
1991	542,815	834,609	1.53	239,847	390,950	1.65	148,306	200,448	1.33	154,661	243,211	1.54	.....
1992	567,176	842,809	1.48	250,394	382,510	1.54	154,150	208,302	1.32	162,632	251,997	1.52	.....
NAICS:[5]													
1992	540,573	837,183	1.52	242,002	378,900	1.57	147,261	196,914	1.31	151,310	261,369	1.67	168,261
1993	567,580	864,197	1.50	251,708	379,829	1.51	154,018	204,842	1.30	161,854	279,526	1.68	179,858
1994	610,253	927,507	1.46	269,843	400,087	1.44	164,575	221,978	1.29	175,835	305,442	1.66	194,638
1995	655,097	986,349	1.48	289,973	425,032	1.44	179,915	238,392	1.29	185,209	322,925	1.72	204,677
1996	687,350	1,005,672	1.46	299,766	430,679	1.43	190,362	241,078	1.27	197,222	333,915	1.67	217,463
1997	723,879	1,046,857	1.42	319,558	443,768	1.37	198,154	258,496	1.26	206,167	344,593	1.64	227,670
1998	742,837	1,078,775	1.43	324,984	449,216	1.38	202,260	272,292	1.32	215,592	357,267	1.62	238,278
1999	786,634	1,139,249	1.40	335,991	463,744	1.35	216,597	290,418	1.30	234,046	385,087	1.59	257,797
2000	834,325	1,198,691	1.41	350,715	481,847	1.35	234,546	309,809	1.29	249,063	407,035	1.59	274,518
2001	822,982	1,141,227	1.43	335,242	447,881	1.39	232,096	298,380	1.32	255,644	394,966	1.58	282,131
2002	827,925	1,158,450	1.38	330,437	439,473	1.32	236,294	302,478	1.26	261,194	416,499	1.55	288,845
2003	849,990	1,147,101	1.35	331,010	406,816	1.27	246,857	308,017	1.23	272,123	432,268	1.56	301,264
2004	919,420	1,234,297	1.30	354,934	434,863	1.19	274,710	338,232	1.18	289,776	461,202	1.56	320,812
2005	984,511	1,287,998	1.28	378,737	452,049	1.18	295,843	362,084	1.19	309,932	473,865	1.50	342,985
2005: Jan	955,622	1,244,547	1.30	370,898	440,532	1.19	286,021	342,184	1.20	298,703	461,831	1.55	330,643
Feb	954,464	1,250,290	1.31	366,998	442,953	1.21	295,899	344,060	1.20	301,567	463,277	1.54	333,908
Mar	962,516	1,254,693	1.30	373,656	445,178	1.19	286,566	344,946	1.20	302,294	464,569	1.54	334,358
Apr	970,233	1,259,077	1.30	372,619	445,674	1.20	290,603	348,130	1.20	307,011	465,273	1.52	339,841
May	972,103	1,260,158	1.30	376,001	444,876	1.18	290,366	348,632	1.20	305,736	466,650	1.53	338,488
June	977,862	1,259,431	1.29	374,870	444,891	1.19	291,648	350,654	1.20	311,344	463,886	1.49	344,293
July	987,959	1,254,982	1.27	375,769	447,555	1.19	294,591	350,968	1.19	317,599	456,459	1.44	350,635
Aug	994,942	1,259,475	1.27	384,246	446,434	1.16	298,211	352,472	1.18	312,485	460,569	1.47	345,648
Sept	1,001,221	1,266,275	1.26	383,109	446,221	1.16	305,146	355,220	1.16	312,966	464,834	1.49	346,437
Oct	1,009,800	1,272,910	1.26	385,959	449,332	1.16	309,534	356,974	1.15	314,307	466,604	1.48	348,095
Nov	1,010,789	1,279,477	1.27	387,360	449,992	1.16	307,100	358,646	1.17	316,329	470,839	1.49	350,460
Dec	1,021,258	1,287,998	1.26	394,485	452,049	1.15	309,975	362,084	1.17	316,798	473,865	1.50	351,025
2006: Jan	1,035,640	1,294,384	1.25	397,247	456,157	1.15	311,990	362,729	1.16	326,403	475,498	1.46	361,743
Feb	1,027,729	1,295,158	1.26	391,045	454,016	1.16	312,846	365,838	1.17	323,838	475,304	1.47	358,675
Mar	1,036,587	1,304,786	1.26	394,896	457,914	1.16	315,710	367,871	1.17	325,981	479,001	1.47	361,190
Apr	1,043,191	1,313,526	1.26	394,480	462,308	1.17	320,342	372,676	1.16	328,369	478,542	1.46	363,611
May	1,059,577	1,328,018	1.25	404,199	465,617	1.15	326,407	376,048	1.15	328,971	486,353	1.48	364,343
June	1,061,409	1,339,593	1.26	403,835	470,001	1.16	330,366	379,097	1.15	327,208	490,495	1.50	362,439
July	1,067,161	1,348,329	1.26	403,287	473,717	1.17	331,886	382,384	1.15	331,988	492,228	1.48	367,415
Aug	1,072,622	1,357,069	1.27	406,519	476,356	1.17	334,528	387,251	1.16	331,575	493,462	1.49	367,491
Sept	1,047,878	1,361,086	1.30	389,406	479,304	1.23	329,432	389,874	1.18	329,040	491,908	1.49	365,319
Oct	1,045,932	1,363,316	1.30	389,653	480,864	1.23	328,188	391,575	1.19	328,091	490,877	1.50	364,538
Nov[P]	1,051,382	1,368,239	1.30	390,010	481,944	1.24	331,317	396,654	1.20	330,055	489,641	1.48	366,633

[1] Annual data are averages of monthly not seasonally adjusted figures.

[2] Seasonally adjusted, end of period. Inventories beginning January 1982 for manufacturing and December 1980 for wholesale and retail trade are not comparable with earlier periods.

[3] Inventory/sales ratio. Annual data are: beginning 1982, averages of monthly ratios; for 1967–81, ratio of December inventories to monthly average sales for the year. Monthly ratios are inventories at end of month to sales for month.

[4] Food services included on SIC basis and excluded on NAICS basis. See last column for retail and food services sales.

[5] Effective in 2001, data classified based on North American Industry Classification System (NAICS). Data on NAICS basis available beginning 1992. Earlier data based on Standard Industrial Classification (SIC).

Data include semiconductors.

Source: Department of Commerce, Bureau of the Census.

TABLE B–58.—*Manufacturers' shipments and inventories, 1967–2006*

[Millions of dollars; monthly data seasonally adjusted]

Year or month	Shipments[1]			Inventories[2]								
					Durable goods industries				Nondurable goods industries			
	Total	Durable goods industries	Nondurable goods industries	Total	Total	Materials and supplies	Work in process	Finished goods	Total	Materials and supplies	Work in process	Finished goods
SIC:[3]												
1967	46,486	25,233	21,253	84,646	54,896	16,423	24,933	13,540	29,750	11,760	4,431	13,559
1968	50,229	27,624	22,605	90,560	58,732	17,344	27,213	14,175	31,828	12,328	4,852	14,648
1969	53,501	29,403	24,098	98,145	64,598	18,636	30,282	15,680	33,547	12,753	5,120	15,674
1970	52,805	28,156	24,649	101,599	66,651	19,149	29,745	17,757	34,948	13,168	5,271	16,509
1971	55,906	29,924	25,982	102,567	66,136	19,679	28,550	17,907	36,431	13,686	5,678	17,067
1972	63,027	33,987	29,040	108,121	70,067	20,807	30,713	18,547	38,054	14,677	5,998	17,379
1973	72,931	39,635	33,296	124,499	81,192	25,944	35,490	19,758	43,307	18,147	6,729	18,431
1974	84,790	44,173	40,617	157,625	101,493	35,070	42,530	23,893	56,132	23,744	8,189	24,199
1975	86,589	43,598	42,991	159,708	102,590	33,903	43,227	25,460	57,118	23,565	8,834	24,719
1976	98,797	50,623	48,174	174,636	111,988	37,457	46,074	28,457	62,648	25,847	9,929	26,872
1977	113,201	59,168	54,033	188,378	120,877	40,186	50,226	30,465	67,501	27,387	10,961	29,153
1978	126,905	67,731	59,174	211,691	138,181	45,198	58,848	34,135	73,510	29,619	12,085	31,806
1979	143,936	75,927	68,009	242,157	160,734	52,670	69,325	38,739	81,423	32,814	13,910	34,699
1980	154,391	77,419	76,972	265,215	174,788	55,173	76,945	42,670	90,427	36,606	15,884	37,937
1981	168,129	83,727	84,402	283,413	186,443	57,998	80,998	47,447	96,970	38,165	16,194	42,611
1982	163,351	79,212	84,139	311,852	200,444	59,136	86,707	54,601	111,408	44,039	18,612	48,757
1983	172,547	85,481	87,066	312,379	199,854	60,325	86,899	52,630	112,525	44,816	18,691	49,018
1984	190,682	97,940	92,742	339,516	221,330	66,031	98,251	57,048	118,186	45,692	19,328	53,166
1985	194,538	101,279	93,259	334,749	218,193	63,904	98,162	56,127	116,556	44,106	19,442	53,008
1986	194,657	103,238	91,419	322,654	211,997	61,331	97,000	53,666	110,657	42,335	18,124	50,198
1987	206,326	108,128	98,198	338,109	220,799	63,562	102,393	54,844	117,310	45,319	19,270	52,721
1988	224,619	118,458	106,161	369,374	242,468	69,611	112,958	59,899	126,906	49,396	20,559	56,951
1989	236,698	123,158	113,540	391,212	257,513	72,435	122,251	62,827	133,699	50,674	21,653	61,372
1990	242,686	123,776	118,910	405,073	263,209	73,559	124,130	65,520	141,864	52,645	22,817	66,402
1991	239,847	121,000	118,847	390,950	250,019	70,834	114,960	64,225	140,931	53,011	22,815	65,105
1992	250,394	128,489	121,905	382,510	238,105	69,459	104,424	64,222	144,405	54,007	23,532	66,866
NAICS:[3]												
1992	242,002	126,572	115,430	378,900	238,162	69,787	104,152	64,223	140,738	53,201	23,330	64,207
1993	251,708	133,712	117,996	379,829	238,781	72,705	101,917	64,159	141,048	54,310	23,327	63,411
1994	269,843	147,005	122,838	400,087	253,185	78,615	106,470	68,100	146,902	57,189	24,411	65,302
1995	289,973	158,568	131,405	425,032	267,472	85,534	106,601	75,337	157,560	60,774	25,781	71,005
1996	299,766	164,883	134,883	430,679	272,595	86,294	110,499	75,802	158,084	59,141	26,466	72,477
1997	319,558	178,949	140,610	443,768	281,154	92,357	109,879	78,918	162,614	60,185	28,506	73,923
1998	324,984	185,966	139,019	449,216	290,765	93,682	115,156	81,927	158,451	58,222	27,069	73,160
1999	335,991	193,895	142,096	463,744	296,615	98,003	114,057	84,555	167,129	61,073	28,768	77,288
2000	350,715	197,807	152,908	481,847	306,889	106,307	111,166	89,416	174,958	61,469	30,053	83,436
2001	335,242	183,592	151,650	447,881	279,825	94,346	103,378	82,101	168,056	58,200	27,541	82,315
2002	330,437	180,703	149,734	439,473	272,146	88,990	99,617	83,539	167,327	55,822	29,613	81,892
2003	331,010	177,520	153,490	406,816	246,840	81,676	89,223	75,941	159,976	56,365	26,952	76,659
2004	354,934	187,660	167,274	434,863	263,936	91,915	90,438	81,583	170,927	59,758	28,673	82,496
2005	378,737	198,781	179,956	452,049	273,123	94,076	94,817	84,230	178,926	63,405	28,097	87,424
2005: Jan	370,898	195,828	175,070	440,532	267,152	93,406	91,209	82,537	173,380	60,532	28,155	84,693
Feb	366,998	193,084	173,914	442,953	268,951	93,187	92,413	83,351	174,002	60,627	28,756	84,619
Mar	373,656	194,324	179,332	445,178	269,998	93,501	92,116	84,381	175,180	61,248	29,187	84,745
Apr	372,619	195,263	177,356	445,674	270,107	93,724	91,755	84,628	175,567	61,391	28,458	85,718
May	376,001	196,826	179,175	444,876	270,748	93,733	92,160	84,855	174,128	61,440	27,664	85,024
June	374,870	196,360	178,510	444,891	269,244	93,475	91,672	84,097	175,647	61,432	28,027	86,188
July	375,769	195,197	180,572	447,555	271,254	93,263	92,990	85,001	176,301	61,566	27,896	86,839
Aug	384,246	200,373	183,873	446,434	270,358	92,842	92,218	85,298	176,076	61,986	27,903	86,187
Sept	383,109	200,206	182,903	446,221	270,229	93,124	92,707	84,398	175,992	61,718	28,072	86,202
Oct	385,959	203,274	182,685	449,332	271,604	93,335	93,513	84,756	177,728	62,222	28,584	86,922
Nov	387,360	204,068	183,292	449,992	273,273	94,022	93,997	85,254	176,719	61,707	28,590	86,422
Dec	394,485	210,500	183,985	452,049	273,123	94,076	94,817	84,230	178,926	63,405	28,097	87,424
2006: Jan	397,247	207,805	189,442	456,157	274,309	93,324	95,514	85,471	181,848	63,671	29,466	88,711
Feb	391,045	208,362	182,683	454,016	273,012	93,462	94,596	84,954	181,004	63,552	28,390	89,062
Mar	394,896	209,008	185,888	457,914	275,685	94,708	96,033	84,944	182,229	63,726	28,601	89,902
Apr	394,480	206,474	188,006	462,308	278,885	95,718	97,824	85,343	183,423	63,907	29,324	90,192
May	404,199	212,676	191,523	465,617	280,856	96,474	98,749	85,633	184,761	65,284	28,491	90,986
June	403,835	212,998	190,837	470,001	283,293	97,106	99,686	86,501	186,708	65,129	29,924	91,655
July	403,287	210,220	193,067	473,717	286,383	98,643	100,188	87,552	187,334	65,380	29,968	91,986
Aug	406,519	214,555	191,964	476,356	288,246	99,878	99,572	88,796	188,110	65,752	30,084	92,274
Sept	389,406	208,774	180,632	479,304	291,562	100,487	101,486	89,589	187,742	65,233	29,840	92,669
Oct	389,653	209,145	180,508	480,864	293,841	101,359	102,558	89,924	187,023	63,669	30,203	93,151
Nov[p]	390,010	209,485	180,525	481,944	294,599	101,444	102,755	90,400	187,345	63,978	30,273	93,094

[1] Annual data are averages of monthly not seasonally adjusted figures.

[2] Seasonally adjusted, end of period. Data beginning 1982 are not comparable with earlier data.

[3] Effective in 2001, data classified based on North American Industry Classification System (NAICS). Data on NAICS basis available beginning 1992. Earlier data based on Standard Industrial Classification (SIC).

Data include semiconductors.

Source: Department of Commerce, Bureau of the Census.

TABLE B–59.—*Manufacturers' new and unfilled orders, 1967–2006*

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	New orders[1]				Unfilled orders[2]			Unfilled orders—shipments ratio[2]		
	Total	Durable goods industries		Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries
		Total	Capital goods, non-defense							
SIC:[3]										
1967	47,067	25,803		21,265	103,711	99,735	3,976	3.66	4.37	0.73
1968	50,657	28,051	6,314	22,606	108,377	104,393	3,984	3.79	4.58	.69
1969	53,990	29,876	7,046	24,114	114,341	110,161	4,180	3.71	4.45	.69
1970	52,022	27,340	6,072	24,682	105,008	100,412	4,596	3.61	4.36	.76
1971	55,921	29,905	6,682	26,016	105,247	100,225	5,022	3.32	4.00	.76
1972	64,182	35,038	7,745	29,144	119,349	113,034	6,315	3.26	3.85	.86
1973	76,003	42,627	9,926	33,376	156,561	149,204	7,357	3.80	4.51	.91
1974	87,327	46,862	11,594	40,465	187,043	181,519	5,524	4.09	4.93	.62
1975	85,139	41,957	9,886	43,181	169,546	161,664	7,882	3.69	4.45	.82
1976	99,513	51,307	11,490	48,206	178,128	169,857	8,271	3.24	3.88	.74
1977	115,109	61,035	13,681	54,073	202,024	193,323	8,701	3.24	3.85	.71
1978	131,629	72,278	17,588	59,351	259,169	248,281	10,888	3.57	4.20	.81
1979	147,604	79,483	21,154	68,121	303,593	291,321	12,272	3.89	4.62	.82
1980	156,359	79,392	21,135	76,967	327,416	315,202	12,214	3.85	4.58	.75
1981	168,025	83,654	21,806	84,371	326,547	314,707	11,840	3.87	4.68	.69
1982	162,140	78,064	19,213	84,077	311,887	300,798	11,089	3.84	4.74	.62
1983	175,451	88,140	19,624	87,311	347,273	333,114	14,159	3.53	4.29	.69
1984	192,879	100,164	23,669	92,715	373,529	359,651	13,878	3.60	4.37	.64
1985	195,706	102,356	24,545	93,351	387,196	372,097	15,099	3.67	4.47	.68
1986	195,204	103,647	23,982	91,557	393,515	376,699	16,816	3.59	4.41	.70
1987	209,389	110,809	26,094	98,579	430,426	408,688	21,738	3.63	4.43	.83
1988	228,270	122,076	31,108	106,194	474,154	452,150	22,004	3.64	4.46	.76
1989	239,572	126,055	32,988	113,516	508,849	487,098	21,751	3.96	4.85	.77
1990	244,507	125,583	33,331	118,924	531,131	509,124	22,007	4.15	5.15	.76
1991	238,805	119,849	30,471	118,957	519,199	495,802	23,397	4.08	5.07	.79
1992	248,212	126,308	31,524	121,905	492,893	469,381	23,512	3.51	4.30	.75
NAICS:[3]										
1992						450,885			4.85	
1993	246,668	128,672	40,681			425,834			4.35	
1994	266,641	143,803	45,175			434,942			4.02	
1995	285,542	154,137	51,011			447,475			3.86	
1996	297,282	162,399	54,066			488,842			4.14	
1997	314,986	174,377	60,697			513,057			4.04	
1998	317,345	178,327	62,133			496,160			3.78	
1999	329,770	187,674	64,392			505,543			3.74	
2000	346,789	193,881	69,278			549,530			4.04	
2001	326,435	174,786	58,232			511,562			4.21	
2002	322,242	172,507	53,927			478,479			4.05	
2003	325,067	171,578	52,263			473,758			3.94	
2004	350,672	183,398	55,381			495,278			3.80	
2005	379,136	199,180	67,149			576,197			4.00	
2005: Jan	362,878	187,808	59,780			494,002			3.74	
Feb	364,034	190,120	60,480			497,135			3.82	
Mar	366,164	186,832	57,938			495,283			3.75	
Apr	366,204	188,848	61,138			495,196			3.74	
May	381,214	202,039	71,923			506,606			3.80	
June	382,988	204,478	68,934			520,750			3.92	
July	373,785	193,213	64,853			525,165			3.98	
Aug	385,870	201,997	68,293			533,449			3.92	
Sept	381,665	198,762	62,793			538,467			4.00	
Oct	387,884	205,199	67,432			546,785			3.96	
Nov	397,596	214,304	80,435			563,614			4.05	
Dec	400,150	216,165	79,966			576,197			4.00	
2006: Jan	389,235	199,793	65,797			574,678			4.06	
Feb	389,720	207,037	68,884			581,518			4.12	
Mar	405,387	219,499	76,888			598,726			4.19	
Apr	397,233	209,227	71,864			607,538			4.26	
May	401,362	209,839	70,435			611,736			4.18	
June	407,504	216,667	71,652			622,040			4.23	
July	403,628	210,561	70,978			629,253			4.26	
Aug	402,609	210,645	69,569			632,139			4.20	
Sept	409,612	228,980	86,687			658,275			4.46	
Oct	390,989	210,481	74,238			667,270			4.58	
Nov*p*	394,339	213,814	73,451			678,593			4.64	

[1] Annual data are averages of monthly not seasonally adjusted figures.

[2] Unfilled orders are seasonally adjusted, end of period. Ratios are unfilled orders at end of period to shipments for period (excludes industries with no unfilled orders). Annual ratios relate to seasonally adjusted data for December.

[3] Effective in 2001, data classified based on North American Industry Classification System (NAICS). Data on NAICS basis available beginning 1992. Earlier data based on the Standard Industrial Classification (SIC).

Data on SIC basis include semiconductors. Data on NAICS basis do not include semiconductors.

Note.—For data beginning 1992 on NAICS basis, since there are no unfilled orders for manufacturers' nondurable goods, manufacturers' nondurable new orders and nondurable shipments are the same (see Table B–58).

Source: Department of Commerce, Bureau of the Census.

TABLE B–60.—*Consumer price indexes for major expenditure classes, 1959–2006*

[For all urban consumers; 1982-84=100, except as noted]

Year or month	All items (CPI-U)	Food and beverages		Apparel	Housing	Transportation	Medical care	Entertainment	Recreation [2]	Education and communication [2]	Other goods and services	Energy [3]
		Total [1]	Food									
1959	29.1	.....	29.7	45.0	.....	29.8	21.5	.....	.....	.....	.....	21.9
1960	29.6	.....	30.0	45.7	.....	29.8	22.3	.....	.....	.....	.....	22.4
1961	29.9	.....	30.4	46.1	.....	30.1	22.9	.....	.....	.....	.....	22.5
1962	30.2	.....	30.6	46.3	.....	30.8	23.5	.....	.....	.....	.....	22.6
1963	30.6	.....	31.1	46.9	.....	30.9	24.1	.....	.....	.....	.....	22.6
1964	31.0	.....	31.5	47.3	.....	31.4	24.6	.....	.....	.....	.....	22.5
1965	31.5	.....	32.2	47.8	.....	31.9	25.2	.....	.....	.....	.....	22.9
1966	32.4	.....	33.8	49.0	.....	32.3	26.3	.....	.....	.....	.....	23.3
1967	33.4	35.0	34.1	51.0	30.8	33.3	28.2	40.7	.....	.....	35.1	23.8
1968	34.8	36.2	35.3	53.7	32.0	34.3	29.9	43.0	.....	.....	36.9	24.2
1969	36.7	38.1	37.1	56.8	34.0	35.7	31.9	45.2	.....	.....	38.7	24.8
1970	38.8	40.1	39.2	59.2	36.4	37.5	34.0	47.5	.....	.....	40.9	25.5
1971	40.5	41.4	40.4	61.1	38.0	39.5	36.1	50.0	.....	.....	42.9	26.5
1972	41.8	43.1	42.1	62.3	39.4	39.9	37.3	51.5	.....	.....	44.7	27.2
1973	44.4	48.8	48.2	64.6	41.2	41.2	38.8	52.9	.....	.....	46.4	29.4
1974	49.3	55.5	55.1	69.4	45.8	45.8	42.4	56.9	.....	.....	49.8	38.1
1975	53.8	60.2	59.8	72.5	50.7	50.1	47.5	62.0	.....	.....	53.9	42.1
1976	56.9	62.1	61.6	75.2	53.8	55.1	52.0	65.1	.....	.....	57.0	45.1
1977	60.6	65.8	65.5	78.6	57.4	59.0	57.0	68.3	.....	.....	60.4	49.4
1978	65.2	72.2	72.0	81.4	62.4	61.7	61.8	71.9	.....	.....	64.3	52.5
1979	72.6	79.9	79.9	84.9	70.1	70.5	67.5	76.7	.....	.....	68.9	65.7
1980	82.4	86.7	86.8	90.9	81.1	83.1	74.9	83.6	.....	.....	75.2	86.0
1981	90.9	93.5	93.6	95.3	90.4	93.2	82.9	90.1	.....	.....	82.6	97.7
1982	96.5	97.3	97.4	97.8	96.9	97.0	92.5	96.0	.....	.....	91.1	99.2
1983	99.6	99.5	99.4	100.2	99.5	99.3	100.6	100.1	.....	.....	101.1	99.9
1984	103.9	103.2	103.2	102.1	103.6	103.7	106.8	103.8	.....	.....	107.9	100.9
1985	107.6	105.6	105.6	105.0	107.7	106.4	113.5	107.9	.....	.....	114.5	101.6
1986	109.6	109.1	109.0	105.9	110.9	102.3	122.0	111.6	.....	.....	121.4	88.2
1987	113.6	113.5	113.5	110.6	114.2	105.4	130.1	115.3	.....	.....	128.5	88.6
1988	118.3	118.2	118.2	115.4	118.5	108.7	138.6	120.3	.....	.....	137.0	89.3
1989	124.0	124.9	125.1	118.6	123.0	114.1	149.3	126.5	.....	.....	147.7	94.3
1990	130.7	132.1	132.4	124.1	128.5	120.5	162.8	132.4	.....	.....	159.0	102.1
1991	136.2	136.8	136.3	128.7	133.6	123.8	177.0	138.4	.....	.....	171.6	102.5
1992	140.3	138.7	137.9	131.9	137.5	126.5	190.1	142.3	.....	.....	183.3	103.0
1993	144.5	141.6	140.9	133.7	141.2	130.4	201.4	145.8	90.7	85.5	192.9	104.2
1994	148.2	144.9	144.3	133.4	144.8	134.3	211.0	150.1	92.7	88.8	198.5	104.6
1995	152.4	148.9	148.4	132.0	148.5	139.1	220.5	153.9	94.5	92.2	206.9	105.2
1996	156.9	153.7	153.3	131.7	152.8	143.0	228.2	159.1	97.4	95.3	215.4	110.1
1997	160.5	157.7	157.3	132.9	156.8	144.3	234.6	162.5	99.6	98.4	224.8	111.5
1998	163.0	161.1	160.7	133.0	160.4	141.6	242.1	.....	101.1	100.3	237.7	102.9
1999	166.6	164.6	164.1	131.3	163.9	144.4	250.6	.....	102.0	101.2	258.3	106.6
2000	172.2	168.4	167.8	129.6	169.6	153.3	260.8	.....	103.3	102.5	271.1	124.6
2001	177.1	173.6	173.1	127.3	176.4	154.3	272.8	.....	104.9	105.2	282.6	129.3
2002	179.9	176.8	176.2	124.0	180.3	152.9	285.6	.....	106.2	107.9	293.2	121.7
2003	184.0	180.5	180.0	120.9	184.8	157.6	297.1	.....	107.5	109.8	298.7	136.5
2004	188.9	186.6	186.2	120.4	189.5	163.1	310.1	.....	108.6	111.6	304.7	151.4
2005	195.3	191.2	190.7	119.5	195.7	173.9	323.2	.....	109.4	113.7	313.4	177.1
2006	201.6	195.7	195.2	119.5	203.2	180.9	336.2	.....	110.9	116.8	321.7	196.9
2005: Jan	190.7	189.5	189.1	116.1	191.8	164.0	316.8	.....	108.9	112.7	309.3	151.9
Feb	191.8	189.3	188.8	118.7	192.7	166.1	319.3	.....	109.0	112.8	310.8	155.2
Mar	193.3	189.6	189.1	123.5	194.1	168.8	320.7	.....	109.0	112.7	311.2	160.8
Apr	194.6	190.7	190.2	123.7	194.4	173.2	321.5	.....	109.2	112.9	311.6	170.9
May	194.4	191.1	190.6	122.4	194.5	172.1	322.2	.....	109.5	112.7	312.5	169.4
June	194.5	190.9	190.4	118.3	195.5	171.8	322.9	.....	109.1	112.8	312.5	171.4
July	195.4	191.3	190.8	113.8	196.6	174.4	324.1	.....	109.1	112.9	314.1	178.5
Aug	196.4	191.3	190.9	115.8	196.9	177.7	323.9	.....	109.3	113.7	314.4	186.6
Sept	198.8	191.8	191.4	120.5	197.0	186.5	324.6	.....	109.7	115.3	315.0	208.0
Oct	199.2	192.5	192.1	122.7	198.4	184.0	326.2	.....	109.9	115.1	315.3	204.3
Nov	197.6	192.8	192.4	121.5	198.5	175.6	328.1	.....	109.8	115.3	316.2	187.6
Dec	196.8	193.2	192.9	117.5	198.3	172.7	328.4	.....	109.7	115.3	317.3	180.0
2006: Jan	198.3	194.5	194.1	114.9	200.0	175.9	329.5	.....	109.9	115.7	318.2	189.5
Feb	198.7	194.4	194.0	116.6	200.5	175.8	332.1	.....	110.2	115.7	319.1	186.4
Mar	199.8	194.5	194.0	122.0	201.3	177.4	333.8	.....	110.6	115.6	320.0	188.6
Apr	201.5	194.2	193.7	123.4	201.7	184.1	334.7	.....	111.1	115.8	320.0	201.4
May	202.5	194.7	194.2	122.4	202.2	187.6	335.6	.....	111.2	115.7	320.2	209.3
June	202.9	195.1	194.5	118.9	203.7	187.3	336.0	.....	111.2	115.9	321.5	211.3
July	203.5	195.6	195.0	113.8	204.7	189.0	337.0	.....	111.3	116.3	321.2	215.1
Aug	203.9	196.0	195.5	116.1	205.1	188.5	337.7	.....	111.3	117.5	321.7	214.7
Sept	202.9	196.7	196.2	121.7	205.0	180.6	338.3	.....	111.1	118.4	323.3	199.1
Oct	201.8	197.5	197.1	123.3	204.4	174.8	339.3	.....	111.2	118.5	324.3	181.3
Nov	201.5	197.2	196.8	121.7	204.5	173.9	340.1	.....	111.2	118.1	324.3	180.4
Dec	201.8	197.4	197.0	118.6	204.8	175.4	340.1	.....	110.8	118.0	326.7	185.2

[1] Includes alcoholic beverages, not shown separately.
[2] December 1997=100.
[3] Household fuels—gas (piped), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc. also included through 1982.
Note.—Data beginning 1983 incorporate a rental equivalence measure for homeowners' costs.
Series reflect changes in composition and renaming beginning in 1998, and formula and methodology changes beginning in 1999.
Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–61.—*Consumer price indexes for selected expenditure classes, 1959–2006*

[For all urban consumers; 1982-84=100, except as noted]

Year or month	Food and beverages				Housing							
		Food				Shelter			Fuels and utilities			
	Total [1]	Total	At home	Away from home	Total	Total [2]	Rent of primary residence	Owners' equivalent rent of primary residence [3]	Total [2]	Fuels		Furnishings and operations
										Total	Fuel oil and other fuels	Gas (piped) and electricity	
1959		29.7	31.2	24.8		24.7	38.2		25.4		13.9	22.4	
1960		30.0	31.5	25.4		25.2	38.7		26.0		13.8	23.3	
1961		30.4	31.8	26.0		25.4	39.2		26.3		14.1	23.5	
1962		30.6	32.0	26.7		25.8	39.7		26.3		14.2	23.5	
1963		31.1	32.4	27.3		26.1	40.1		26.6		14.4	23.5	
1964		31.5	32.7	27.8		26.5	40.5		26.6		14.4	23.5	
1965		32.2	33.5	28.4		27.0	40.9		26.6		14.6	23.5	
1966		33.8	35.2	29.7		27.8	41.5		26.7		15.0	23.6	
1967	35.0	34.1	35.1	31.3	30.8	28.8	42.2		27.1	21.4	15.5	23.7	42.0
1968	36.2	35.3	36.3	32.9	32.0	30.1	43.3		27.4	21.7	16.0	23.9	43.6
1969	38.1	37.1	38.0	34.9	34.0	32.6	44.7		28.0	22.1	16.3	24.3	45.2
1970	40.1	39.2	39.9	37.5	36.4	35.5	46.5		29.1	23.1	17.0	25.4	46.8
1971	41.4	40.4	40.9	39.4	38.0	37.0	48.7		31.1	24.7	18.2	27.1	48.6
1972	43.1	42.1	42.7	41.0	39.4	38.7	50.4		32.5	25.7	18.3	28.5	49.7
1973	48.8	48.2	49.7	44.2	41.2	40.5	52.5		34.3	27.5	21.1	29.9	51.1
1974	55.5	55.1	57.1	49.8	45.8	44.4	55.2		40.7	34.4	33.2	34.5	56.8
1975	60.2	59.8	61.8	54.5	50.7	48.8	58.0		45.4	39.4	36.4	40.1	63.4
1976	62.1	61.6	63.1	58.2	53.8	51.5	61.1		49.4	43.3	38.8	44.7	67.3
1977	65.8	65.5	66.8	62.6	57.4	54.9	64.8		54.7	49.0	43.9	50.5	70.4
1978	72.2	72.0	73.8	68.3	62.4	60.5	69.3		58.5	53.0	46.2	55.0	74.7
1979	79.9	79.9	81.8	75.9	70.1	68.9	74.3		64.8	61.3	62.4	61.0	79.9
1980	86.7	86.8	88.4	83.4	81.1	81.0	80.9		75.4	74.8	86.1	71.4	86.3
1981	93.5	93.6	94.8	90.9	90.4	90.5	87.9		86.4	87.2	104.6	81.9	93.0
1982	97.3	97.4	98.1	95.8	96.9	96.9	94.6		94.9	95.6	103.4	93.2	98.0
1983	99.5	99.4	99.1	100.0	99.5	99.1	100.1	102.5	100.2	100.5	97.2	101.5	100.2
1984	103.2	103.2	102.8	104.2	103.6	104.0	105.3	107.3	104.8	104.0	99.4	105.4	101.9
1985	105.6	105.6	104.3	108.3	107.7	109.8	111.8	113.2	106.5	104.5	95.9	107.1	103.8
1986	109.1	109.0	107.3	112.5	110.9	115.8	118.3	119.4	104.1	99.2	77.6	105.7	105.2
1987	113.5	113.5	111.9	117.0	114.2	121.3	123.1	124.8	103.0	97.3	77.9	103.8	107.1
1988	118.2	118.2	116.6	121.8	118.5	127.1	127.8	131.1	104.4	98.0	78.1	104.6	109.4
1989	124.9	125.1	124.2	127.4	123.0	132.8	132.8	137.4	107.8	100.9	81.7	107.5	111.2
1990	132.1	132.4	132.3	133.4	128.5	140.0	138.4	144.8	111.6	104.5	99.3	109.3	113.3
1991	136.8	136.3	135.8	137.9	133.6	146.3	143.3	150.4	115.3	106.7	94.6	112.6	116.0
1992	138.7	137.9	136.8	140.7	137.5	151.2	146.9	155.5	117.8	108.1	90.7	114.8	118.0
1993	141.6	140.9	140.1	143.2	141.2	155.7	150.3	160.5	121.3	111.2	90.3	118.5	119.3
1994	144.9	144.3	144.1	145.7	144.8	160.5	154.0	165.8	122.8	111.7	88.8	119.2	121.0
1995	148.9	148.4	148.8	149.0	148.5	165.7	157.8	171.3	123.7	111.5	88.1	119.2	123.0
1996	153.7	153.3	154.3	152.7	152.8	171.0	162.0	176.8	127.5	115.2	99.2	122.1	124.7
1997	157.7	157.3	158.1	157.0	156.8	176.3	166.7	181.9	130.8	117.9	99.8	125.1	125.4
1998	161.1	160.7	161.1	161.1	160.4	182.1	172.1	187.8	128.5	113.7	90.0	121.2	126.6
1999	164.6	164.1	164.2	165.1	163.9	187.3	177.5	192.9	128.8	113.5	91.4	120.9	126.7
2000	168.4	167.8	167.9	169.0	169.6	193.4	183.9	198.7	137.9	122.8	129.7	128.0	128.2
2001	173.6	173.1	173.4	173.9	176.4	200.6	192.1	206.3	150.2	135.4	129.3	142.4	129.1
2002	176.8	176.2	175.6	178.3	180.3	208.1	199.7	214.7	143.6	127.2	115.5	134.4	128.3
2003	180.5	180.0	179.4	182.1	184.8	213.1	205.5	219.9	154.5	138.2	139.5	145.0	126.1
2004	186.6	186.2	186.2	187.5	189.5	218.8	211.0	224.9	161.9	144.4	160.5	150.6	125.5
2005	191.2	190.7	189.8	193.4	195.7	224.4	217.3	230.2	179.0	161.6	208.6	166.5	126.1
2006	195.7	195.2	193.1	199.4	203.2	232.1	225.1	238.2	194.7	177.1	234.9	182.1	127.0
2005: Jan	189.5	189.1	188.9	190.8	191.8	221.0	214.5	227.8	166.9	149.0	181.2	154.3	126.1
Feb	189.3	188.8	188.0	191.4	192.7	222.5	215.0	228.4	166.4	148.1	188.5	152.9	126.1
Mar	189.6	189.1	188.1	191.7	194.1	224.4	215.5	228.7	166.7	148.4	195.5	152.7	126.1
Apr	190.7	190.2	189.8	192.1	194.4	224.4	216.0	229.0	169.6	151.5	199.5	155.9	126.3
May	191.1	190.6	190.3	192.6	194.5	224.0	216.4	229.4	171.7	153.7	193.9	158.7	126.7
June	190.9	190.4	189.4	193.2	195.5	224.5	216.8	229.7	177.4	159.9	195.0	165.6	126.0
July	191.3	190.8	189.8	193.6	196.6	225.6	217.5	230.2	180.1	162.6	202.9	168.1	125.9
Aug	191.3	190.9	189.5	194.2	196.9	225.6	218.0	230.7	181.8	164.4	209.8	169.6	125.8
Sept	191.8	191.4	190.0	194.6	197.0	224.4	218.6	231.2	188.9	172.1	235.9	176.4	125.7
Oct	192.5	192.1	190.8	195.2	198.4	225.7	219.3	231.7	192.8	176.2	241.1	180.7	125.9
Nov	192.8	192.4	191.0	195.6	198.5	225.4	220.0	232.2	194.6	178.0	231.5	183.4	126.1
Dec	193.2	192.9	191.7	196.0	198.3	225.6	220.5	232.8	191.6	174.7	227.8	180.0	126.4
2006: Jan	194.5	194.1	193.4	196.6	200.0	226.8	220.9	233.4	198.7	182.1	229.5	188.1	126.5
Feb	194.4	194.0	192.6	197.2	200.5	228.3	221.6	234.1	194.6	177.5	230.5	182.8	126.8
Mar	194.5	194.0	192.3	197.6	201.3	229.9	222.3	234.9	192.3	174.8	230.4	179.9	126.7
Apr	194.2	193.7	191.5	198.0	201.7	230.7	222.9	235.8	190.8	173.2	236.4	177.7	126.9
May	194.7	194.2	191.9	198.7	202.2	231.2	223.6	236.9	192.0	174.4	239.8	178.8	127.2
June	195.1	194.5	192.2	199.2	203.7	232.2	224.4	237.9	197.6	180.4	239.1	185.6	127.3
July	195.6	195.0	192.6	199.7	204.7	233.6	225.2	238.8	198.5	181.1	241.9	186.2	127.1
Aug	196.0	195.5	193.1	200.2	205.1	234.2	226.2	239.7	199.0	181.5	245.3	186.4	127.1
Sept	196.7	196.2	194.1	200.5	205.0	233.9	227.1	240.4	199.6	182.0	237.1	187.4	127.1
Oct	197.5	197.1	195.1	201.1	204.4	234.8	228.0	241.3	190.1	171.5	227.9	176.4	127.4
Nov	197.2	196.8	194.3	201.6	204.5	234.9	228.9	242.1	190.6	172.1	227.2	177.0	127.2
Dec	197.4	197.0	194.3	202.2	204.8	235.1	230.0	242.8	192.6	174.2	233.2	179.0	127.0

[1] Includes alcoholic beverages, not shown separately.
[2] Includes other items, not shown separately.
[3] December 1982=100.

See next page for continuation of table.

TABLE B–61.—*Consumer price indexes for selected expenditure classes, 1959–2006*—Continued

[For all urban consumers; 1982-84=100, except as noted]

Year or month	Transportation								Medical care		
		Private transportation									
	Total	Total[2]	New vehicles		Used cars and trucks	Motor fuel	Motor vehicle maintenance and repair	Public transportation	Total	Medical care commodities	Medical care services
			Total[2]	New cars							
1959	29.8	30.8	52.3	52.2	26.8	23.7	26.0	21.5	21.5	46.8	18.7
1960	29.8	30.6	51.6	51.5	25.0	24.4	26.5	22.2	22.3	46.9	19.5
1961	30.1	30.8	51.6	51.5	26.0	24.1	27.1	23.2	22.9	46.3	20.2
1962	30.8	31.4	51.4	51.3	28.4	24.3	27.5	24.0	23.5	45.6	20.9
1963	30.9	31.6	51.1	51.0	28.7	24.2	27.8	24.3	24.1	45.2	21.5
1964	31.4	32.0	50.9	50.9	30.0	24.1	28.2	24.7	24.6	45.1	22.0
1965	31.9	32.5	49.8	49.7	29.8	25.1	28.7	25.2	25.2	45.0	22.7
1966	32.3	32.9	48.9	48.8	29.0	25.6	29.2	26.1	26.3	45.1	23.9
1967	33.3	33.8	49.3	49.3	29.9	26.4	30.4	27.4	28.2	44.9	26.0
1968	34.3	34.8	50.7	50.7	.....	26.8	32.1	28.7	29.9	45.0	27.9
1969	35.7	36.0	51.5	51.5	30.9	27.6	34.1	30.9	31.9	45.4	30.2
1970	37.5	37.5	53.1	53.0	31.2	27.9	36.6	35.2	34.0	46.5	32.3
1971	39.5	39.4	55.3	55.2	33.0	28.1	39.3	37.8	36.1	47.3	34.7
1972	39.9	39.7	54.8	54.7	33.1	28.4	41.1	39.3	37.3	47.4	35.9
1973	41.2	41.0	54.8	54.8	35.2	31.2	43.2	39.7	38.8	47.5	37.5
1974	45.8	46.2	58.0	57.9	36.7	42.2	47.6	40.6	42.4	49.2	41.4
1975	50.1	50.6	63.0	62.9	43.8	45.1	53.7	43.5	47.5	53.3	46.6
1976	55.1	55.6	67.0	66.9	50.3	47.0	57.6	47.8	52.0	56.5	51.3
1977	59.0	59.7	70.5	70.4	54.7	49.7	61.9	50.0	57.0	60.2	56.4
1978	61.7	62.5	75.9	75.8	55.8	51.8	67.0	51.5	61.8	64.4	61.2
1979	70.5	71.7	81.9	81.8	60.2	70.1	73.7	54.9	67.5	69.0	67.2
1980	83.1	84.2	88.5	88.4	62.3	97.4	81.5	69.0	74.9	75.4	74.8
1981	93.2	93.8	93.9	93.7	76.9	108.5	89.2	85.6	82.9	83.7	82.8
1982	97.0	97.1	97.5	97.4	88.8	102.8	96.0	94.9	92.5	92.3	92.6
1983	99.3	99.3	99.9	99.9	98.7	99.4	100.3	99.5	100.6	100.2	100.7
1984	103.7	103.6	102.6	102.8	112.5	97.9	103.8	105.7	106.8	107.5	106.7
1985	106.4	106.2	106.1	106.1	113.7	98.7	106.8	110.5	113.5	115.2	113.2
1986	102.3	101.2	110.6	110.6	108.8	77.1	110.3	117.0	122.0	122.8	121.9
1987	105.4	104.2	114.4	114.6	113.1	80.2	114.8	121.1	130.1	131.0	130.0
1988	108.7	107.6	116.5	116.9	118.0	80.9	119.7	123.3	138.6	139.9	138.3
1989	114.1	112.9	119.2	119.2	120.4	88.5	124.9	129.5	149.3	150.8	148.9
1990	120.5	118.8	121.4	121.0	117.6	101.2	130.1	142.6	162.8	163.4	162.7
1991	123.8	121.9	126.0	125.3	118.1	99.4	136.0	148.9	177.0	176.8	177.1
1992	126.5	124.6	129.2	128.4	123.2	99.0	141.3	151.4	190.1	188.1	190.5
1993	130.4	127.5	132.7	131.5	133.9	98.0	145.9	167.0	201.4	195.0	202.9
1994	134.3	131.4	137.6	136.0	141.7	98.5	150.2	172.0	211.0	200.7	213.4
1995	139.1	136.3	141.0	139.0	156.5	100.0	154.0	175.9	220.5	204.5	224.2
1996	143.0	140.0	143.7	141.4	157.0	106.3	158.4	181.9	228.2	210.4	232.4
1997	144.3	141.0	144.3	141.7	151.1	106.2	162.7	186.7	234.6	215.3	239.1
1998	141.6	137.9	143.4	140.7	150.6	92.2	167.1	190.3	242.1	221.8	246.8
1999	144.4	140.5	142.9	139.6	152.0	100.7	171.9	197.7	250.6	230.7	255.1
2000	153.3	149.1	142.8	139.6	155.8	129.3	177.3	209.6	260.8	238.1	266.0
2001	154.3	150.0	142.1	138.9	158.7	124.7	183.5	210.6	272.8	247.6	278.8
2002	152.9	148.8	140.0	137.3	152.0	116.6	190.2	207.4	285.6	256.4	292.9
2003	157.6	153.6	137.9	134.7	142.9	135.8	195.6	209.3	297.1	262.8	306.0
2004	163.1	159.4	137.1	133.9	133.3	160.4	200.2	209.1	310.1	269.3	321.3
2005	173.9	170.2	137.9	135.2	139.4	195.7	206.9	217.3	323.2	276.0	336.7
2006	180.9	177.0	137.6	136.4	140.0	221.0	215.6	226.6	336.2	285.9	350.6
2005: Jan	164.0	160.5	139.8	136.4	137.5	156.4	204.0	204.4	316.8	271.6	329.5
Feb	166.1	162.6	139.9	136.4	137.6	164.3	203.9	205.9	319.3	272.8	332.5
Mar	168.8	165.2	139.1	135.7	137.7	175.9	204.7	210.1	320.7	273.2	334.3
Apr	173.2	169.6	138.8	135.6	138.1	193.9	205.0	215.0	321.5	273.5	335.2
May	172.1	168.3	138.7	135.5	138.8	188.2	205.6	218.0	322.2	274.6	335.9
June	171.8	167.7	138.1	135.1	139.9	185.5	206.1	222.4	322.9	275.6	336.3
July	174.4	170.3	136.3	133.9	141.0	197.5	206.7	226.1	324.1	276.3	337.8
Aug	177.7	173.8	135.0	132.7	142.0	212.7	207.3	223.3	323.9	276.8	337.3
Sept	186.5	183.1	135.8	133.6	141.5	249.5	208.7	220.7	324.6	277.7	337.9
Oct	184.0	180.5	137.1	135.1	140.6	237.1	209.8	222.7	326.2	278.9	339.7
Nov	175.6	171.8	138.0	136.1	139.4	199.7	210.5	220.8	328.1	280.3	341.7
Dec	172.7	168.9	138.3	136.6	139.2	187.3	210.7	217.6	328.4	280.8	342.0
2006: Jan	175.9	172.1	139.3	137.7	139.3	199.2	211.2	219.9	329.5	282.0	342.9
Feb	175.8	171.9	139.3	137.5	139.5	198.1	212.9	221.3	332.1	283.1	346.1
Mar	177.4	173.5	138.8	136.9	140.0	205.8	213.4	222.6	333.8	284.3	348.0
Apr	184.1	180.4	138.4	136.5	140.4	235.4	213.9	225.3	334.7	285.3	348.8
May	187.6	183.9	137.7	136.2	140.9	250.9	214.9	229.2	335.6	286.3	349.7
June	187.3	183.2	137.2	135.8	141.5	248.4	215.5	234.3	336.0	286.3	350.3
July	189.0	184.9	136.9	135.6	142.1	255.6	216.7	237.4	337.0	287.1	351.2
Aug	188.5	184.5	136.4	135.4	142.4	254.4	216.2	234.3	337.7	287.6	352.1
Sept	180.6	176.5	136.3	135.7	141.0	220.1	217.0	229.5	338.3	288.1	352.7
Oct	174.8	170.7	136.8	136.3	139.3	193.8	218.5	226.9	339.3	288.1	354.0
Nov	173.9	170.0	136.8	136.6	137.3	191.4	218.5	220.4	340.1	286.6	355.6
Dec	175.4	171.8	137.1	136.9	136.2	199.3	218.8	217.8	340.1	285.9	356.0

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–62.—*Consumer price indexes for commodities, services, and special groups, 1960–2006*

[For all urban consumers; 1982-84=100, except as noted]

Year or month	All items (CPI-U)	Commodities		Services		Special indexes				All items		
		All commodities	Commodities less food	All services	Services less medical care services	All items less food	All items less energy	All items less food and energy	All items less medical care	CPI-U-X1 (Dec. 1982=97.6)[1]	CPI-U-RS (Dec. 1977=100)[2]	C-CPI-U (Dec. 1999=100)[3]
1960	29.6	33.6	36.0	24.1	25.0	29.7	30.4	30.6	30.2	32.2	.....	.....
1961	29.9	33.8	36.1	24.5	25.4	30.0	30.7	31.0	30.5	32.5	.....	.....
1962	30.2	34.1	36.3	25.0	25.9	30.3	31.1	31.4	30.8	32.8	.....	.....
1963	30.6	34.4	36.6	25.5	26.3	30.7	31.5	31.8	31.1	33.3	.....	.....
1964	31.0	34.8	36.9	26.0	26.8	31.1	32.0	32.3	31.5	33.7	.....	.....
1965	31.5	35.2	37.2	26.6	27.4	31.6	32.5	32.7	32.0	34.2	.....	.....
1966	32.4	36.1	37.7	27.6	28.3	32.3	33.5	33.5	33.0	35.2	.....	.....
1967	33.4	36.8	38.6	28.8	29.3	33.4	34.4	34.7	33.7	36.3	.....	.....
1968	34.8	38.1	40.0	30.3	30.8	34.9	35.9	36.3	35.1	37.7	.....	.....
1969	36.7	39.9	41.7	32.4	32.9	36.8	38.0	38.4	37.0	39.4	.....	.....
1970	38.8	41.7	43.4	35.0	35.6	39.0	40.3	40.8	39.2	41.3	.....	.....
1971	40.5	43.2	45.1	37.0	37.5	40.8	42.0	42.7	40.8	43.1	.....	.....
1972	41.8	44.5	46.1	38.4	38.9	42.0	43.4	44.0	42.1	44.4	.....	.....
1973	44.4	47.8	47.7	40.1	40.6	43.7	46.1	45.6	44.8	47.2	.....	.....
1974	49.3	53.5	52.8	43.8	44.3	48.0	50.6	49.4	49.8	51.9	.....	.....
1975	53.8	58.2	57.6	48.0	48.3	52.5	55.1	53.9	54.3	56.2	.....	.....
1976	56.9	60.7	60.5	52.0	52.2	56.0	58.2	57.4	57.2	59.4	.....	.....
1977	60.6	64.2	63.8	56.0	55.9	59.6	61.9	61.0	60.8	63.2	.....	.....
1978	65.2	68.8	67.5	60.8	60.7	63.9	66.7	65.5	65.4	67.5	104.3	.....
1979	72.6	76.6	75.3	67.5	67.5	71.2	73.4	71.9	72.9	74.0	114.1	.....
1980	82.4	86.0	85.7	77.9	78.2	81.5	81.9	80.8	82.8	82.3	126.7	.....
1981	90.9	93.2	93.1	88.1	88.7	90.4	90.1	89.2	91.4	90.1	138.6	.....
1982	96.5	97.0	96.9	96.0	96.4	96.3	96.1	95.8	96.8	95.6	146.8	.....
1983	99.6	99.8	100.0	99.4	99.2	99.7	99.6	99.6	99.6	99.6	152.9	.....
1984	103.9	103.2	103.1	104.6	104.4	104.0	104.3	104.6	103.7	103.9	159.0	.....
1985	107.6	105.4	105.2	109.9	109.6	108.0	108.4	109.1	107.2	107.6	164.3	.....
1986	109.6	104.4	101.7	115.4	114.6	109.8	112.6	113.5	108.8	109.6	167.3	.....
1987	113.6	107.7	104.3	120.2	119.1	113.6	117.2	118.2	112.6	113.6	173.0	.....
1988	118.3	111.5	107.7	125.7	124.3	118.3	122.3	123.4	117.0	118.3	179.3	.....
1989	124.0	116.7	112.0	131.9	130.1	123.7	128.1	129.0	122.4	124.0	187.0	.....
1990	130.7	122.8	117.4	139.2	136.8	130.3	134.7	135.5	128.8	130.7	196.3	.....
1991	136.2	126.6	121.3	146.3	143.3	136.1	140.9	142.1	133.8	136.2	203.4	.....
1992	140.3	129.1	124.2	152.0	148.4	140.8	145.4	147.3	137.5	140.3	208.5	.....
1993	144.5	131.5	126.3	157.9	153.6	145.1	150.0	152.2	141.2	144.5	213.7	.....
1994	148.2	133.8	127.9	163.1	158.4	149.0	154.1	156.5	144.7	148.2	218.2	.....
1995	152.4	136.4	129.8	168.7	163.5	153.1	158.7	161.2	148.6	152.4	223.5	.....
1996	156.9	139.9	132.6	174.1	168.7	157.5	163.1	165.6	152.8	156.9	229.5	.....
1997	160.5	141.8	133.4	179.4	173.9	161.1	167.1	169.5	156.3	160.5	234.4	.....
1998	163.0	141.9	132.0	184.2	178.4	163.4	170.9	173.4	158.6	163.0	237.7	.....
1999	166.6	144.4	134.0	188.8	182.7	167.0	174.4	177.0	162.0	166.6	242.7	.....
2000	172.2	149.2	139.2	195.3	188.9	173.0	178.6	181.3	167.3	172.2	250.8	102.0
2001	177.1	150.7	138.9	203.4	196.6	177.8	183.5	186.1	171.9	177.1	257.8	104.3
2002	179.9	149.7	136.0	209.8	202.5	180.5	187.7	190.5	174.3	179.9	261.9	105.6
2003	184.0	151.2	136.5	216.5	208.7	184.7	190.6	193.2	178.1	184.0	267.9	107.8
2004	188.9	154.7	138.8	222.8	214.5	189.4	194.4	196.6	182.7	188.9	275.1	110.5
2005	195.3	160.2	144.5	230.1	221.2	196.0	198.7	200.9	188.7	195.3	284.3	113.6
2006	201.6	164.0	148.0	238.9	229.6	202.7	203.7	205.9	194.7	201.6	293.5	116.9
2005: Jan	190.7	155.4	138.6	225.6	217.0	190.9	196.4	198.4	184.2	190.7	277.6	111.4
Feb	191.8	156.5	140.2	226.8	218.0	192.3	197.3	199.5	185.3	191.8	279.3	112.0
Mar	193.3	158.2	142.5	228.0	219.2	194.0	198.3	200.7	186.8	193.3	281.4	112.7
Apr	194.6	160.3	144.9	228.6	219.7	195.3	198.6	200.9	188.1	194.6	283.3	113.3
May	194.4	159.8	144.0	228.8	219.9	195.1	198.6	200.8	187.9	194.4	283.1	113.3
June	194.5	158.9	142.8	229.8	220.9	195.2	198.5	200.6	187.9	194.5	283.2	113.3
July	195.4	159.5	143.5	230.9	222.0	196.1	198.7	200.8	188.8	195.4	284.5	113.6
Aug	196.4	161.1	145.7	231.3	222.5	197.3	198.9	201.0	189.8	196.4	285.9	114.0
Sept	198.8	165.6	151.8	231.7	222.8	200.0	199.2	201.3	192.3	198.8	289.4	115.1
Oct	199.2	165.1	150.8	233.0	224.1	200.4	200.1	202.3	192.6	199.2	290.1	115.4
Nov	197.6	161.5	145.6	233.5	224.4	198.5	200.2	202.3	190.9	197.6	287.8	114.8
Dec	196.8	160.0	143.3	233.2	224.2	197.4	200.1	202.1	190.0	196.8	286.5	114.4
2006: Jan	198.3	161.3	144.7	234.9	225.9	199.0	200.8	202.6	191.6	198.3	288.7	115.1
Feb	198.7	161.4	144.9	235.7	226.5	199.5	201.6	203.6	191.9	198.7	289.3	115.4
Mar	199.8	162.8	146.8	236.6	227.3	200.8	202.6	204.9	193.0	199.8	290.9	116.1
Apr	201.5	165.5	150.6	237.1	227.8	202.8	203.0	205.5	194.7	201.5	293.3	116.8
May	202.5	166.9	152.3	237.7	228.4	203.9	203.3	205.7	195.6	202.5	294.8	117.2
June	202.9	166.3	151.3	239.2	229.9	204.3	203.6	205.9	196.1	202.9	295.4	117.5
July	203.5	166.4	151.3	240.2	231.0	204.9	203.9	206.2	196.6	203.5	296.3	117.6
Aug	203.9	166.6	151.4	240.9	231.6	205.4	204.4	206.7	197.1	203.9	296.8	117.9
Sept	202.9	164.4	148.0	241.1	231.8	204.1	204.9	207.2	196.0	202.9	295.4	117.6
Oct	201.8	162.5	145.1	240.9	231.5	202.6	205.6	207.8	194.9	201.8	293.8	117.2
Nov	201.5	161.8	144.3	240.9	231.5	202.3	205.3	207.6	194.5	201.5	293.3	117.0
Dec	201.8	162.1	144.7	241.2	231.7	202.6	205.1	207.3	194.8	201.8	293.8	117.1

[1] CPI-U-X1 is a rental equivalence approach to homeowners' costs for the CPI-U for years prior to 1983, the first year for which the official index incorporates such a measure. CPI-U-X1 is rebased to the December 1982 value of the CPI-U (1982-84=100) and is identical with CPI-U data from December 1982 forward. Data prior to 1967 estimated by moving the series at the same rate as the CPI-U for each year.

[2] CPI research series using current methods (CPI-U-RS) introduced in June 1999. Data for 2006 are preliminary. All data are subject to revision annually.

[3] Chained consumer price index introduced in August 2002. Data for 2005 and 2006 are subject to revision.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–63.—*Changes in special consumer price indexes, 1960–2006*

[For all urban consumers; percent change]

Year or month	All items (CPI-U)		All items less food		All items less energy		All items less food and energy		All items less medical care	
	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year
1960	1.4	1.7	1.0	1.7	1.3	1.7	1.0	1.3	1.3	1.3
1961	.7	1.0	1.3	1.0	.7	1.0	1.3	1.3	.3	1.0
1962	1.3	1.0	1.0	1.0	1.3	1.3	1.3	1.3	1.3	1.0
1963	1.6	1.3	1.6	1.3	1.9	1.3	1.6	1.3	1.6	1.0
1964	1.0	1.3	1.0	1.3	1.3	1.6	1.2	1.6	1.0	1.3
1965	1.9	1.6	1.6	1.6	1.9	1.6	1.5	1.2	1.9	1.6
1966	3.5	2.9	3.5	2.2	3.4	3.1	3.3	2.4	3.4	3.1
1967	3.0	3.1	3.3	3.4	3.2	2.7	3.8	3.6	2.7	2.1
1968	4.7	4.2	5.0	4.5	4.9	4.4	5.1	4.6	4.7	4.2
1969	6.2	5.5	5.6	5.4	6.5	5.8	6.2	5.8	6.1	5.4
1970	5.6	5.7	6.6	6.0	5.4	6.1	6.6	6.3	5.2	5.9
1971	3.3	4.4	3.0	4.6	3.4	4.2	3.1	4.7	3.2	4.1
1972	3.4	3.2	2.9	2.9	3.5	3.3	3.0	3.0	3.4	3.2
1973	8.7	6.2	5.6	4.0	8.2	6.2	4.7	3.6	9.1	6.4
1974	12.3	11.0	12.2	9.8	11.7	9.8	11.1	8.3	12.2	11.2
1975	6.9	9.1	7.3	9.4	6.6	8.9	6.7	9.1	6.7	9.0
1976	4.9	5.8	6.1	6.7	4.8	5.6	6.1	6.5	4.5	5.3
1977	6.7	6.5	6.4	6.4	6.7	6.4	6.5	6.3	6.7	6.3
1978	9.0	7.6	8.3	7.2	9.1	7.8	8.5	7.4	9.1	7.6
1979	13.3	11.3	14.0	11.4	11.1	10.0	11.3	9.8	13.4	11.5
1980	12.5	13.5	13.0	14.5	11.7	11.6	12.2	12.4	12.5	13.6
1981	8.9	10.3	9.8	10.9	8.5	10.0	9.5	10.4	8.8	10.4
1982	3.8	6.2	4.1	6.5	4.2	6.7	4.5	7.4	3.6	5.9
1983	3.8	3.2	4.1	3.5	4.5	3.6	4.8	4.0	3.6	2.9
1984	3.9	4.3	3.9	4.3	4.4	4.7	4.7	5.0	3.9	4.1
1985	3.8	3.6	4.1	3.8	4.0	3.9	4.3	4.3	3.5	3.4
1986	1.1	1.9	.5	1.7	3.8	3.9	3.8	4.0	.7	1.5
1987	4.4	3.6	4.6	3.5	4.1	4.1	4.2	4.1	4.3	3.5
1988	4.4	4.1	4.2	4.1	4.7	4.4	4.7	4.4	4.2	3.9
1989	4.6	4.8	4.5	4.6	4.6	4.7	4.4	4.5	4.5	4.6
1990	6.1	5.4	6.3	5.3	5.2	5.2	5.2	5.0	5.9	5.2
1991	3.1	4.2	3.3	4.5	3.9	4.6	4.4	4.9	2.7	3.9
1992	2.9	3.0	3.2	3.5	3.0	3.2	3.3	3.7	2.7	2.8
1993	2.7	3.0	2.7	3.1	3.1	3.2	3.2	3.3	2.6	2.7
1994	2.7	2.6	2.6	2.7	2.6	2.7	2.6	2.8	2.5	2.5
1995	2.5	2.8	2.7	2.8	2.9	3.0	3.0	3.0	2.5	2.7
1996	3.3	3.0	3.1	2.9	2.9	2.8	2.6	2.7	3.3	2.8
1997	1.7	2.3	1.8	2.3	2.1	2.5	2.2	2.4	1.6	2.3
1998	1.6	1.6	1.5	1.4	2.4	2.3	2.4	2.3	1.5	1.5
1999	2.7	2.2	2.8	2.2	2.0	2.0	1.9	2.1	2.6	2.1
2000	3.4	3.4	3.5	3.6	2.6	2.4	2.6	2.4	3.3	3.3
2001	1.6	2.8	1.3	2.8	2.8	2.7	2.7	2.6	1.4	2.7
2002	2.4	1.6	2.6	1.5	1.8	2.3	1.9	2.4	2.2	1.4
2003	1.9	2.3	1.5	2.3	1.5	1.5	1.1	1.4	1.8	2.2
2004	3.3	2.7	3.4	2.5	2.2	2.0	2.2	1.8	3.2	2.6
2005	3.4	3.4	3.6	3.5	2.2	2.2	2.2	2.2	3.3	3.3
2006	2.5	3.2	2.6	3.4	2.5	2.5	2.6	2.5	2.5	3.2
	Percent change from preceding month									
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
2005: Jan	0.2	0.1	0.2	0.1	0.3	0.2	0.3	0.3	0.2	0.1
Feb	.6	.4	.7	.4	.5	.2	.6	.2	.6	.4
Mar	.8	.6	.9	.6	.5	.3	.6	.3	.8	.6
Apr	.7	.5	.7	.4	.2	.2	.1	.1	.7	.5
May	–.1	–.1	–.1	–.1	0	.2	–.0	.1	–.1	–.1
June	.1	–.1	.1	0	–.1	.1	–.1	.0	0	0
July	.5	.6	.5	.7	.1	.2	.1	.2	.5	.6
Aug	.5	.6	.6	.7	.1	.2	.1	.1	.5	.6
Sept	1.2	1.2	1.4	1.4	.2	.1	.1	.1	1.3	1.3
Oct	.2	.3	.2	.3	.5	.3	.5	.2	.2	.3
Nov	–.8	–.7	–.9	–.8	0	.2	0	.2	–.9	–.7
Dec	–.4	–.1	–.6	–.1	–.0	.2	–.1	.1	–.5	–.1
2006: Jan	.8	.7	.8	.7	.3	.2	.2	.2	.8	.7
Feb	.2	.1	.3	.1	.4	.2	.5	.1	.2	0
Mar	.6	.4	.7	.4	.5	.2	.6	.3	.6	.4
Apr	.9	.6	1.0	.6	.2	.2	.3	.3	.9	.6
May	.5	.4	.5	.5	.1	.3	.1	.3	.5	.5
June	.2	.2	.2	.1	.1	.3	.1	.3	.3	.2
July	.3	.4	.3	.5	.1	.2	.1	.2	.3	.5
Aug	.2	.2	.2	.2	.2	.2	.2	.2	.3	.3
Sept	–.5	–.5	–.6	–.6	.2	.2	.2	.2	–.6	–.6
Oct	–.5	–.5	–.7	–.6	.3	.1	.3	.1	–.6	–.6
Nov	–.1	0	–.1	.0	–.1	.0	–.1	.0	–.2	0
Dec	.1	.5	.1	.6	–.1	.1	–.1	.2	.2	.6

[1] Changes from December to December are based on unadjusted indexes.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–64.—*Changes in consumer price indexes for commodities and services, 1929–2006*

[For all urban consumers: percent change]

Year	All items (CPI-U)		Commodities				Services				Medical care[2]		Energy[3]	
			Total		Food		Total		Medical care					
	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year
1929	0.6	0	.....	.....	2.5	1.2	.....	.....	.....	.....	.....	.....	.....	.....
1933	.8	–5.1	.....	.....	6.9	–2.8	.....	.....	.....	.....	.....	.....	.....	.....
1939	0	–1.4	–0.7	–2.0	–2.5	–2.5	0	0	1.2	1.2	1.0	0	.....	.....
1940	.7	.7	1.4	.7	2.5	1.7	.8	.8	0	0	0	1.0	.....	.....
1941	9.9	5.0	13.3	6.7	15.7	9.2	2.4	.8	1.2	0	1.0	0	.....	.....
1942	9.0	10.9	12.9	14.5	17.9	17.6	2.3	3.1	3.5	3.5	3.8	2.9	.....	.....
1943	3.0	6.1	4.2	9.3	3.0	11.0	2.3	2.3	5.6	4.5	4.6	4.7	.....	.....
1944	2.3	1.7	2.0	1.0	0	–1.2	2.2	2.2	3.2	4.3	2.6	3.6	.....	.....
1945	2.2	2.3	2.9	3.0	3.5	2.4	.7	1.5	3.1	3.1	2.6	2.6	.....	.....
1946	18.1	8.3	24.8	10.6	31.3	14.5	3.6	1.4	9.0	5.1	8.3	5.0	.....	.....
1947	8.8	14.4	10.3	20.5	11.3	21.7	5.6	4.3	6.4	8.7	6.9	8.0	.....	.....
1948	3.0	8.1	1.7	7.2	–.8	8.3	5.9	6.1	6.9	7.1	5.8	6.7	.....	.....
1949	–2.1	–1.2	–4.1	–2.7	–3.9	–4.2	3.7	5.1	1.6	3.3	1.4	2.8	.....	.....
1950	5.9	1.3	7.8	.7	9.8	1.6	3.6	3.0	4.0	2.4	3.4	2.0	.....	.....
1951	6.0	7.9	5.9	9.0	7.1	11.0	5.2	5.3	5.3	4.7	5.8	5.3	.....	.....
1952	.8	1.9	–.9	1.3	–1.0	1.8	4.4	4.5	5.8	6.7	4.3	5.0	.....	.....
1953	.7	.8	–.3	–.3	–1.1	–1.4	4.2	4.3	3.4	3.5	3.5	3.6	.....	.....
1954	–.7	.7	–1.6	–.9	–1.8	–.4	2.0	3.1	2.6	3.4	2.3	2.9	.....	.....
1955	.4	–.4	–.3	–.9	–.7	–1.4	2.0	2.0	3.2	2.6	3.3	2.2	.....	.....
1956	3.0	1.5	2.6	1.0	2.9	.7	3.4	2.5	3.8	3.8	3.2	3.8	.....	.....
1957	2.9	3.3	2.8	3.2	2.8	3.2	4.2	4.3	4.8	4.3	4.7	4.2	.....	.....
1958	1.8	2.8	1.2	2.1	2.4	4.5	2.7	3.7	4.6	5.3	4.5	4.6	–0.9	0
1959	1.7	.7	.6	0	–1.0	–1.7	3.9	3.1	4.9	4.5	3.8	4.4	4.7	1.9
1960	1.4	1.7	1.2	.9	3.1	1.0	2.5	3.4	3.7	4.3	3.2	3.7	1.3	2.3
1961	.7	1.0	0	.6	–.7	1.3	2.1	1.7	3.5	3.6	3.1	2.7	–1.3	.4
1962	1.3	1.0	.9	.9	1.3	.7	1.6	2.0	2.9	3.5	2.2	2.6	2.2	.4
1963	1.6	1.3	1.5	.9	2.0	1.6	2.4	2.0	2.8	2.9	2.5	2.6	–.9	0
1964	1.0	1.3	.9	1.2	1.3	1.3	1.6	2.0	2.3	2.3	2.1	2.1	0	–.4
1965	1.9	1.6	1.4	1.1	3.5	2.2	2.7	2.3	3.6	3.2	2.8	2.4	1.8	1.8
1966	3.5	2.9	2.5	2.6	4.0	5.0	4.8	3.8	8.3	5.3	6.7	4.4	1.7	1.7
1967	3.0	3.1	2.5	1.9	1.2	.9	4.3	4.3	8.0	8.8	6.3	7.2	1.7	2.1
1968	4.7	4.2	4.0	3.5	4.4	3.5	5.8	5.2	7.1	7.3	6.2	6.0	1.7	1.7
1969	6.2	5.5	5.4	4.7	7.0	5.1	7.7	6.9	7.3	8.2	6.2	6.7	2.9	2.5
1970	5.6	5.7	3.9	4.5	2.3	5.7	8.1	8.0	8.1	7.0	7.4	6.6	4.8	2.8
1971	3.3	4.4	2.8	3.6	4.3	3.1	4.1	5.7	5.4	7.4	4.6	6.2	3.1	3.9
1972	3.4	3.2	3.4	3.0	4.6	4.2	3.4	3.8	3.7	3.5	3.3	3.3	2.6	2.6
1973	8.7	6.2	10.4	7.4	20.3	14.5	6.2	4.4	6.0	4.5	5.3	4.0	17.0	8.1
1974	12.3	11.0	12.8	11.9	12.0	14.3	11.4	9.2	13.2	10.4	12.6	9.3	21.6	29.6
1975	6.9	9.1	6.2	8.8	6.6	8.5	8.2	9.6	10.3	12.6	9.8	12.0	11.4	10.5
1976	4.9	5.8	3.3	4.3	.5	3.0	7.2	8.3	10.8	10.1	10.0	9.5	7.1	7.1
1977	6.7	6.5	6.1	5.8	8.1	6.3	8.0	7.7	9.0	9.9	8.9	9.6	7.2	9.5
1978	9.0	7.6	8.8	7.2	11.8	9.9	9.3	8.6	9.3	8.5	8.8	8.4	7.9	6.3
1979	13.3	11.3	13.0	11.3	10.2	11.0	13.6	11.0	10.5	9.8	10.1	9.2	37.5	25.1
1980	12.5	13.5	11.0	12.3	10.2	8.6	14.2	15.4	10.1	11.3	9.9	11.0	18.0	30.9
1981	8.9	10.3	6.0	8.4	4.3	7.8	13.0	13.1	12.6	10.7	12.5	10.7	11.9	13.6
1982	3.8	6.2	3.6	4.1	3.1	4.1	4.3	9.0	11.2	11.8	11.0	11.6	1.3	1.5
1983	3.8	3.2	2.9	2.9	2.7	2.1	4.8	3.5	6.2	8.7	6.4	8.8	–.5	.7
1984	3.9	4.3	2.7	3.4	3.8	3.8	5.4	5.2	5.8	6.0	6.1	6.2	.2	1.0
1985	3.8	3.6	2.5	2.1	2.6	2.3	5.1	5.1	6.8	6.1	6.8	6.3	1.8	.7
1986	1.1	1.9	–2.0	–.9	3.8	3.2	4.5	5.0	7.9	7.7	7.7	7.5	–19.7	–13.2
1987	4.4	3.6	4.6	3.2	3.5	4.1	4.3	4.2	5.6	6.6	5.8	6.6	8.2	.5
1988	4.4	4.1	3.8	3.5	5.2	4.1	4.8	4.6	6.9	6.4	6.9	6.5	.5	.8
1989	4.6	4.8	4.1	4.7	5.6	5.8	5.1	4.9	8.6	7.7	8.5	7.7	5.1	5.6
1990	6.1	5.4	6.6	5.2	5.3	5.8	5.7	5.5	9.9	9.3	9.6	9.0	18.1	8.3
1991	3.1	4.2	1.2	3.1	1.9	2.9	4.6	5.1	8.0	8.9	7.9	8.7	–7.4	.4
1992	2.9	3.0	2.0	2.0	1.5	1.2	3.6	3.9	7.0	7.6	6.6	7.4	2.0	.5
1993	2.7	3.0	1.5	1.9	2.9	2.2	3.8	3.9	5.9	6.5	5.4	5.9	–1.4	1.2
1994	2.7	2.6	2.3	1.7	2.9	2.4	2.9	3.3	5.4	5.2	4.9	4.8	2.2	.4
1995	2.5	2.8	1.4	1.9	2.1	2.8	3.5	3.4	4.4	5.1	3.9	4.5	–1.3	.6
1996	3.3	3.0	3.2	2.6	4.3	3.3	3.3	3.2	3.2	3.7	3.0	3.5	8.6	4.7
1997	1.7	2.3	.2	1.4	1.5	2.6	2.8	3.0	2.9	2.9	2.8	2.8	–3.4	1.3
1998	1.6	1.6	.4	.1	2.3	2.2	2.6	2.7	3.2	3.2	3.4	3.2	–8.8	–7.7
1999	2.7	2.2	2.7	1.8	1.9	2.1	2.6	2.5	3.6	3.4	3.7	3.5	13.4	3.6
2000	3.4	3.4	2.7	3.3	2.8	2.3	3.9	3.4	4.6	4.3	4.2	4.1	14.2	16.9
2001	1.6	2.8	–1.4	1.0	2.8	3.2	3.7	4.1	4.8	4.8	4.7	4.6	–13.0	3.8
2002	2.4	1.6	1.2	–.7	1.5	1.8	3.2	3.1	5.6	5.1	5.0	4.7	10.7	–5.9
2003	1.9	2.3	.5	1.0	3.6	2.2	2.8	3.2	4.2	4.5	3.7	4.0	6.9	12.2
2004	3.3	2.7	3.6	2.3	2.7	3.4	3.1	2.9	4.9	5.0	4.2	4.4	16.6	10.9
2005	3.4	3.4	2.7	3.6	2.3	2.4	3.8	3.3	4.5	4.8	4.3	4.2	17.1	17.0
2006	2.5	3.2	1.3	2.4	2.1	2.4	3.4	3.8	4.1	4.1	3.6	4.0	2.9	11.2

[1] Changes from December to December are based on unadjusted indexes.
[2] Commodities and services.
[3] Household fuels—gas (piped), electricity, fuel oil, etc.,—and motor fuel. Motor oil, coolant, etc., also included through 1982.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–65.—*Producer price indexes by stage of processing, 1959–2006*

[1982=100]

Year or month	Finished goods									
	Total finished goods	Consumer foods			Finished goods excluding consumer foods					Total finished consumer goods
		Total	Crude	Processed	Total	Consumer goods			Capital equipment	
						Total	Durable	Nondurable		
1959	33.1	34.8	37.3	34.7	.....	33.3	43.9	28.2	32.7	33.3
1960	33.4	35.5	39.8	35.2	.....	33.5	43.8	28.4	32.8	33.6
1961	33.4	35.4	38.0	35.3	.....	33.4	43.6	28.4	32.9	33.6
1962	33.5	35.7	38.4	35.6	.....	33.4	43.4	28.4	33.0	33.7
1963	33.4	35.3	37.8	35.2	.....	33.4	43.1	28.5	33.1	33.5
1964	33.5	35.4	38.9	35.2	.....	33.3	43.3	28.4	33.4	33.6
1965	34.1	36.8	39.0	36.8	.....	33.6	43.2	28.8	33.8	34.2
1966	35.2	39.2	41.5	39.2	.....	34.1	43.4	29.3	34.6	35.4
1967	35.6	38.5	39.6	38.8	35.0	34.7	44.1	30.0	35.8	35.6
1968	36.6	40.0	42.5	40.0	35.9	35.5	45.1	30.6	37.0	36.5
1969	38.0	42.4	45.9	42.3	36.9	36.3	45.9	31.5	38.3	37.9
1970	39.3	43.8	46.0	43.9	38.2	37.4	47.2	32.5	40.1	39.1
1971	40.5	44.5	45.8	44.7	39.6	38.7	48.9	33.5	41.7	40.2
1972	41.8	46.9	48.0	47.2	40.4	39.4	50.0	34.1	42.8	41.5
1973	45.6	56.5	63.6	55.8	42.0	41.2	50.9	36.1	44.2	46.0
1974	52.6	64.4	71.6	63.9	48.8	48.2	55.5	44.0	50.5	53.1
1975	58.2	69.8	71.7	70.3	54.7	53.2	61.0	48.9	58.2	58.2
1976	60.8	69.6	76.7	69.0	58.1	56.5	63.7	52.4	62.1	60.4
1977	64.7	73.3	79.5	72.7	62.2	60.6	67.4	56.8	66.1	64.3
1978	69.8	79.9	85.8	79.4	66.7	64.9	73.6	60.0	71.3	69.4
1979	77.6	87.3	92.3	86.8	74.6	73.5	80.8	69.3	77.5	77.5
1980	88.0	92.4	93.9	92.3	86.7	87.1	91.0	85.1	85.8	88.6
1981	96.1	97.8	104.4	97.2	95.6	96.1	96.4	95.8	94.6	96.6
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	101.6	101.0	102.4	100.9	101.8	101.2	102.8	100.5	102.8	101.3
1984	103.7	105.4	111.4	104.9	103.2	102.2	104.5	101.1	105.2	103.3
1985	104.7	104.6	102.9	104.8	104.6	103.3	106.5	101.7	107.5	103.8
1986	103.2	107.3	105.6	107.4	101.9	98.5	108.9	93.3	109.7	101.4
1987	105.4	109.5	107.1	109.6	104.0	100.7	111.5	94.9	111.7	103.6
1988	108.0	112.6	109.8	112.7	106.5	103.1	113.8	97.3	114.3	106.2
1989	113.6	118.7	119.6	118.6	111.8	108.9	117.6	103.8	118.8	112.1
1990	119.2	124.4	123.0	124.4	117.4	115.3	120.4	111.5	122.9	118.2
1991	121.7	124.1	119.3	124.4	120.9	118.7	123.9	115.0	126.7	120.5
1992	123.2	123.3	107.6	124.4	123.1	120.8	125.7	117.3	129.1	121.7
1993	124.7	125.7	114.4	126.5	124.4	121.7	128.0	117.6	131.4	123.0
1994	125.5	126.8	111.3	127.9	125.1	121.6	130.9	116.2	134.1	123.3
1995	127.9	129.0	118.8	129.8	127.5	124.0	132.7	118.8	136.7	125.6
1996	131.3	133.6	129.2	133.8	130.5	127.6	134.2	123.3	138.3	129.5
1997	131.8	134.5	126.6	135.1	130.9	128.2	133.7	124.3	138.2	130.2
1998	130.7	134.3	127.2	134.8	129.5	126.4	132.9	122.2	137.6	128.9
1999	133.0	135.1	125.5	135.9	132.3	130.5	133.0	127.9	137.6	132.0
2000	138.0	137.2	123.5	138.3	138.1	138.4	133.9	138.7	138.8	138.2
2001	140.7	141.3	127.7	142.4	140.4	141.4	134.0	142.8	139.7	141.5
2002	138.9	140.1	128.5	141.0	138.3	138.8	133.0	139.8	139.1	139.4
2003	143.3	145.9	130.0	147.2	142.4	144.7	133.1	148.4	139.5	145.3
2004	148.5	152.7	138.2	153.9	147.2	150.9	135.0	156.6	141.4	151.7
2005	155.7	155.7	140.2	156.9	155.5	161.9	136.6	172.0	144.6	160.4
2006	160.3	156.7	151.1	157.1	161.0	169.1	136.8	182.6	146.8	165.9
2005: Jan	151.4	154.2	131.4	156.1	150.5	154.6	137.8	160.7	144.1	154.8
Feb	152.1	155.4	142.3	156.4	151.0	155.5	137.0	162.4	143.9	155.7
Mar	153.6	156.3	145.5	157.2	152.6	157.8	137.0	165.7	144.2	157.6
Apr	154.4	156.3	144.6	157.2	153.6	159.2	136.9	167.9	144.5	158.7
May	154.3	156.7	140.3	158.0	153.5	158.8	136.8	167.4	144.7	158.5
June	154.2	155.5	137.0	157.1	153.6	159.3	135.6	168.7	144.2	158.6
July	155.5	154.4	128.0	156.6	155.5	162.1	135.8	172.6	144.4	160.2
Aug	156.3	154.0	126.3	156.3	156.6	163.8	135.4	175.4	144.4	161.4
Sept	158.9	155.8	141.6	156.9	159.4	168.0	135.5	181.5	144.5	164.9
Oct	160.9	155.8	136.8	157.4	162.0	171.2	138.0	184.9	145.9	167.1
Nov	158.3	156.3	147.1	157.0	158.5	166.1	137.1	178.0	145.5	163.7
Dec	158.7	157.5	162.1	157.0	158.7	166.5	136.6	178.7	145.3	164.2
2006: Jan	159.9	157.1	157.7	157.0	160.3	168.7	137.3	181.7	145.8	165.7
Feb	158.0	153.8	133.2	155.6	158.8	166.2	137.5	177.9	146.2	163.0
Mar	159.1	154.4	139.7	155.6	160.1	168.0	137.4	180.6	146.4	164.5
Apr	160.7	154.8	156.7	154.5	161.9	170.7	137.1	184.7	146.6	166.5
May	161.2	154.2	139.1	155.5	162.7	171.9	137.1	186.5	146.7	167.2
June	161.8	156.1	144.8	157.0	163.0	172.3	136.7	187.2	146.7	168.0
July	161.7	156.4	139.1	157.9	162.8	172.5	134.1	188.8	145.8	168.3
Aug [1]	162.3	158.3	161.5	157.9	163.1	172.5	135.1	188.4	146.4	168.8
Sept	160.3	159.3	164.9	158.7	160.2	168.1	135.4	181.8	146.6	165.9
Oct	158.4	158.1	160.3	157.8	158.2	165.0	135.9	176.8	146.8	163.3
Nov	159.7	157.6	144.7	158.6	160.0	166.7	139.0	177.8	148.7	164.4
Dec	160.5	160.4	171.4	159.3	160.3	167.1	138.8	178.6	148.7	165.5

[1] Data have been revised through August 2006; data are subject to revision 4 months after date of original publication.

See next page for continuation of table.

TABLE B–65.—*Producer price indexes by stage of processing, 1959–2006*—Continued

[1982=100]

Year or month	Intermediate materials, supplies, and components								Crude materials for further processing				
	Total	Foods and feeds [2]	Other	Materials and components		Processed fuels and lubricants	Containers	Supplies	Total	Foodstuffs and feedstuffs	Other		
				For manufacturing	For construction						Total	Fuel	Other
1959	30.8	.....	30.5	33.3	32.9	16.2	33.0	33.5	31.1	38.8	.....	10.4	28.1
1960	30.8	.....	30.7	33.3	32.7	16.6	33.4	33.3	30.4	38.4	.....	10.5	26.9
1961	30.6	.....	30.3	32.9	32.2	16.8	33.2	33.7	30.2	37.9	.....	10.5	27.2
1962	30.6	.....	30.2	32.7	32.1	16.7	33.6	34.5	30.5	38.6	.....	10.4	27.1
1963	30.7	.....	30.1	32.7	32.2	16.6	33.2	35.0	29.9	37.5	.....	10.5	26.7
1964	30.8	.....	30.3	33.1	32.5	16.2	32.9	34.7	29.6	36.6	.....	10.5	27.2
1965	31.2	.....	30.7	33.6	32.8	16.5	33.5	35.0	31.1	39.2	.....	10.6	27.7
1966	32.0	.....	31.3	34.3	33.6	16.8	34.5	36.5	33.1	42.7	.....	10.9	28.3
1967	32.2	41.8	31.7	34.5	34.0	16.9	35.0	36.8	31.3	40.3	21.1	11.3	26.5
1968	33.0	41.5	32.5	35.3	35.7	16.5	35.9	37.1	31.8	40.9	21.6	11.5	27.1
1969	34.1	42.9	33.6	36.5	37.7	16.6	37.2	37.8	33.9	44.1	22.5	12.0	28.4
1970	35.4	45.6	34.8	38.0	38.3	17.7	39.0	39.7	35.2	45.2	23.8	13.8	29.1
1971	36.8	46.7	36.2	38.9	40.8	19.5	40.8	40.8	36.0	46.1	24.7	15.7	29.4
1972	38.2	49.5	37.7	40.4	43.0	20.1	42.7	42.5	39.9	51.5	27.0	16.8	32.3
1973	42.4	70.3	40.6	44.1	46.5	22.2	45.2	51.7	54.5	72.6	34.3	18.6	42.9
1974	52.5	83.6	50.5	56.0	55.0	33.6	53.3	56.8	61.4	76.4	44.1	24.8	54.5
1975	58.0	81.6	56.6	61.7	60.1	39.4	60.0	61.8	61.6	77.4	43.7	30.6	50.0
1976	60.9	77.4	60.0	64.0	64.1	42.3	63.1	65.8	63.4	76.8	48.2	34.5	54.9
1977	64.9	79.6	64.1	67.4	69.3	47.7	65.9	69.3	65.5	77.5	51.7	42.0	56.3
1978	69.5	84.8	68.6	72.0	76.5	49.9	71.0	72.9	73.4	87.3	57.5	48.2	61.9
1979	78.4	94.5	77.4	80.9	84.2	61.6	79.4	80.2	85.9	100.0	69.6	57.3	75.5
1980	90.3	105.5	89.4	91.7	91.3	85.0	89.1	89.9	95.3	104.6	84.6	69.4	91.8
1981	98.6	104.6	98.2	98.7	97.9	100.6	96.7	96.9	103.0	103.9	101.8	84.8	109.8
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	100.6	103.6	100.5	101.2	102.8	95.4	100.4	101.8	101.3	101.8	100.7	105.1	98.8
1984	103.1	105.7	103.0	104.1	105.6	95.7	105.9	104.1	103.5	104.7	102.2	105.1	101.0
1985	102.7	97.3	103.0	103.3	107.3	92.8	109.0	104.4	95.8	94.8	96.9	102.7	94.3
1986	99.1	96.2	99.3	102.2	108.1	72.7	110.3	105.6	87.7	93.2	81.6	92.2	76.0
1987	101.5	99.2	101.7	105.3	109.8	73.3	114.5	107.7	93.7	96.2	87.9	84.1	88.5
1988	107.1	109.5	106.9	113.2	116.1	71.2	120.1	113.7	96.0	106.1	85.5	82.1	85.9
1989	112.0	113.8	111.9	118.1	121.3	76.4	125.4	118.1	103.1	111.2	93.4	85.3	95.8
1990	114.5	113.3	114.5	118.7	122.9	85.9	127.7	119.4	108.9	113.1	101.5	84.8	107.3
1991	114.4	111.1	114.6	118.1	124.5	85.3	128.1	121.4	101.2	105.5	94.6	82.9	97.5
1992	114.7	110.7	114.9	117.9	126.5	84.5	127.7	122.7	100.4	105.1	93.5	84.0	94.2
1993	116.2	112.7	116.4	118.9	132.0	84.7	126.4	125.0	102.4	108.4	94.7	87.1	94.1
1994	118.5	114.8	118.7	122.1	136.6	83.1	129.7	127.0	101.8	106.5	94.8	82.4	97.0
1995	124.9	114.8	125.5	130.4	142.1	84.2	148.8	132.1	102.7	105.8	96.8	72.1	105.8
1996	125.7	128.1	125.6	128.6	143.6	90.0	141.1	135.9	113.8	121.5	104.5	92.6	105.7
1997	125.6	125.4	125.7	128.3	146.5	89.3	136.0	135.9	111.1	112.2	106.4	101.3	103.5
1998	123.0	116.2	123.4	126.1	146.8	81.1	140.8	134.8	96.8	103.9	88.4	86.7	84.5
1999	123.2	111.1	123.9	124.6	148.9	84.6	142.5	134.2	98.2	98.7	94.3	91.2	91.1
2000	129.2	111.7	130.1	128.1	150.7	102.0	151.6	136.9	120.6	100.2	130.4	136.9	118.0
2001	129.7	115.9	130.5	127.4	150.6	104.5	153.1	138.7	121.0	106.1	126.8	151.4	101.5
2002	127.8	115.5	128.5	126.1	151.3	96.3	152.1	138.9	108.1	99.5	111.4	117.3	101.0
2003	133.7	125.9	134.2	129.7	153.6	112.6	153.7	141.5	135.3	113.5	148.2	185.7	116.9
2004	142.6	137.1	143.0	137.9	166.4	124.3	159.3	146.7	159.0	127.0	179.2	211.4	149.2
2005	154.0	133.8	155.1	146.0	176.6	150.0	167.1	151.9	182.2	122.7	223.4	279.7	176.7
2006	164.0	135.4	165.4	156.0	188.4	162.7	175.0	157.1	185.4	119.3	231.7	244.5	210.0
2005: Jan	148.0	132.0	148.9	143.9	173.1	129.5	165.5	149.6	163.0	123.8	188.7	217.0	160.3
Feb	148.8	131.7	149.7	144.4	174.7	130.9	166.1	150.0	162.5	121.5	189.7	217.8	161.4
Mar	150.4	133.3	151.3	145.2	175.1	136.0	166.9	150.7	170.4	127.7	198.7	221.7	172.8
Apr	151.5	133.6	152.5	144.9	175.4	141.5	167.5	151.1	175.0	124.9	208.9	252.4	170.6
May	151.0	135.0	151.9	144.7	175.0	139.5	167.3	151.4	170.6	126.2	200.2	237.1	166.1
June	151.7	134.8	152.6	144.3	175.5	142.9	167.4	151.7	167.0	122.0	197.1	223.5	169.3
July	153.2	134.9	154.1	144.6	175.7	149.3	166.8	152.0	175.4	120.9	212.8	250.1	177.7
Aug	153.9	134.4	154.9	144.4	175.4	153.4	166.8	152.2	181.8	119.6	225.1	265.0	187.8
Sept	158.0	134.1	159.2	146.7	177.0	166.9	166.1	152.5	200.2	120.9	256.5	340.4	191.9
Oct	162.5	134.4	163.8	149.3	179.2	180.5	166.8	153.6	211.6	120.8	276.5	397.0	189.7
Nov	159.9	133.6	161.2	149.4	180.8	166.5	168.3	153.8	208.5	120.9	271.1	393.4	183.5
Dec	159.6	134.1	160.8	149.8	181.7	162.6	169.9	154.1	200.6	123.4	255.2	340.8	189.6
2006: Jan	161.6	135.0	163.0	151.2	184.2	167.2	170.5	155.3	199.0	119.3	255.7	332.9	195.0
Feb	160.7	133.6	162.1	151.9	185.0	160.1	171.2	155.6	182.9	116.6	229.3	269.0	192.1
Mar	161.2	133.8	162.6	152.7	185.5	160.0	173.1	155.9	178.4	114.2	223.4	243.9	197.7
Apr	163.1	133.0	164.6	153.9	186.7	165.6	172.8	156.2	183.0	113.1	232.4	239.6	213.8
May	164.9	133.1	166.5	156.3	188.2	167.4	173.3	156.5	186.9	112.7	239.6	238.4	225.4
June	166.1	133.9	167.6	157.3	189.2	169.4	176.3	156.8	181.6	116.9	226.7	212.4	221.0
July	166.6	135.2	168.2	158.2	190.2	169.2	176.6	157.2	186.2	118.8	233.4	212.7	230.9
Aug [1]	167.4	134.6	169.0	158.6	190.7	171.5	177.1	157.5	191.1	119.3	241.8	244.2	225.4
Sept	165.4	135.2	166.8	158.3	191.4	161.4	176.8	157.8	184.6	121.0	228.8	234.7	211.2
Oct	163.2	135.7	164.6	158.4	190.8	150.5	177.3	158.4	165.1	124.9	191.2	154.7	200.6
Nov	163.8	139.5	165.0	158.0	189.8	154.1	177.2	159.0	190.8	127.4	234.6	267.7	200.8
Dec	164.0	141.7	165.2	157.7	189.6	155.7	177.3	159.4	195.8	127.0	243.8	283.6	205.7

[2] Intermediate materials for food manufacturing and feeds.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–66.—*Producer price indexes by stage of processing, special groups, 1974–2006*

[1982=100]

Year or month	Finished goods						Intermediate materials, supplies, and components				Crude materials for further processing			
				Excluding foods and energy										
	Total	Foods	Energy	Total	Capital equipment	Consumer goods excluding foods and energy	Total	Foods and feeds[1]	Energy	Other	Total	Foodstuffs and feedstuffs	Energy	Other
1974	52.6	64.4	26.2	53.6	50.5	55.5	52.5	83.6	33.1	54.0	61.4	76.4	27.8	83.3
1975	58.2	69.8	30.7	59.7	58.2	60.6	58.0	81.6	38.7	60.2	61.6	77.4	33.3	69.3
1976	60.8	69.6	34.3	63.1	62.1	63.7	60.9	77.4	41.5	63.8	63.4	76.8	35.3	80.2
1977	64.7	73.3	39.7	66.9	66.1	67.3	64.9	79.6	46.8	67.6	65.5	77.5	40.4	79.8
1978	69.8	79.9	42.3	71.9	71.3	72.2	69.5	84.8	49.1	72.5	73.4	87.3	45.2	87.8
1979	77.6	87.3	57.1	78.3	77.5	78.8	78.4	94.5	61.1	80.7	85.9	100.0	54.9	106.2
1980	88.0	92.4	85.2	87.1	85.8	87.8	90.3	105.5	84.9	90.3	95.3	104.6	73.1	113.1
1981	96.1	97.8	101.5	94.6	94.6	94.6	98.6	104.6	100.5	97.7	103.0	103.9	97.7	111.7
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	101.6	101.0	95.2	103.0	102.8	103.1	100.6	103.6	95.3	101.6	101.3	101.8	98.7	105.3
1984	103.7	105.4	91.2	105.5	105.2	105.7	103.1	105.7	95.5	104.7	103.5	104.7	98.0	111.7
1985	104.7	104.6	87.6	108.1	107.5	108.4	102.7	97.3	92.6	105.2	95.8	94.8	93.3	104.9
1986	103.2	107.3	63.0	110.6	109.7	111.1	99.1	96.2	72.6	104.9	87.7	93.2	71.8	103.1
1987	105.4	109.5	61.8	113.3	111.7	114.2	101.5	99.2	73.0	107.8	93.7	96.2	75.0	115.7
1988	108.0	112.6	59.8	117.0	114.3	118.5	107.1	109.5	70.9	115.2	96.0	106.1	67.7	133.0
1989	113.6	118.7	65.7	122.1	118.8	124.0	112.0	113.8	76.1	120.2	103.1	111.2	75.9	137.9
1990	119.2	124.4	75.0	126.6	122.9	128.8	114.5	113.3	85.5	120.9	108.9	113.1	85.9	136.3
1991	121.7	124.1	78.1	131.1	126.7	133.7	114.4	111.1	85.1	121.4	101.2	105.5	80.4	128.2
1992	123.2	123.3	77.8	134.2	129.1	137.3	114.7	110.7	84.3	122.0	100.4	105.1	78.8	128.4
1993	124.7	125.7	78.0	135.8	131.4	138.5	116.2	112.7	84.6	123.8	102.4	108.4	76.7	140.2
1994	125.5	126.8	77.0	137.1	134.1	139.0	118.5	114.8	83.0	127.1	101.8	106.5	72.1	156.2
1995	127.9	129.0	78.1	140.0	136.7	141.9	124.9	114.8	84.1	135.2	102.7	105.8	69.4	173.6
1996	131.3	133.6	83.2	142.0	138.3	144.3	125.7	128.1	89.8	134.0	113.8	121.5	85.0	155.8
1997	131.8	134.5	83.4	142.4	138.2	145.1	125.6	125.4	89.0	134.2	111.1	112.2	87.3	156.5
1998	130.7	134.3	75.1	143.7	137.6	147.7	123.0	116.2	80.8	133.5	96.8	103.9	68.6	142.1
1999	133.0	135.1	78.8	146.1	137.6	151.7	123.2	111.1	84.3	133.1	98.2	98.7	78.5	135.2
2000	138.0	137.2	94.1	148.0	138.8	154.0	129.2	111.7	101.7	136.6	120.6	100.2	122.1	145.2
2001	140.7	141.3	96.7	150.0	139.7	156.9	129.7	115.9	104.1	136.4	121.0	106.1	122.3	130.7
2002	138.9	140.1	88.8	150.2	139.1	157.6	127.8	115.5	95.9	135.8	108.1	99.5	102.0	135.7
2003	143.3	145.9	102.0	150.5	139.5	157.9	133.7	125.9	111.9	138.5	135.3	113.5	147.2	152.5
2004	148.5	152.7	113.0	152.7	141.4	160.3	142.6	137.1	123.2	146.5	159.0	127.0	174.6	193.0
2005	155.7	155.7	132.6	156.4	144.6	164.3	154.0	133.8	149.2	154.6	182.2	122.7	234.0	202.4
2006	160.3	156.7	145.9	158.6	146.8	166.6	164.0	135.4	162.6	163.9	185.4	119.3	228.5	244.5
2005: Jan	151.4	154.2	116.4	155.8	144.1	163.8	148.0	132.0	129.0	152.3	163.0	123.8	183.9	203.3
Feb	152.1	155.4	118.6	155.7	143.9	163.7	148.8	131.7	130.0	153.1	162.5	121.5	186.6	200.2
Mar	153.6	156.3	123.8	155.9	144.2	163.7	150.4	133.3	134.9	153.8	170.4	127.7	199.7	199.9
Apr	154.4	156.3	126.9	156.1	144.5	164.0	151.5	133.6	139.8	153.9	175.0	124.9	212.6	204.0
May	154.3	156.7	125.5	156.4	144.7	164.3	151.0	135.0	138.5	153.5	170.6	126.2	203.1	196.9
June	154.2	155.5	127.4	155.9	144.2	163.8	151.7	134.8	142.3	153.3	167.0	122.0	202.1	188.9
July	155.5	154.4	133.2	156.2	144.4	164.2	153.2	134.9	148.7	153.5	175.4	120.9	224.0	190.2
Aug	156.3	154.0	137.3	156.1	144.4	164.1	153.9	134.4	153.0	153.3	181.8	119.6	237.5	200.1
Sept	158.9	155.8	147.0	156.3	144.5	164.2	158.0	134.1	166.6	154.9	200.2	120.9	278.2	210.2
Oct	160.9	155.8	152.3	157.5	145.9	165.4	162.5	134.4	180.1	157.1	211.6	120.8	308.6	206.4
Nov	158.3	156.3	140.9	157.3	145.5	165.3	159.9	133.6	165.8	157.7	208.5	120.9	298.0	212.8
Dec	158.7	157.5	141.9	157.1	145.3	165.1	159.6	134.1	162.1	158.3	200.6	123.4	274.0	215.6
2006: Jan	159.9	157.1	145.7	157.9	145.8	166.0	161.6	135.0	166.5	159.7	199.0	119.3	274.5	216.1
Feb	158.0	153.8	139.1	158.3	146.2	166.5	160.7	133.6	160.5	160.3	182.9	116.6	233.6	224.0
Mar	159.1	154.4	143.1	158.5	146.4	166.7	161.2	133.8	160.4	161.0	178.4	114.2	223.6	227.7
Apr	160.7	154.8	149.6	158.5	146.6	166.5	163.1	133.0	165.9	162.0	183.0	113.1	231.6	239.4
May	161.2	154.2	151.9	158.7	146.7	166.9	164.9	133.1	168.1	163.7	186.9	112.7	233.5	259.5
June	161.8	156.1	153.1	158.6	146.7	166.6	166.1	133.9	169.9	164.7	181.6	116.9	216.9	255.4
July	161.7	156.4	155.4	157.5	145.8	165.4	166.6	135.2	169.3	165.6	186.2	118.8	224.7	259.3
Aug[2]	162.3	158.3	155.0	158.0	146.4	165.8	167.4	134.6	170.9	166.2	191.1	119.3	240.2	250.9
Sept	160.3	159.3	144.3	158.2	146.6	166.1	165.4	135.2	160.3	166.4	184.6	121.0	221.4	251.6
Oct	158.4	158.1	136.4	158.5	146.8	166.4	163.2	135.7	150.3	166.3	165.1	124.9	169.4	247.9
Nov	159.7	157.6	138.0	160.2	148.7	168.0	163.8	139.5	154.1	165.8	190.8	127.4	230.1	250.5
Dec	160.5	160.4	139.0	160.3	148.7	168.1	164.0	141.7	155.0	165.7	195.8	127.0	242.8	251.7

[1] Intermediate materials for food manufacturing and feeds.

[2] Data have been revised through August 2006; data are subject to revision 4 months after date of original publication.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–67.—*Producer price indexes for major commodity groups, 1959–2006*

[1982=100]

Year or month	Farm products and processed foods and feeds			Industrial commodities				
	Total	Farm products	Processed foods and feeds	Total	Textile products and apparel	Hides, skins, leather, and related products	Fuels and related products and power	Chemicals and allied products[1]
1959	37.6	40.2	35.6	30.5	48.1	35.9	13.7	34.8
1960	37.7	40.1	35.6	30.5	48.6	34.6	13.9	34.8
1961	37.7	39.7	36.2	30.4	47.8	34.9	14.0	34.5
1962	38.1	40.4	36.5	30.4	48.2	35.3	14.0	33.9
1963	37.7	39.6	36.8	30.3	48.2	34.3	13.9	33.5
1964	37.5	39.0	36.7	30.5	48.5	34.4	13.5	33.6
1965	39.0	40.7	38.0	30.9	48.8	35.9	13.8	33.9
1966	41.6	43.7	40.2	31.5	48.9	39.4	14.1	34.0
1967	40.2	41.3	39.8	32.0	48.9	38.1	14.4	34.2
1968	41.1	42.3	40.6	32.8	50.7	39.3	14.3	34.1
1969	43.4	45.0	42.7	33.9	51.8	41.5	14.6	34.2
1970	44.9	45.8	44.6	35.2	52.4	42.0	15.3	35.0
1971	45.8	46.6	45.5	36.5	53.3	43.4	16.6	35.6
1972	49.2	51.6	48.0	37.8	55.5	50.0	17.1	35.6
1973	63.9	72.7	58.9	40.3	60.5	54.5	19.4	37.6
1974	71.3	77.4	68.0	49.2	68.0	55.2	30.1	50.2
1975	74.0	77.0	72.6	54.9	67.4	56.5	35.4	62.0
1976	73.6	78.8	70.8	58.4	72.4	63.9	38.3	64.0
1977	75.9	79.4	74.0	62.5	75.3	68.3	43.6	65.9
1978	83.0	87.7	80.6	67.0	78.1	76.1	46.5	68.0
1979	92.3	99.6	88.5	75.7	82.5	96.1	58.9	76.0
1980	98.3	102.9	95.9	88.0	89.7	94.7	82.8	89.0
1981	101.1	105.2	98.9	97.4	97.6	99.3	100.2	98.4
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	102.0	102.4	101.8	101.1	100.3	103.2	95.9	100.3
1984	105.5	105.5	105.4	103.3	102.7	109.0	94.8	102.9
1985	100.7	95.1	103.5	103.7	102.9	108.9	91.4	103.7
1986	101.2	92.9	105.4	100.0	103.2	113.0	69.8	102.6
1987	103.7	95.5	107.9	102.6	105.1	120.4	70.2	106.4
1988	110.0	104.9	112.7	106.3	109.2	131.4	66.7	116.3
1989	115.4	110.9	117.8	111.6	112.3	136.3	72.9	123.0
1990	118.6	112.2	121.9	115.8	115.0	141.7	82.3	123.6
1991	116.4	105.7	121.9	116.5	116.3	138.9	81.2	125.6
1992	115.9	103.6	122.1	117.4	117.8	140.4	80.4	125.9
1993	118.4	107.1	124.0	119.0	118.0	143.7	80.0	128.2
1994	119.1	106.3	125.5	120.7	118.3	148.5	77.8	132.1
1995	120.5	107.4	127.0	125.5	120.8	153.7	78.0	142.5
1996	129.7	122.4	133.3	127.3	122.4	150.5	85.8	142.1
1997	127.0	112.9	134.0	127.7	122.6	154.2	86.1	143.6
1998	122.7	104.6	131.6	124.8	122.9	148.0	75.3	143.9
1999	120.3	98.4	131.1	126.5	121.1	146.0	80.5	144.2
2000	122.0	99.5	133.1	134.8	121.4	151.5	103.5	151.0
2001	126.2	103.8	137.3	135.7	121.3	158.4	105.3	151.8
2002	123.9	99.0	136.2	132.4	119.9	157.6	93.2	151.9
2003	132.8	111.5	143.4	139.1	119.8	162.3	112.9	161.8
2004	142.0	123.3	151.2	147.6	121.0	164.5	126.9	174.4
2005	141.3	118.5	153.1	160.2	122.8	165.4	156.4	192.0
2006	141.2	117.0	153.9	168.9	124.5	168.3	166.9	206.2
2005: Jan	140.6	118.8	151.8	152.7	122.1	165.3	132.3	185.5
Feb	140.5	117.6	152.3	153.6	122.1	165.5	134.2	186.4
Mar	143.0	123.0	153.4	155.6	122.3	165.6	140.9	188.9
Apr	142.2	120.7	153.3	157.2	122.5	164.8	146.5	189.0
May	143.1	121.5	154.3	156.3	122.6	164.8	143.7	188.4
June	141.3	118.3	153.2	156.6	122.8	165.7	146.0	187.2
July	140.4	116.3	153.0	159.1	122.7	165.8	154.8	189.3
Aug	139.6	114.5	152.7	160.8	122.8	165.6	160.7	189.9
Sept	140.7	116.8	153.1	166.0	123.3	165.3	177.6	194.9
Oct	140.8	115.7	153.9	170.6	123.3	165.3	190.7	202.3
Nov	141.0	117.5	153.2	167.6	123.4	165.4	177.4	201.4
Dec	142.4	121.1	153.5	166.5	123.4	165.0	172.1	201.3
2006: Jan	141.2	117.4	153.6	168.3	123.8	164.9	175.6	203.7
Feb	138.6	111.9	152.6	165.7	124.1	165.6	163.5	203.4
Mar	138.3	111.0	152.6	166.3	124.2	166.6	163.8	203.4
Apr	138.1	111.3	152.2	168.8	124.2	167.8	170.5	203.1
May	137.8	109.8	152.5	170.6	124.5	168.3	172.9	205.7
June	140.1	113.8	153.8	170.6	124.5	168.8	171.5	207.9
July	141.1	115.5	154.4	171.3	124.6	169.0	173.4	208.3
Aug[2]	141.7	118.5	153.7	172.4	124.7	169.1	176.6	209.8
Sept	142.7	119.8	154.7	169.3	125.0	168.9	163.9	208.0
Oct	143.5	123.1	154.1	165.2	125.0	169.4	147.7	208.1
Nov	144.8	124.3	155.5	168.6	125.0	170.2	160.1	206.2
Dec	146.5	127.1	156.6	169.4	124.7	171.2	163.0	206.7

[1] Prices for some items in this grouping are lagged and refer to 1 month earlier than the index month.
[2] Data have been revised through August 2006; data are subject to revision 4 months after date of original publication.

See next page for continuation of table.

TABLE B–67.—*Producer price indexes for major commodity groups, 1959–2006*—Continued

[1982=100]

Year or month	Industrial commodities—Continued									
	Rubber and plastic products	Lumber and wood products	Pulp, paper, and allied products	Metals and metal products	Machinery and equipment	Furniture and household durables	Non-metallic mineral products	Transportation equipment		Miscellaneous products
								Total	Motor vehicles and equipment	
1959	42.6	34.7	33.7	30.6	32.8	48.0	30.3	.....	39.9	33.4
1960	42.7	33.5	34.0	30.6	33.0	47.8	30.4	.....	39.3	33.6
1961	41.1	32.0	33.0	30.5	33.0	47.5	30.5	.....	39.2	33.7
1962	39.9	32.2	33.4	30.2	33.0	47.2	30.5	.....	39.2	33.9
1963	40.1	32.8	33.1	30.3	33.1	46.9	30.3	.....	38.9	34.2
1964	39.6	33.5	33.0	31.1	33.3	47.1	30.4	.....	39.1	34.4
1965	39.7	33.7	33.3	32.0	33.7	46.8	30.4	.....	39.2	34.7
1966	40.5	35.2	34.2	32.8	34.7	47.4	30.7	.....	39.2	35.3
1967	41.4	35.1	34.6	33.2	35.9	48.3	31.2	.....	39.8	36.2
1968	42.8	39.8	35.0	34.0	37.0	49.7	32.4	.....	40.9	37.0
1969	43.6	44.0	36.0	36.0	38.2	50.7	33.6	40.4	41.7	38.1
1970	44.9	39.9	37.5	38.7	40.0	51.9	35.3	41.9	43.3	39.8
1971	45.2	44.7	38.1	39.4	41.4	53.1	38.2	44.2	45.7	40.8
1972	45.3	50.7	39.3	40.9	42.3	53.8	39.4	45.5	47.0	41.5
1973	46.6	62.2	42.3	44.0	43.7	55.7	40.7	46.1	47.4	43.3
1974	56.4	64.5	52.5	57.0	50.0	61.8	47.8	50.3	51.4	48.1
1975	62.2	62.1	59.0	61.5	57.9	67.5	54.4	56.7	57.6	53.4
1976	66.0	72.2	62.1	65.0	61.3	70.3	58.2	60.5	61.2	55.6
1977	69.4	83.0	64.6	69.3	65.2	73.2	62.6	64.6	65.2	59.4
1978	72.4	96.9	67.7	75.3	70.3	77.5	69.6	69.5	70.0	66.7
1979	80.5	105.5	75.9	86.0	76.7	82.8	77.6	75.3	75.8	75.5
1980	90.1	101.5	86.3	95.0	86.0	90.7	88.4	82.9	83.1	93.6
1981	96.4	102.8	94.8	99.6	94.4	95.9	96.7	94.3	94.6	96.1
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	100.8	107.9	103.3	101.8	102.7	103.4	101.6	102.8	102.2	104.8
1984	102.3	108.0	110.3	104.8	105.1	105.7	105.4	105.2	104.1	107.0
1985	101.9	106.6	113.3	104.4	107.2	107.1	108.6	107.9	106.4	109.4
1986	101.9	107.2	116.1	103.2	108.8	108.2	110.0	110.5	109.1	111.6
1987	103.0	112.8	121.8	107.1	110.4	109.9	110.0	112.5	111.7	114.9
1988	109.3	118.9	130.4	118.7	113.2	113.1	111.2	114.3	113.1	120.2
1989	112.6	126.7	137.8	124.1	117.4	116.9	112.6	117.7	116.2	126.5
1990	113.6	129.7	141.2	122.9	120.7	119.2	114.7	121.5	118.2	134.2
1991	115.1	132.1	142.9	120.2	123.0	121.2	117.2	126.4	122.1	140.8
1992	115.1	146.6	145.2	119.2	123.4	122.2	117.3	130.4	124.9	145.3
1993	116.0	174.0	147.3	119.2	124.0	123.7	120.0	133.7	128.0	145.4
1994	117.6	180.0	152.5	124.8	125.1	126.1	124.2	137.2	131.4	141.9
1995	124.3	178.1	172.2	134.5	126.6	128.2	129.0	139.7	133.0	145.4
1996	123.8	176.1	168.7	131.0	126.5	130.4	131.0	141.7	134.1	147.7
1997	123.2	183.8	167.9	131.8	125.9	130.8	133.2	141.6	132.7	150.9
1998	122.6	179.1	171.7	127.8	124.9	131.3	135.4	141.2	131.4	156.0
1999	122.5	183.6	174.1	124.6	124.3	131.7	138.9	141.8	131.7	166.6
2000	125.5	178.2	183.7	128.1	124.0	132.6	142.5	143.8	132.3	170.8
2001	127.2	174.4	184.8	125.4	123.7	133.2	144.3	145.2	131.5	181.3
2002	126.8	173.3	185.9	125.9	122.9	133.5	146.2	144.6	129.9	182.4
2003	130.1	177.4	190.0	129.2	121.9	133.9	148.2	145.7	129.6	179.6
2004	133.8	195.6	195.7	149.6	122.1	135.1	153.2	148.6	131.0	183.2
2005	143.8	196.5	202.6	160.8	123.7	139.4	164.2	151.0	131.5	195.1
2006	153.8	194.2	209.8	181.7	126.2	142.6	179.9	152.4	130.8	205.6
2005: Jan	139.7	194.6	200.8	160.1	123.1	137.5	159.2	151.9	133.6	189.5
Feb	140.6	198.2	201.5	160.5	123.3	138.2	160.3	151.0	132.4	191.5
Mar	141.2	198.6	202.1	160.4	123.5	138.6	160.8	151.0	132.0	192.2
Apr	141.7	198.3	202.1	161.1	123.7	138.7	162.1	151.0	132.0	192.8
May	141.9	195.2	202.2	159.4	123.7	139.2	162.7	151.0	131.7	193.4
June	142.4	197.6	202.6	157.6	123.7	139.3	163.1	149.7	130.0	194.4
July	142.4	196.0	202.6	157.4	123.8	139.8	164.8	150.1	130.3	195.3
Aug	142.4	194.1	202.3	158.4	123.9	139.6	165.4	150.0	129.8	196.1
Sept	143.7	197.4	202.9	161.1	123.8	139.6	166.5	150.2	129.9	196.8
Oct	146.8	198.0	203.5	161.9	123.9	140.0	167.4	152.9	133.3	198.0
Nov	151.0	194.1	203.8	165.0	123.8	140.8	169.1	151.8	131.8	200.3
Dec	151.9	195.2	204.3	166.7	123.7	141.1	169.5	151.2	130.9	200.9
2006: Jan	153.0	197.5	205.4	168.6	124.0	142.0	174.1	152.1	131.4	202.1
Feb	153.2	198.4	206.8	170.9	124.2	142.2	175.3	152.4	131.6	203.0
Mar	153.0	198.6	207.5	172.0	125.3	142.2	176.6	152.7	131.7	204.1
Apr	153.1	198.3	207.8	176.9	125.7	142.2	178.1	152.8	131.5	205.3
May	153.2	198.6	209.2	184.2	125.8	142.0	179.2	152.8	131.4	206.2
June	153.1	195.4	210.1	184.9	126.1	142.3	179.9	152.5	130.9	206.7
July	153.8	193.9	210.8	187.5	126.5	142.5	181.8	149.9	127.4	206.3
Aug [2]	154.1	191.4	211.3	187.0	127.0	142.9	182.4	150.9	128.6	206.9
Sept	154.5	191.8	211.9	187.6	127.6	142.6	182.9	151.3	129.1	206.6
Oct	155.7	188.1	212.1	187.4	127.4	143.3	182.9	151.6	129.3	206.2
Nov	154.8	189.1	212.3	187.0	127.5	143.3	182.6	155.3	133.7	206.7
Dec	154.3	189.5	212.4	186.9	127.6	143.3	182.6	155.1	133.4	206.9

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–68.—*Changes in producer price indexes for finished goods, 1965–2006*

[Percent change]

Year or month	Total finished goods		Finished consumer foods		Finished goods excluding consumer foods						Finished energy goods		Finished goods excluding foods and energy	
					Total		Consumer goods		Capital equipment					
	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year	Dec. to Dec.[1]	Year to year
1965	3.3	1.8	9.1	4.0	.....	.....	0.9	0.9	1.5	1.2	.....	.....	.....	.....
1966	2.0	3.2	1.3	6.5	.....	.....	1.8	1.5	3.8	2.4	.....	.....	.....	.....
1967	1.7	1.1	–.3	–1.8	.....	.....	2.0	1.8	3.1	3.5	.....	.....	.....	.....
1968	3.1	2.8	4.6	3.9	2.5	2.6	2.0	2.3	3.0	3.4	.....	.....	.....	.....
1969	4.9	3.8	8.1	6.0	3.3	2.8	2.8	2.3	4.8	3.5	.....	.....	.....	.....
1970	2.1	3.4	–2.3	3.3	4.3	3.5	3.8	3.0	4.8	4.7	.....	.....	.....	.....
1971	3.3	3.1	5.8	1.6	2.0	3.7	2.1	3.5	2.4	4.0	.....	.....	.....	.....
1972	3.9	3.2	7.9	5.4	2.3	2.0	2.1	1.8	2.1	2.6	.....	.....	.....	.....
1973	11.7	9.1	22.7	20.5	6.6	4.0	7.5	4.6	5.1	3.3	.....	.....	.....	.....
1974	18.3	15.4	12.8	14.0	21.1	16.2	20.3	17.0	22.7	14.3	.....	.....	17.7	11.4
1975	6.6	10.6	5.6	8.4	7.2	12.1	6.8	10.4	8.1	15.2	16.3	17.2	6.0	11.4
1976	3.8	4.5	–2.5	–.3	6.2	6.2	6.0	6.2	6.5	6.7	11.6	11.7	5.7	5.7
1977	6.7	6.4	6.9	5.3	6.8	7.1	6.7	7.3	7.2	6.4	12.0	15.7	6.2	6.0
1978	9.3	7.9	11.7	9.0	8.3	7.2	8.5	7.1	8.0	7.9	8.5	6.5	8.4	7.5
1979	12.8	11.2	7.4	9.3	14.8	11.8	17.6	13.3	8.8	8.7	58.1	35.0	9.4	8.9
1980	11.8	13.4	7.5	5.8	13.4	16.2	14.1	18.5	11.4	10.7	27.9	49.2	10.8	11.2
1981	7.1	9.2	1.5	5.8	8.7	10.3	8.6	10.3	9.2	10.3	14.1	19.1	7.7	8.6
1982	3.6	4.1	2.0	2.2	4.2	4.6	4.2	4.1	3.9	5.7	–.1	–1.5	4.9	5.7
1983	.6	1.6	2.3	1.0	0	1.8	–.9	1.2	2.0	2.8	–9.2	–4.8	1.9	3.0
1984	1.7	2.1	3.5	4.4	1.1	1.4	.8	1.0	1.8	2.3	–4.2	–4.2	2.0	2.4
1985	1.8	1.0	.6	–.8	2.2	1.4	2.1	1.1	2.7	2.2	–.2	–3.9	2.7	2.5
1986	–2.3	–1.4	2.8	2.6	–4.0	–2.6	–6.6	–4.6	2.1	2.0	–38.1	–28.1	2.7	2.3
1987	2.2	2.1	–.2	2.1	3.2	2.1	4.1	2.2	1.3	1.8	11.2	–1.9	2.1	2.4
1988	4.0	2.5	5.7	2.8	3.2	2.4	3.1	2.4	3.6	2.3	–3.6	–3.2	4.3	3.3
1989	4.9	5.2	5.2	5.4	4.8	5.0	5.3	5.6	3.8	3.9	9.5	9.9	4.2	4.4
1990	5.7	4.9	2.6	4.8	6.9	5.0	8.7	5.9	3.4	3.5	30.7	14.2	3.5	3.7
1991	–.1	2.1	–1.5	–.2	.3	3.0	–.7	2.9	2.5	3.1	–9.6	4.1	3.1	3.6
1992	1.6	1.2	1.6	–.6	1.6	1.8	1.6	1.8	1.7	1.9	–.3	–.4	2.0	2.4
1993	.2	1.2	2.4	1.9	–.4	1.1	–1.4	.7	1.8	1.8	–4.1	.3	.4	1.2
1994	1.7	.6	1.1	.9	1.9	.6	2.0	–.1	2.0	2.1	3.5	–1.3	1.6	1.0
1995	2.3	1.9	1.9	1.7	2.3	1.9	2.3	2.0	2.2	1.9	1.1	1.4	2.6	2.1
1996	2.8	2.7	3.4	3.6	2.6	2.4	3.7	2.9	.4	1.2	11.7	6.5	.6	1.4
1997	–1.2	.4	–.8	.7	–1.2	.3	–1.5	.5	–.6	–.1	–6.4	.2	0	.3
1998	0	–.8	.1	–.1	–.1	–1.1	–.1	–1.4	0	–.4	–11.7	–10.0	2.5	.9
1999	2.9	1.8	.8	.6	3.5	2.2	5.1	3.2	.3	0	18.1	4.9	.9	1.7
2000	3.6	3.8	1.7	1.6	4.1	4.4	5.5	6.1	1.2	.9	16.6	19.4	1.3	1.3
2001	–1.6	2.0	1.8	3.0	–2.6	1.7	–3.9	2.2	0	.6	–17.1	2.8	.9	1.4
2002	1.2	–1.3	–.6	–.8	1.7	–1.5	2.9	–1.8	–.6	–.4	12.3	–8.2	–.5	.1
2003	4.0	3.2	7.7	4.1	3.0	3.0	4.1	4.3	.8	.3	11.4	14.9	1.0	.2
2004	4.2	3.6	3.1	4.7	4.5	3.4	5.5	4.3	2.4	1.4	13.4	10.8	2.3	1.5
2005	5.4	4.8	1.7	2.0	6.4	5.6	8.8	7.3	1.2	2.3	23.9	17.3	1.4	2.4
2006	1.1	3.0	1.8	.6	1.0	3.5	.4	4.4	2.3	1.5	–2.0	10.0	2.0	1.4
	Percent change from preceding month													
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
2005: Jan	0.5	0.1	–0.5	–0.3	0.9	0.3	1.0	0.3	0.3	0.3	1.7	–0.8	0.6	0.6
Feb	.5	.5	.8	.6	.3	.4	.6	.6	–.1	0	1.9	1.9	–.1	.1
Mar	1.0	.8	.6	.6	1.1	.8	1.5	1.0	.2	.3	4.4	3.0	.1	.1
Apr	.5	.5	0	–.1	.7	.7	.9	.9	.2	.2	2.5	2.1	.1	.3
May	–.1	–.2	.3	–.2	–.1	–.1	–.3	–.4	.1	.3	–1.1	–1.6	.2	.2
June	–.1	.1	–.8	–.7	.1	.3	.3	.5	–.3	–.1	1.5	1.5	–.3	–.1
July	.8	.8	–.7	–.7	1.2	1.2	1.8	1.5	.1	.3	4.6	3.9	.2	.3
Aug	.5	.5	–.3	–.2	.7	.7	1.0	1.1	0	0	3.1	3.0	–.1	0
Sept	1.7	1.4	1.2	1.2	1.8	1.5	2.6	2.0	.1	.2	7.1	5.4	.1	.2
Oct	1.3	.8	0	.1	1.6	.9	1.9	1.4	1.0	–.2	3.6	4.3	.8	–.3
Nov	–1.6	–.5	.3	.6	–2.2	–.7	–3.0	–1.1	–.3	0	–7.5	–3.1	–.1	.1
Dec	.3	.7	.8	.8	.1	.6	.2	1.0	–.1	0	.7	2.4	–.1	0
2006: Jan	.8	.3	–.3	–.2	1.0	.4	1.3	.4	.3	.3	2.7	.1	.5	.4
Feb	–1.2	–1.2	–2.1	–2.2	–.9	–.9	–1.5	–1.5	.3	.3	–4.5	–4.5	.3	.3
Mar	.7	.4	.4	.4	.8	.5	1.1	.7	.1	.2	2.9	1.5	.1	.2
Apr	1.0	.9	.3	.3	1.1	1.1	1.6	1.4	.1	.1	4.5	4.0	0	.1
May	.3	.1	–.4	–.8	.5	.4	.7	.5	.1	.2	1.5	.8	.1	.3
June	.4	.6	1.2	1.3	.2	.4	.2	.5	0	.2	.8	1.2	–.1	.1
July	–.1	–.1	.2	.1	–.1	–.2	.1	–.1	–.6	–.5	1.5	.7	–.7	–.6
Aug[2]	.4	.4	1.2	1.2	.2	.2	0	.1	.4	.5	–.3	–.3	.3	.4
Sept	–1.2	–1.4	.6	.7	–1.8	–1.9	–2.6	–2.9	.1	.3	–6.9	–8.1	.1	.3
Oct	–1.2	–1.6	–.8	–.8	–1.2	–1.9	–1.8	–2.3	.1	–.9	–5.5	–5.0	.2	–.9
Nov	.8	2.0	–.3	.1	1.1	2.4	1.0	2.9	1.3	1.4	1.2	6.1	1.1	1.3
Dec	.5	.9	1.8	1.7	.2	.7	.2	1.0	0	.2	.7	2.5	.1	.2

[1] Changes from December to December are based on unadjusted indexes.

[2] Data have been revised through August 2006; data are subject to revision 4 months after date of original publication.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–69.—*Money stock and debt measures, 1965–2006*

[Averages of daily figures, except debt end-of-period basis; billions of dollars, seasonally adjusted]

Year and month	M1	M2	Debt[1]	Percent change		
	Sum of currency, demand deposits, travelers checks, and other checkable deposits (OCDs)	M1 plus retail MMMF balances, savings deposits (including MMDAs), and small time deposits	Debt of domestic nonfinancial sectors	From year or 6 months earlier[2]		From previous period[3]
				M1	M2	Debt
December:						
1965	167.8	459.2	1,008.0	.....	.....	.....
1966	172.0	480.2	1,075.5	2.5	4.6	6.7
1967	183.3	524.8	1,151.5	6.6	9.3	7.1
1968	197.4	566.8	1,243.3	7.7	8.0	8.0
1969	203.9	587.9	1,330.4	3.3	3.7	7.1
1970	214.4	626.5	1,420.2	5.1	6.6	6.8
1971	228.3	710.3	1,555.2	6.5	13.4	9.5
1972	249.2	802.3	1,711.2	9.2	13.0	10.0
1973	262.9	855.5	1,895.5	5.5	6.6	10.7
1974	274.2	902.1	2,069.9	4.3	5.4	9.2
1975	287.1	1,016.2	2,261.8	4.7	12.6	9.3
1976	306.2	1,152.0	2,505.3	6.7	13.4	10.8
1977	330.9	1,270.3	2,826.6	8.1	10.3	12.8
1978	357.3	1,366.0	3,211.2	8.0	7.5	13.8
1979	381.8	1,473.7	3,603.0	6.9	7.9	12.2
1980	408.5	1,599.8	3,953.5	7.0	8.6	9.5
1981	436.7	1,755.4	4,361.7	6.9	9.7	10.4
1982	474.8	1,910.3	4,783.4	8.7	8.8	10.1
1983	521.4	2,126.5	5,359.2	9.8	11.3	12.0
1984	551.6	2,310.0	6,146.2	5.8	8.6	14.8
1985	619.8	2,495.7	7,127.3	12.4	8.0	15.7
1986	724.7	2,732.4	7,970.6	16.9	9.5	11.9
1987	750.2	2,831.4	8,675.4	3.5	3.6	9.0
1988	786.7	2,994.5	9,455.7	4.9	5.8	9.0
1989	792.9	3,158.5	10,156.7	.8	5.5	7.2
1990	824.7	3,278.6	10,839.4	4.0	3.8	6.5
1991	896.9	3,379.1	11,306.1	8.8	3.1	4.3
1992	1,024.8	3,432.5	11,821.7	14.3	1.6	4.5
1993	1,129.7	3,484.0	12,400.2	10.2	1.5	4.8
1994	1,150.3	3,497.5	12,975.3	1.8	.4	4.6
1995	1,126.8	3,640.4	13,657.1	–2.0	4.1	5.3
1996	1,080.1	3,815.1	14,369.9	–4.1	4.8	5.2
1997	1,072.2	4,031.6	15,131.5	–.7	5.7	5.3
1998	1,094.9	4,379.0	16,159.7	2.1	8.6	6.8
1999	1,122.9	4,641.1	17,230.5	2.6	6.0	6.4
2000	1,087.6	4,920.9	18,091.2	–3.1	6.0	4.9
2001	1,182.1	5,430.3	19,212.1	8.7	10.4	6.3
2002	1,219.5	5,774.1	20,598.8	3.2	6.3	7.2
2003	1,305.5	6,062.0	22,318.7	7.1	5.0	8.2
2004	1,375.3	6,411.7	24,333.0	5.3	5.8	9.0
2005	1,373.2	6,669.4	26,647.1	–.2	4.0	9.5
2006	1,365.7	7,021.0	.....	–.5	5.3	.....
2005: Jan	1,365.5	6,415.1	.....	3.5	4.3	.....
Feb	1,368.9	6,436.9	.....	2.1	4.2	.....
Mar	1,371.6	6,457.4	24,895.3	1.2	3.9	9.2
Apr	1,358.0	6,466.2	.....	–.5	3.4	.....
May	1,367.5	6,481.3	.....	–1.1	2.7	.....
June	1,380.9	6,509.1	25,407.0	.8	3.0	8.2
July	1,368.6	6,532.4	.....	.5	3.7	.....
Aug	1,378.5	6,566.7	.....	1.4	4.0	.....
Sept	1,379.5	6,599.9	26,020.6	1.2	4.4	9.7
Oct	1,374.9	6,625.0	.....	2.5	4.9	.....
Nov	1,375.9	6,644.7	.....	1.2	5.0	.....
Dec	1,373.2	6,669.4	26,647.1	–1.1	4.9	9.6
2006: Jan	1,378.9	6,713.6	.....	1.5	5.5	.....
Feb	1,375.2	6,737.0	.....	–.5	5.2	.....
Mar	1,383.8	6,755.8	27,277.4	.6	4.7	9.5
Apr	1,380.1	6,774.9	.....	.8	4.5	.....
May	1,387.3	6,785.7	.....	1.7	4.2	.....
June	1,375.5	6,811.1	27,736.1	.3	4.2	6.7
July	1,371.1	6,835.7	.....	–1.1	3.6	.....
Aug	1,371.5	6,863.4	.....	–.5	3.8	.....
Sept	1,363.9	6,886.5	28,198.1	–2.9	3.9	6.7
Oct	1,369.1	6,936.2	.....	–1.6	4.8	.....
Nov	1,370.4	6,977.0	.....	–2.4	5.6	.....
Dec	1,365.7	7,021.0	.....	–1.4	6.2	.....

[1] Consists of outstanding credit market debt of the U.S. Government, State and local governments, and private nonfinancial sectors.
[2] Annual changes are from December to December; monthly changes are from 6 months earlier at a simple annual rate.
[3] Annual changes are from fourth quarter to fourth quarter. Quarterly changes are from previous quarter at annual rate.

Note.—The Federal Reserve announced that the M3 monetary aggregate and most of its components would no longer be published. Institutional money market mutual funds will continue to be published as a memorandum item in the H.6 release, and the component on large-denomination time deposits will be published in other Federal Reserve Board releases. For details, see H.6 release of March 23, 2006.

Source: Board of Governors of the Federal Reserve System.

TABLE B–70.—*Components of money stock measures, 1965–2006*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Currency	Nonbank travelers checks	Demand deposits	Other checkable deposits (OCDs)		
				Total	At commercial banks	At thrift institutions
December:						
1965	36.0	0.5	131.3	0.1	0.0	0.1
1966	38.0	.6	133.4	.1	.0	.1
1967	40.0	.6	142.5	.1	.0	.1
1968	43.0	.7	153.6	.1	.0	.1
1969	45.7	.8	157.3	.2	.0	.1
1970	48.6	.9	164.7	.1	.0	.1
1971	52.0	1.0	175.1	.2	.0	.2
1972	56.2	1.2	191.6	.2	.0	.2
1973	60.8	1.4	200.3	.3	.0	.3
1974	67.0	1.7	205.1	.4	.2	.4
1975	72.8	2.1	211.3	.9	.4	.5
1976	79.5	2.6	221.5	2.7	1.3	1.4
1977	87.4	2.9	236.4	4.2	1.8	2.3
1978	96.0	3.3	249.5	8.5	5.3	3.1
1979	104.8	3.5	256.6	16.8	12.7	4.2
1980	115.3	3.9	261.2	28.1	20.8	7.3
1981	122.5	4.1	231.4	78.7	63.0	15.6
1982	132.5	4.1	234.1	104.1	80.5	23.6
1983	146.2	4.7	238.5	132.1	97.3	34.8
1984	156.1	5.0	243.4	147.1	104.7	42.4
1985	167.8	5.6	266.9	179.5	124.7	54.9
1986	180.4	6.1	302.9	235.2	161.0	74.2
1987	196.7	6.6	287.7	259.2	178.2	81.0
1988	212.0	7.0	287.1	280.6	192.5	88.1
1989	222.3	6.9	278.5	285.1	197.4	87.7
1990	246.5	7.7	276.8	293.7	208.7	84.9
1991	267.1	7.7	289.6	332.5	241.6	90.8
1992	292.2	8.2	339.9	384.5	280.8	103.7
1993	321.6	8.0	385.4	414.7	302.6	112.1
1994	354.0	8.6	383.6	404.2	297.4	106.8
1995	372.2	9.0	389.0	356.6	249.0	107.7
1996	394.1	8.8	401.7	275.5	171.9	103.6
1997	424.5	8.4	393.8	245.5	148.4	97.1
1998	459.8	8.5	376.9	249.6	143.9	105.7
1999	517.8	8.6	353.3	243.2	139.7	103.6
2000	531.2	8.3	309.9	238.3	133.1	105.2
2001	581.1	8.0	335.5	257.4	142.0	115.5
2002	626.3	7.8	306.1	279.3	154.2	125.1
2003	662.7	7.7	325.4	309.7	175.0	134.7
2004	697.9	7.6	342.5	327.4	186.6	140.8
2005	724.5	7.2	324.1	317.5	180.1	137.4
2006	749.9	6.7	306.0	303.1	176.2	127.0
2005: Jan	699.0	7.5	335.6	323.4	184.1	139.4
Feb	700.2	7.5	338.9	322.3	183.4	138.9
Mar	702.1	7.5	340.2	321.9	183.1	138.8
Apr	703.0	7.5	324.9	322.7	183.5	139.1
May	704.4	7.5	332.7	322.9	183.8	139.1
June	707.9	7.3	345.5	320.2	183.2	137.0
July	710.4	7.3	331.5	319.4	182.3	137.2
Aug	713.3	7.4	336.5	321.4	184.2	137.1
Sept	717.1	7.3	334.1	320.9	182.9	138.0
Oct	718.7	7.3	329.5	319.4	179.7	139.7
Nov	721.3	7.2	327.3	320.1	180.9	139.3
Dec	724.5	7.2	324.1	317.5	180.1	137.4
2006: Jan	729.2	7.2	323.8	318.7	180.8	137.9
Feb	732.8	7.1	318.7	316.6	179.2	137.4
Mar	735.4	6.9	323.9	317.5	180.0	137.5
Apr	737.7	6.9	318.6	316.9	179.8	137.1
May	740.7	7.0	324.7	315.0	179.7	135.3
June	740.2	7.0	317.7	310.7	177.7	133.0
July	740.6	6.8	314.2	309.4	176.7	132.7
Aug	741.8	6.8	315.4	307.5	175.5	131.9
Sept	742.3	6.8	308.6	306.2	175.5	130.6
Oct	744.5	6.8	311.9	306.0	177.7	128.3
Nov	747.5	6.8	312.6	303.6	176.9	126.8
Dec	749.9	6.7	306.0	303.1	176.2	127.0

See next page for continuation of table.

TABLE B–70.—*Components of money stock measures, 1965–2006*—Continued

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Savings deposits [1]			Small-denomination time deposits [2]			Retail money funds	Institutional money funds [3]
	Total	At commercial banks	At thrift institutions	Total	At commercial banks	At thrift institutions		
December:								
1965	256.9	92.4	164.5	34.5	26.7	7.8	0.0	0.0
1966	253.1	89.9	163.3	55.0	38.7	16.3	.0	.0
1967	263.7	94.1	169.6	77.8	50.7	27.1	.0	.0
1968	268.9	96.1	172.8	100.5	63.5	37.1	.0	.0
1969	263.7	93.8	169.8	120.4	71.6	48.8	.0	.0
1970	261.0	98.6	162.3	151.2	79.3	71.9	.0	.0
1971	292.2	112.8	179.4	189.7	94.7	95.1	.0	.0
1972	321.4	124.8	196.6	231.6	108.2	123.5	.0	.0
1973	326.8	128.0	198.7	265.8	116.8	149.0	.1	.0
1974	338.6	136.8	201.8	287.9	123.1	164.8	1.4	.2
1975	388.9	161.2	227.6	337.9	142.3	195.5	2.4	.5
1976	453.2	201.8	251.4	390.7	155.5	235.2	1.8	.6
1977	492.2	218.8	273.4	445.5	167.5	278.0	1.8	1.0
1978	481.9	216.5	265.4	521.0	185.1	335.8	5.8	3.5
1979	423.8	195.0	228.8	634.3	235.5	398.7	33.9	10.4
1980	400.3	185.7	214.5	728.5	286.2	442.3	62.5	16.0
1981	343.9	159.0	184.9	823.1	347.7	475.4	151.7	38.2
1982	400.1	190.1	210.0	850.9	379.9	471.0	184.5	48.8
1983	684.9	363.2	321.7	784.1	350.9	433.1	136.1	40.9
1984	704.7	389.3	315.4	888.8	387.9	500.9	164.9	62.3
1985	815.3	456.6	358.6	885.7	386.4	499.3	174.9	65.3
1986	940.9	533.5	407.4	858.4	369.4	489.0	208.4	86.2
1987	937.4	534.8	402.6	921.0	391.7	529.3	222.8	93.7
1988	926.4	542.4	383.9	1,037.1	451.2	585.9	244.3	93.8
1989	893.7	541.1	352.6	1,151.3	533.8	617.6	320.6	112.0
1990	922.8	581.3	341.5	1,173.4	610.7	562.7	357.7	139.6
1991	1,044.2	664.7	379.5	1,065.6	602.3	463.3	372.4	188.5
1992	1,186.9	754.0	433.0	868.1	508.1	360.0	352.7	212.8
1993	1,219.3	785.3	434.0	782.0	467.9	314.1	353.0	216.8
1994	1,150.0	752.7	397.3	816.4	502.5	313.8	380.7	210.8
1995	1,134.2	774.7	359.5	931.4	574.8	356.5	448.0	264.4
1996	1,272.4	905.3	367.1	946.9	593.3	353.6	515.8	324.2
1997	1,400.2	1,022.7	377.4	968.2	625.4	342.8	591.2	396.9
1998	1,605.0	1,187.9	417.1	951.8	626.1	325.7	727.3	545.3
1999	1,740.5	1,288.8	451.7	954.3	634.8	319.6	823.3	643.2
2000	1,878.0	1,424.2	453.8	1,044.5	699.6	344.9	910.7	797.5
2001	2,312.9	1,739.5	573.4	974.7	635.0	339.7	960.6	1,206.9
2002	2,777.9	2,060.2	717.7	892.6	590.2	302.4	884.1	1,256.5
2003	3,168.9	2,337.5	831.4	810.2	536.7	273.5	777.4	1,123.5
2004	3,517.7	2,630.7	887.0	817.6	545.7	271.9	701.0	1,072.7
2005	3,618.8	2,769.6	849.3	974.7	634.9	339.8	702.7	1,139.4
2006	3,687.8	2,895.5	792.3	1,164.4	765.4	399.0	803.1	1,333.3
2005: Jan	3,520.1	2,634.1	885.9	829.6	552.9	276.8	699.9	1,066.5
Feb	3,529.6	2,648.0	881.6	842.0	560.5	281.5	696.4	1,060.5
Mar	3,536.7	2,660.1	876.6	855.4	570.7	284.7	693.8	1,056.3
Apr	3,541.4	2,673.9	867.5	870.2	579.0	291.2	696.5	1,063.9
May	3,534.2	2,663.8	870.4	887.0	589.6	297.4	692.6	1,064.3
June	3,537.1	2,669.7	867.4	902.1	599.4	302.7	689.0	1,074.9
July	3,558.7	2,695.2	863.5	915.8	609.3	306.5	689.2	1,086.8
Aug	3,571.4	2,704.3	867.1	929.6	617.6	312.0	687.1	1,096.7
Sept	3,586.2	2,725.1	861.0	942.2	625.6	316.6	692.1	1,112.8
Oct	3,601.4	2,741.3	860.1	951.3	621.7	329.6	697.5	1,125.3
Nov	3,605.4	2,748.9	856.5	962.7	626.7	336.0	700.6	1,128.2
Dec	3,618.8	2,769.6	849.3	974.7	634.9	339.8	702.7	1,139.4
2006: Jan	3,636.4	2,780.7	855.7	988.3	643.8	344.5	710.0	1,150.7
Feb	3,645.2	2,783.7	861.5	1,004.3	654.5	349.8	712.3	1,152.1
Mar	3,631.6	2,777.8	853.8	1,021.4	665.8	355.6	719.1	1,161.7
Apr	3,636.8	2,797.3	839.5	1,035.9	674.3	361.6	722.1	1,177.1
May	3,622.0	2,776.9	845.1	1,050.4	682.9	367.4	726.0	1,192.6
June	3,630.5	2,785.4	845.2	1,066.0	692.4	373.5	739.1	1,208.3
July	3,631.7	2,789.0	842.6	1,085.0	704.4	380.6	748.0	1,222.7
Aug	3,629.4	2,781.0	848.4	1,104.3	715.7	388.7	758.1	1,243.8
Sept	3,633.2	2,790.0	843.3	1,122.0	724.8	397.2	767.3	1,265.9
Oct	3,649.3	2,847.0	802.3	1,138.9	744.9	394.1	778.9	1,288.4
Nov	3,661.9	2,863.2	798.7	1,154.5	756.9	397.6	790.1	1,304.7
Dec	3,687.8	2,895.5	792.3	1,164.4	765.4	399.0	803.1	1,333.3

[1] Savings deposits including money market deposits accounts (MMDAs); data prior to 1982 are savings deposits only.
[2] Small-denomination deposits are those issued in amounts of less than $100,000.
[3] Institutional money funds are not part of non-M1 M2.

Note.—See also Table B–69.

Source: Board of Governors of the Federal Reserve System.

TABLE B–71.—*Aggregate reserves of depository institutions and the monetary base, 1965–2006*

[Averages of daily figures [1]; millions of dollars; seasonally adjusted, except as noted]

Year and month	Adjusted for changes in reserve requirements [2]					Borrowings of depository institutions from the Federal Reserve (NSA)				
	Reserves of depository institutions				Monetary base					
	Total	Nonborrowed	Required	Excess (NSA)		Total	Primary	Secondary	Seasonal	Adjustment
December:										
1965	12,316	11,872	11,892	423	49,620	444	.....	.....	.....	444
1966	12,223	11,690	11,884	339	51,565	532	.....	.....	.....	532
1967	13,180	12,952	12,805	375	54,579	228	.....	.....	.....	228
1968	13,767	13,021	13,341	426	58,357	746	.....	.....	.....	746
1969	14,168	13,049	13,882	286	61,569	1,119	.....	.....	.....	1,119
1970	14,558	14,225	14,309	249	65,013	332	.....	.....	.....	332
1971	15,230	15,104	15,049	182	69,108	126	.....	.....	.....	126
1972	16,645	15,595	16,361	284	75,167	1,050	.....	.....	.....	1,050
1973	17,021	15,723	16,717	304	81,073	1,298	.....	.....	41	1,257
1974	17,550	16,823	17,292	258	87,535	727	.....	.....	32	548
1975	17,822	17,692	17,556	266	93,887	130	.....	.....	14	104
1976	18,388	18,335	18,115	274	101,515	53	.....	.....	13	40
1977	18,990	18,420	18,800	190	110,324	569	.....	.....	55	514
1978	19,753	18,885	19,521	232	120,445	868	.....	.....	135	734
1979	20,720	19,248	20,279	442	131,143	1,473	.....	.....	82	1,390
1980	22,015	20,325	21,501	514	142,004	1,690	.....	.....	116	1,571
1981	22,443	21,807	22,124	319	149,021	636	.....	.....	54	433
1982	23,600	22,966	23,100	500	160,127	634	.....	.....	33	415
1983	25,367	24,593	24,806	561	175,467	774	.....	.....	96	676
1984	26,913	23,727	26,078	835	187,245	3,186	.....	.....	113	469
1985	31,569	30,250	30,505	1,063	203,562	1,318	.....	.....	56	763
1986	38,840	38,014	37,667	1,173	223,418	827	.....	.....	38	486
1987	38,913	38,135	37,893	1,019	239,831	777	.....	.....	93	201
1988	40,453	38,738	39,392	1,061	256,897	1,716	.....	.....	130	342
1989	40,486	40,221	39,545	941	267,757	265	.....	.....	84	162
1990	41,766	41,440	40,101	1,664	293,294	326	.....	.....	76	227
1991	45,515	45,323	44,526	989	317,555	192	.....	.....	38	153
1992	54,421	54,297	53,267	1,154	350,913	124	.....	.....	18	105
1993	60,567	60,485	59,497	1,070	386,587	82	.....	.....	31	51
1994	59,454	59,245	58,295	1,159	418,331	209	.....	.....	100	109
1995	56,483	56,226	55,193	1,290	434,585	257	.....	.....	40	217
1996	50,183	50,028	48,766	1,416	452,063	155	.....	.....	68	87
1997	46,873	46,549	45,189	1,685	479,914	324	.....	.....	79	245
1998	45,129	45,012	43,615	1,514	513,861	117	.....	.....	15	101
1999	41,958	41,638	40,661	1,297	593,911	[3] 320	.....	.....	67	179
2000	38,674	38,464	37,246	1,428	584,975	210	.....	.....	111	99
2001	41,390	41,323	39,739	1,650	635,545	67	.....	.....	33	34
2002	40,359	40,279	38,350	2,009	681,652	80	.....	.....	45	35
2003	42,699	42,654	41,657	1,043	720,522	46	17	0	29	.....
2004	46,625	46,562	44,716	1,909	759,672	63	11	0	52	.....
2005	45,299	45,130	43,396	1,903	788,135	169	97	0	72	.....
2006	43,291	43,100	41,476	1,815	812,381	191	111	0	80	.....
2005: Jan	47,170	47,108	45,431	1,740	760,391	62	39	0	23	.....
Feb	45,890	45,848	44,396	1,494	762,686	42	26	0	16	.....
Mar	46,627	46,577	44,847	1,780	764,980	49	13	0	37	.....
Apr	46,290	46,158	44,619	1,671	765,980	132	52	0	80	.....
May	45,814	45,675	44,278	1,536	766,935	139	6	0	133	.....
June	46,293	46,044	44,552	1,742	770,563	249	85	0	164	.....
July	46,392	45,967	44,605	1,787	773,649	425	176	12	237	.....
Aug	45,310	44,948	43,701	1,609	776,021	362	63	3	297	.....
Sept	46,223	45,891	44,222	2,001	779,765	332	12	5	315	.....
Oct.	45,613	45,329	43,716	1,898	782,147	284	35	29	220	.....
Nov	45,470	45,344	43,687	1,782	785,276	126	20	0	106	.....
Dec	45,299	45,130	43,396	1,903	788,135	169	97	0	72	.....
2006: Jan	44,016	43,906	42,432	1,584	791,816	110	78	0	32	.....
Feb	44,127	44,074	42,576	1,551	795,673	53	21	2	30	.....
Mar	43,678	43,509	42,166	1,512	797,953	169	119	0	50	.....
Apr	44,594	44,347	42,766	1,828	800,572	248	164	0	84	.....
May	45,023	44,848	43,220	1,803	804,737	175	24	0	151	.....
June	45,381	45,129	43,591	1,790	804,580	253	16	0	237	.....
July	44,180	43,830	42,633	1,547	804,071	350	39	0	312	.....
Aug	42,876	42,507	41,343	1,533	804,687	369	26	0	343	.....
Sept	42,880	42,477	41,118	1,762	805,199	403	66	0	338	.....
Oct	42,782	42,553	41,102	1,680	806,636	229	24	0	205	.....
Nov	43,198	43,038	41,495	1,703	809,747	160	48	0	112	.....
Dec	43,291	43,100	41,476	1,815	812,381	191	111	0	80	.....

[1] Data are prorated averages of biweekly (maintenance period) averages of daily figures.

[2] Aggregate reserves incorporate adjustments for discontinuities associated with regulatory changes to reserve requirements. For details on aggregate reserves series see *Federal Reserve Bulletin*.

[3] Total includes borrowing under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999 through April 7, 2000.

Note.—NSA indicates data are not seasonally adjusted.

Source: Board of Governors of the Federal Reserve System.

TABLE B–72.—*Bank credit at all commercial banks, 1965–2006*

[Monthly average; billions of dollars, seasonally adjusted [1]]

Year and month	Total bank credit	Securities in bank credit			Loans and leases in bank credit							
		Total securities	U.S. Treasury and agency securities	Other securities	Total loans and leases [2]	Commercial and industrial	Real estate			Consumer	Security	Other
							Total	Revolving home equity	Other			
December:												
1965	297.1	96.1	64.3	31.9	201.0	69.5	48.9	.....	.....	45.0	8.0	29.7
1966	318.6	97.2	61.0	36.2	221.4	79.3	53.8	.....	.....	47.7	8.3	32.4
1967	350.5	111.4	70.7	40.6	239.2	86.5	58.2	.....	.....	51.2	9.6	33.8
1968	390.5	121.9	73.8	48.1	268.6	96.5	64.8	.....	.....	57.7	10.5	39.2
1969	401.6	112.4	64.2	48.2	289.2	106.9	69.9	.....	.....	62.6	10.0	39.8
1970	434.4	129.7	73.4	56.3	304.6	111.6	72.9	.....	.....	65.3	10.4	44.5
1971	485.2	147.5	79.8	67.7	337.6	118.0	81.7	.....	.....	73.3	10.9	53.9
1972	555.3	160.6	85.4	75.2	394.7	133.6	98.8	.....	.....	85.4	14.4	62.5
1973	638.6	168.4	89.7	78.7	470.1	162.8	119.4	.....	119.4	98.3	11.2	78.4
1974	701.7	173.8	87.9	85.9	527.9	193.0	132.5	.....	132.5	102.1	10.6	89.6
1975	732.9	206.7	117.9	88.9	526.2	184.3	137.2	.....	137.2	104.6	12.7	87.5
1976	790.7	228.6	137.3	91.3	562.1	186.3	151.3	.....	151.3	115.9	17.7	91.0
1977	876.0	236.3	137.4	98.9	639.7	205.8	178.0	.....	178.0	138.1	20.7	97.2
1978	989.4	242.2	138.4	103.8	747.2	239.0	213.5	.....	213.5	164.6	19.1	110.9
1979	1,111.4	260.7	147.2	113.4	850.7	282.2	245.0	.....	245.0	184.5	17.4	121.6
1980	1,207.1	296.8	173.2	123.6	910.3	314.5	265.7	.....	265.7	179.2	17.2	133.6
1981	1,302.7	311.1	181.8	129.3	991.6	353.3	287.5	.....	287.5	182.7	20.2	148.0
1982	1,412.3	338.6	204.7	133.9	1,073.7	396.4	303.8	.....	303.8	188.2	23.6	161.7
1983	1,566.7	403.8	263.4	140.4	1,163.0	419.1	334.8	.....	334.8	213.2	26.5	169.4
1984	1,733.4	406.6	262.9	143.7	1,326.9	479.4	380.8	.....	380.8	253.6	34.1	179.0
1985	1,922.2	455.9	273.8	182.2	1,466.3	506.5	431.0	.....	431.0	294.5	42.9	191.4
1986	2,106.6	510.0	312.8	197.2	1,596.5	544.0	499.9	.....	499.9	314.5	38.6	199.5
1987	2,255.3	535.0	338.9	196.1	1,720.2	575.0	595.7	32.2	563.5	327.7	34.8	187.0
1988	2,433.7	562.1	366.7	195.4	1,871.7	612.0	676.6	42.6	634.0	354.9	40.3	187.9
1989	2,602.6	585.0	400.3	184.7	2,017.6	642.4	769.4	53.5	715.9	375.3	40.9	189.4
1990	2,749.1	634.9	456.5	178.4	2,114.2	644.8	856.7	66.4	790.3	380.8	44.4	187.5
1991	2,855.7	747.5	567.8	179.8	2,108.1	622.2	882.9	74.3	808.6	363.8	53.9	185.3
1992	2,952.8	842.1	665.7	176.4	2,110.7	597.9	905.9	78.5	827.4	356.1	63.4	187.3
1993	3,110.6	915.9	731.6	184.2	2,194.8	588.6	946.8	78.1	868.7	387.4	86.4	185.5
1994	3,315.4	939.9	722.3	217.7	2,375.4	647.9	1,010.5	80.5	930.0	447.9	75.8	193.2
1995	3,597.2	984.2	701.8	282.4	2,612.9	718.6	1,091.0	84.5	1,006.5	491.1	83.2	228.9
1996	3,754.1	984.9	703.1	281.9	2,769.2	778.6	1,143.7	90.9	1,052.8	512.2	75.3	259.4
1997	4,098.1	1,100.3	756.5	343.8	2,997.8	848.0	1,246.3	105.0	1,141.3	502.5	94.4	306.6
1998	4,532.6	1,239.6	798.5	441.1	3,293.0	940.9	1,336.9	103.9	1,233.0	496.9	145.3	373.1
1999	4,764.4	1,285.7	816.4	469.2	3,478.8	992.2	1,475.8	101.5	1,374.3	490.8	149.8	370.1
2000	5,219.4	1,351.4	793.6	557.8	3,868.0	1,078.9	1,657.7	130.0	1,527.6	539.9	177.3	414.1
2001	5,422.1	1,490.3	850.2	640.1	3,931.9	1,018.4	1,785.3	155.7	1,629.6	557.1	146.0	425.2
2002	5,890.3	1,724.5	1,030.7	693.8	4,165.7	955.9	2,028.7	213.5	1,815.2	587.6	190.2	403.4
2003	6,258.2	1,851.7	1,105.9	745.8	4,406.5	896.6	2,222.6	280.7	1,941.9	644.6	217.7	424.9
2004	6,795.2	1,936.2	1,151.9	784.3	4,859.0	921.8	2,553.9	399.7	2,154.3	696.7	215.9	470.7
2005	7,501.4	2,051.7	1,140.6	911.2	5,449.7	1,036.2	2,917.5	446.4	2,471.1	707.4	264.1	524.4
2006	8,285.8	2,226.7	1,191.6	1,035.1	6,059.2	1,189.3	3,323.9	470.6	2,853.3	736.2	292.1	517.7
2005: Jan	6,892.7	1,995.8	1,183.8	812.0	4,896.9	933.9	2,577.2	407.0	2,170.2	704.3	200.5	481.1
Feb	6,993.3	2,038.7	1,215.3	823.4	4,954.6	943.8	2,606.4	409.7	2,196.7	701.0	220.5	482.9
Mar	7,080.6	2,055.6	1,217.2	838.4	5,025.0	953.9	2,662.9	418.2	2,244.7	707.6	226.2	474.5
Apr	7,106.0	2,041.2	1,193.9	847.3	5,064.9	965.8	2,691.3	422.9	2,268.4	709.3	223.9	474.5
May	7,158.8	2,066.9	1,198.5	868.4	5,091.8	976.8	2,698.0	426.9	2,271.2	704.0	237.1	476.0
June	7,215.3	2,051.5	1,172.6	878.9	5,163.8	981.2	2,741.8	431.5	2,310.3	706.6	248.4	485.9
July	7,281.3	2,062.9	1,178.6	884.3	5,218.4	995.3	2,795.7	438.6	2,357.2	710.4	232.5	484.4
Aug	7,361.9	2,069.0	1,175.3	893.7	5,292.8	1,004.0	2,832.4	442.0	2,390.4	716.8	245.4	494.2
Sept	7,410.4	2,078.2	1,167.4	910.8	5,332.2	1,009.2	2,849.0	443.0	2,406.0	720.2	246.9	506.9
Oct	7,429.4	2,072.9	1,162.0	910.9	5,356.6	1,018.7	2,873.7	443.1	2,430.7	710.4	242.4	511.3
Nov	7,449.8	2,059.8	1,144.4	915.4	5,390.0	1,025.9	2,890.0	445.0	2,445.1	711.9	248.2	514.1
Dec	7,501.4	2,051.7	1,140.6	911.2	5,449.7	1,036.2	2,917.5	446.4	2,471.1	707.4	264.1	524.4
2006: Jan	7,558.6	2,067.7	1,151.6	916.1	5,490.9	1,052.6	2,941.8	447.0	2,494.8	711.6	255.9	529.1
Feb	7,647.8	2,107.6	1,181.5	926.1	5,540.2	1,062.6	2,967.3	446.8	2,520.5	711.8	263.6	534.9
Mar	7,717.3	2,118.5	1,185.9	932.6	5,598.8	1,073.1	2,996.9	450.0	2,546.9	722.1	269.5	537.2
Apr	7,807.8	2,170.6	1,197.0	973.6	5,637.2	1,089.9	3,021.7	446.5	2,575.2	726.7	261.1	537.8
May	7,923.6	2,205.7	1,193.1	1,012.6	5,717.9	1,109.8	3,048.8	443.8	2,605.0	733.6	281.2	544.5
June	7,930.7	2,188.6	1,199.4	989.3	5,742.0	1,117.9	3,088.9	444.7	2,644.3	728.6	259.3	547.3
July	7,981.6	2,195.2	1,211.6	983.5	5,786.5	1,130.0	3,127.9	451.4	2,676.4	722.3	257.8	548.5
Aug	8,040.9	2,206.4	1,221.8	984.7	5,834.5	1,159.9	3,127.7	448.0	2,679.8	728.5	265.5	552.9
Sept	8,060.2	2,191.1	1,210.2	981.0	5,869.1	1,164.6	3,150.1	450.3	2,699.8	724.4	277.0	550.0
Oct	8,192.6	2,206.3	1,209.8	996.5	5,986.4	1,175.8	3,295.6	466.3	2,829.3	724.1	279.4	511.5
Nov	8,234.8	2,223.7	1,205.9	1,017.7	6,011.1	1,180.3	3,301.1	467.9	2,833.2	729.3	287.8	512.6
Dec	8,285.8	2,226.7	1,191.6	1,035.1	6,059.2	1,189.3	3,323.9	470.6	2,853.3	736.2	292.1	517.7

[1] Data are prorated averages of Wednesday values for domestically chartered commercial banks, branches and agencies of foreign banks, New York State investment companies (through September 1996), and Edge Act and agreement corporations.

[2] Excludes Federal funds sold to, reverse repurchase agreements (RPs) with, and loans to commercial banks in the United States.

Source: Board of Governors of the Federal Reserve System.

TABLE B–73.—*Bond yields and interest rates, 1929–2006*

[Percent per annum]

Year and month	U.S. Treasury securities					Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	New-home mortgage yields[4]	Prime rate charged by banks[5]	Discount window (Federal Reserve Bank of New York)[5 6]		Federal funds rate[7]
	Bills (new issues)[1]		Constant maturities[2]								Primary credit	Adjustment credit	
	3-month	6-month	3-year	10-year	30-year	Aaa[3]	Baa						
1929	.....	.....	.....	.....	.....	4.73	5.90	4.27	.....	5.50-6.00	.....	5.16	.....
1933	0.515	.....	.....	.....	.....	4.49	7.76	4.71	.....	1.50-4.00	.....	2.56	.....
1939	.023	.....	.....	.....	.....	3.01	4.96	2.76	.....	1.50	.....	1.00	.....
1940	.014	.....	.....	.....	.....	2.84	4.75	2.50	.....	1.50	.....	1.00	.....
1941	.103	.....	.....	.....	.....	2.77	4.33	2.10	.....	1.50	.....	1.00	.....
1942	.326	.....	.....	.....	.....	2.83	4.28	2.36	.....	1.50	.....	[8]1.00	.....
1943	.373	.....	.....	.....	.....	2.73	3.91	2.06	.....	1.50	.....	[8]1.00	.....
1944	.375	.....	.....	.....	.....	2.72	3.61	1.86	.....	1.50	.....	[8]1.00	.....
1945	.375	.....	.....	.....	.....	2.62	3.29	1.67	.....	1.50	.....	[8]1.00	.....
1946	.375	.....	.....	.....	.....	2.53	3.05	1.64	.....	1.50	.....	[8]1.00	.....
1947	.594	.....	.....	.....	.....	2.61	3.24	2.01	.....	1.50-1.75	.....	1.00	.....
1948	1.040	.....	.....	.....	.....	2.82	3.47	2.40	.....	1.75-2.00	.....	1.34	.....
1949	1.102	.....	.....	.....	.....	2.66	3.42	2.21	.....	2.00	.....	1.50	.....
1950	1.218	.....	.....	.....	.....	2.62	3.24	1.98	.....	2.07	.....	1.59	.....
1951	1.552	.....	.....	.....	.....	2.86	3.41	2.00	.....	2.56	.....	1.75	.....
1952	1.766	.....	.....	.....	.....	2.96	3.52	2.19	.....	3.00	.....	1.75	.....
1953	1.931	.....	2.47	2.85	.....	3.20	3.74	2.72	.....	3.17	.....	1.99	.....
1954	.953	.....	1.63	2.40	.....	2.90	3.51	2.37	.....	3.05	.....	1.60	.....
1955	1.753	.....	2.47	2.82	.....	3.06	3.53	2.53	.....	3.16	.....	1.89	1.78
1956	2.658	.....	3.19	3.18	.....	3.36	3.88	2.93	.....	3.77	.....	2.77	2.73
1957	3.267	.....	3.98	3.65	.....	3.89	4.71	3.60	.....	4.20	.....	3.12	3.11
1958	1.839	.....	2.84	3.32	.....	3.79	4.73	3.56	.....	3.83	.....	2.15	1.57
1959	3.405	3.832	4.46	4.33	.....	4.38	5.05	3.95	.....	4.48	.....	3.36	3.30
1960	2.928	3.247	3.98	4.12	.....	4.41	5.19	3.73	.....	4.82	.....	3.53	3.22
1961	2.378	2.605	3.54	3.88	.....	4.35	5.08	3.46	.....	4.50	.....	3.00	1.96
1962	2.778	2.908	3.47	3.95	.....	4.33	5.02	3.18	.....	4.50	.....	3.00	2.68
1963	3.157	3.253	3.67	4.00	.....	4.26	4.86	3.23	5.89	4.50	.....	3.23	3.18
1964	3.549	3.686	4.03	4.19	.....	4.40	4.83	3.22	5.83	4.50	.....	3.55	3.50
1965	3.954	4.055	4.22	4.28	.....	4.49	4.87	3.27	5.81	4.54	.....	4.04	4.07
1966	4.881	5.082	5.23	4.92	.....	5.13	5.67	3.82	6.25	5.63	.....	4.50	5.11
1967	4.321	4.630	5.03	5.07	.....	5.51	6.23	3.98	6.46	5.61	.....	4.19	4.22
1968	5.339	5.470	5.68	5.65	.....	6.18	6.94	4.51	6.97	6.30	.....	5.16	5.66
1969	6.677	6.853	7.02	6.67	.....	7.03	7.81	5.81	7.81	7.96	.....	5.87	8.20
1970	6.458	6.562	7.29	7.35	.....	8.04	9.11	6.51	8.45	7.91	.....	5.95	7.18
1971	4.348	4.511	5.65	6.16	.....	7.39	8.56	5.70	7.74	5.72	.....	4.88	4.66
1972	4.071	4.466	5.72	6.21	.....	7.21	8.16	5.27	7.60	5.25	.....	4.50	4.43
1973	7.041	7.178	6.95	6.84	.....	7.44	8.24	5.18	7.96	8.03	.....	6.44	8.73
1974	7.886	7.926	7.82	7.56	.....	8.57	9.50	6.09	8.92	10.81	.....	7.83	10.50
1975	5.838	6.122	7.49	7.99	.....	8.83	10.61	6.89	9.00	7.86	.....	6.25	5.82
1976	4.989	5.266	6.77	7.61	.....	8.43	9.75	6.49	9.00	6.84	.....	5.50	5.04
1977	5.265	5.510	6.69	7.42	7.75	8.02	8.97	5.56	9.02	6.83	.....	5.46	5.54
1978	7.221	7.572	8.29	8.41	8.49	8.73	9.49	5.90	9.56	9.06	.....	7.46	7.93
1979	10.041	10.017	9.71	9.44	9.28	9.63	10.69	6.39	10.78	12.67	.....	10.28	11.19
1980	11.506	11.374	11.55	11.46	11.27	11.94	13.67	8.51	12.66	15.27	.....	11.77	13.36
1981	14.029	13.776	14.44	13.91	13.45	14.17	16.04	11.23	14.70	18.87	.....	13.42	16.38
1982	10.686	11.084	12.92	13.00	12.76	13.79	16.11	11.57	15.14	14.86	.....	11.02	12.26
1983	8.63	8.75	10.45	11.10	11.18	12.04	13.55	9.47	12.57	10.79	.....	8.50	9.09
1984	9.58	9.80	11.89	12.44	12.41	12.71	14.19	10.15	12.38	12.04	.....	8.80	10.23
1985	7.48	7.66	9.64	10.62	10.79	11.37	12.72	9.18	11.55	9.93	.....	7.69	8.10
1986	5.98	6.03	7.06	7.68	7.78	9.02	10.39	7.38	10.17	8.33	.....	6.33	6.81
1987	5.82	6.05	7.68	8.39	8.59	9.38	10.58	7.73	9.31	8.21	.....	5.66	6.66
1988	6.69	6.92	8.26	8.85	8.96	9.71	10.83	7.76	9.19	9.32	.....	6.20	7.57
1989	8.12	8.04	8.55	8.49	8.45	9.26	10.18	7.24	10.13	10.87	.....	6.93	9.21
1990	7.51	7.47	8.26	8.55	8.61	9.32	10.36	7.25	10.05	10.01	.....	6.98	8.10
1991	5.42	5.49	6.82	7.86	8.14	8.77	9.80	6.89	9.32	8.46	.....	5.45	5.69
1992	3.45	3.57	5.30	7.01	7.67	8.14	8.98	6.41	8.24	6.25	.....	3.25	3.52
1993	3.02	3.14	4.44	5.87	6.59	7.22	7.93	5.63	7.20	6.00	.....	3.00	3.02
1994	4.29	4.66	6.27	7.09	7.37	7.96	8.62	6.19	7.49	7.15	.....	3.60	4.21
1995	5.51	5.59	6.25	6.57	6.88	7.59	8.20	5.95	7.87	8.83	.....	5.21	5.83
1996	5.02	5.09	5.99	6.44	6.71	7.37	8.05	5.75	7.80	8.27	.....	5.02	5.30
1997	5.07	5.18	6.10	6.35	6.61	7.26	7.86	5.55	7.71	8.44	.....	5.00	5.46
1998	4.81	4.85	5.14	5.26	5.58	6.53	7.22	5.12	7.07	8.35	.....	4.92	5.35
1999	4.66	4.76	5.49	5.65	5.87	7.04	7.87	5.43	7.04	8.00	.....	4.62	4.97
2000	5.85	5.92	6.22	6.03	5.94	7.62	8.36	5.77	7.52	9.23	.....	5.73	6.24
2001	3.45	3.39	4.09	5.02	5.49	7.08	7.95	5.19	7.00	6.91	.....	3.40	3.88
2002	1.62	1.69	3.10	4.61	.....	6.49	7.80	5.05	6.43	4.67	.....	1.17	1.67
2003	1.02	1.06	2.10	4.01	.....	5.67	6.77	4.73	5.80	4.12	2.12	.....	1.13
2004	1.38	1.58	2.78	4.27	.....	5.63	6.39	4.63	5.77	4.34	2.34	.....	1.35
2005	3.16	3.40	3.93	4.29	.....	5.24	6.06	4.29	5.94	6.19	4.19	.....	3.22
2006	4.73	4.81	4.77	4.80	4.91	5.59	6.48	4.42	6.63	7.96	5.96	.....	4.97

[1] Rate on new issues within period; bank-discount basis.

[2] Yields on the more actively traded issues adjusted to constant maturities by the Department of the Treasury. The 30-year Treasury constant maturity series was discontinued on February 18, 2002, and reintroduced on February 9, 2006.

[3] Beginning December 7, 2001, data for corporate Aaa series are industrial bonds only.

[4] Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assuming, on the average, repayment at end of 10 years. Rates beginning January 1973 not strictly comparable with prior rates.

See next page for continuation of table.

TABLE B–73.—*Bond yields and interest rates, 1929–2006*—Continued

[Percent per annum]

Year and month	U.S. Treasury securities					Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	New-home mortgage yields[4]	Prime rate charged by banks[5]	Discount window (Federal Reserve Bank of New York)[5 6]		Federal funds rate[7]
	Bills (new issues)[1]		Constant maturities[2]								Primary credit	Adjustment credit	
	3-month	6-month	3-year	10-year	30-year	Aaa[3]	Baa			High-low	High-low	High-low	
2002:													
Jan	1.66	1.74	3.56	5.04	5.45	6.55	7.87	5.19	6.87	4.75-4.75	.....	1.25-1.25	1.73
Feb	1.73	1.83	3.55	4.91	.....	6.51	7.89	5.14	6.82	4.75-4.75	.....	1.25-1.25	1.74
Mar	1.81	2.02	4.14	5.28	.....	6.81	8.11	5.27	6.76	4.75-4.75	.....	1.25-1.25	1.73
Apr	1.72	1.97	4.01	5.21	.....	6.76	8.03	5.27	6.74	4.75-4.75	.....	1.25-1.25	1.75
May	1.74	1.88	3.80	5.16	.....	6.75	8.09	5.22	6.59	4.75-4.75	.....	1.25-1.25	1.75
June	1.71	1.83	3.49	4.93	.....	6.63	7.95	5.11	6.47	4.75-4.75	.....	1.25-1.25	1.75
July	1.68	1.71	3.01	4.65	.....	6.53	7.90	5.01	6.37	4.75-4.75	.....	1.25-1.25	1.73
Aug	1.63	1.62	2.52	4.26	.....	6.37	7.58	4.92	6.26	4.75-4.75	.....	1.25-1.25	1.74
Sept	1.63	1.61	2.32	3.87	.....	6.15	7.40	4.73	6.17	4.75-4.75	.....	1.25-1.25	1.75
Oct	1.60	1.57	2.25	3.94	.....	6.32	7.73	4.85	6.09	4.75-4.75	.....	1.25-1.25	1.75
Nov	1.26	1.29	2.32	4.05	.....	6.31	7.62	4.98	6.08	4.75-4.25	.....	1.25-0.75	1.34
Dec	1.20	1.26	2.23	4.03	.....	6.21	7.45	4.91	6.04	4.25-4.25	.....	0.75-0.75	1.24
2003:													
Jan	1.17	1.21	2.18	4.05	.....	6.17	7.35	4.88	6.12	4.25-4.25	2.25-2.25	0.75-0.75	1.24
Feb	1.16	1.18	2.05	3.90	.....	5.95	7.06	4.80	5.82	4.25-4.25	2.25-2.25	.....	1.26
Mar	1.13	1.12	1.98	3.81	.....	5.89	6.95	4.72	5.75	4.25-4.25	2.25-2.25	.....	1.25
Apr	1.14	1.15	2.06	3.96	.....	5.74	6.85	4.71	5.92	4.25-4.25	2.25-2.25	.....	1.26
May	1.08	1.09	1.75	3.57	.....	5.22	6.38	4.35	5.75	4.25-4.25	2.25-2.25	.....	1.26
June	0.95	0.94	1.51	3.33	.....	4.97	6.19	4.32	5.51	4.25-4.00	2.25-2.00	.....	1.22
July	0.90	0.95	1.93	3.98	.....	5.49	6.62	4.71	5.53	4.00-4.00	2.00-2.00	.....	1.01
Aug	0.96	1.04	2.44	4.45	.....	5.88	7.01	5.08	5.77	4.00-4.00	2.00-2.00	.....	1.03
Sept	0.95	1.02	2.23	4.27	.....	5.72	6.79	4.91	5.97	4.00-4.00	2.00-2.00	.....	1.01
Oct	0.93	1.01	2.26	4.29	.....	5.70	6.73	4.84	5.92	4.00-4.00	2.00-2.00	.....	1.01
Nov	0.94	1.02	2.45	4.30	.....	5.65	6.66	4.74	5.92	4.00-4.00	2.00-2.00	.....	1.00
Dec	0.90	1.00	2.44	4.27	.....	5.62	6.60	4.65	5.59	4.00-4.00	2.00-2.00	.....	0.98
2004:													
Jan	0.89	0.98	2.27	4.15	.....	5.54	6.44	4.53	5.48	4.00-4.00	2.00-2.00	.....	1.00
Feb	0.92	0.99	2.25	4.08	.....	5.50	6.27	4.48	5.72	4.00-4.00	2.00-2.00	.....	1.01
Mar	0.94	0.99	2.00	3.83	.....	5.33	6.11	4.39	5.42	4.00-4.00	2.00-2.00	.....	1.00
Apr	0.94	1.06	2.57	4.35	.....	5.73	6.46	4.84	5.49	4.00-4.00	2.00-2.00	.....	1.00
May	1.04	1.31	3.10	4.72	.....	6.04	6.75	5.03	5.77	4.00-4.00	2.00-2.00	.....	1.00
June	1.27	1.58	3.26	4.73	.....	6.01	6.78	5.00	5.81	4.25-4.00	2.25-2.00	.....	1.03
July	1.35	1.68	3.05	4.50	.....	5.82	6.62	4.82	5.96	4.25-4.25	2.25-2.25	.....	1.26
Aug	1.48	1.72	2.88	4.28	.....	5.65	6.46	4.65	5.88	4.50-4.25	2.50-2.25	.....	1.43
Sept	1.65	1.86	2.83	4.13	.....	5.46	6.27	4.49	5.72	4.75-4.50	2.75-2.50	.....	1.61
Oct	1.75	2.00	2.85	4.10	.....	5.47	6.21	4.43	5.82	4.75-4.75	2.75-2.75	.....	1.76
Nov	2.06	2.26	3.09	4.19	.....	5.52	6.20	4.48	5.91	5.00-4.75	3.00-2.75	.....	1.93
Dec	2.20	2.45	3.21	4.23	.....	5.47	6.15	4.40	6.02	5.25-5.00	3.25-3.00	.....	2.16
2005:													
Jan	2.32	2.60	3.39	4.22	.....	5.36	6.02	4.28	6.01	5.25-5.25	3.25-3.25	.....	2.28
Feb	2.53	2.76	3.54	4.17	.....	5.20	5.82	4.14	5.75	5.50-5.25	3.50-3.25	.....	2.50
Mar	2.75	3.00	3.91	4.50	.....	5.40	6.06	4.42	5.82	5.75-5.50	3.75-3.50	.....	2.63
Apr	2.79	3.06	3.79	4.34	.....	5.33	6.05	4.31	5.84	5.75-5.75	3.75-3.75	.....	2.79
May	2.86	3.10	3.72	4.14	.....	5.15	6.01	4.16	5.82	6.00-5.75	4.00-3.75	.....	3.00
June	2.99	3.13	3.69	4.00	.....	4.96	5.86	4.08	5.76	6.25-6.00	4.25-4.00	.....	3.04
July	3.22	3.41	3.91	4.18	.....	5.06	5.95	4.15	5.76	6.25-6.25	4.25-4.25	.....	3.26
Aug	3.45	3.67	4.08	4.26	.....	5.09	5.96	4.21	5.83	6.50-6.25	4.50-4.25	.....	3.50
Sept	3.47	3.68	3.96	4.20	.....	5.13	6.03	4.28	5.99	6.75-6.50	4.75-4.50	.....	3.62
Oct	3.70	3.98	4.29	4.46	.....	5.35	6.30	4.49	6.03	6.75-6.75	4.75-4.75	.....	3.78
Nov	3.90	4.16	4.43	4.54	.....	5.42	6.39	4.53	6.20	7.00-7.00	5.00-5.00	.....	4.00
Dec	3.89	4.19	4.39	4.47	.....	5.37	6.32	4.43	6.39	7.25-7.00	5.25-5.00	.....	4.16
2006:													
Jan	4.20	4.30	4.35	4.42	.....	5.29	6.24	4.31	6.12	7.50-7.25	5.50-5.25	.....	4.29
Feb	4.41	4.51	4.64	4.57	4.54	5.35	6.27	4.41	6.40	7.50-7.50	5.50-5.50	.....	4.49
Mar	4.51	4.61	4.74	4.72	4.73	5.53	6.41	4.44	6.53	7.75-7.50	5.75-5.50	.....	4.59
Apr	4.59	4.72	4.89	4.99	5.06	5.84	6.68	4.60	6.64	7.75-7.75	5.75-5.75	.....	4.79
May	4.72	4.81	4.97	5.11	5.20	5.95	6.75	4.61	6.69	8.00-7.75	6.00-5.75	.....	4.94
June	4.79	4.95	5.09	5.11	5.15	5.89	6.78	4.64	6.79	8.25-8.00	6.25-6.00	.....	4.99
July	4.96	5.09	5.07	5.09	5.13	5.85	6.76	4.64	6.81	8.25-8.25	6.25-6.25	.....	5.24
Aug	4.98	4.99	4.85	4.88	5.00	5.68	6.59	4.43	6.87	8.25-8.25	6.25-6.25	.....	5.25
Sept	4.82	4.90	4.69	4.72	4.85	5.51	6.43	4.30	6.72	8.25-8.25	6.25-6.25	.....	5.25
Oct	4.89	4.91	4.72	4.73	4.85	5.51	6.42	4.32	6.69	8.25-8.25	6.25-6.25	.....	5.25
Nov	4.95	4.96	4.64	4.60	4.69	5.33	6.20	4.17	6.55	8.25-8.25	6.25-6.25	.....	5.25
Dec	4.85	4.88	4.58	4.56	4.68	5.32	6.22	4.17	6.37	8.25-8.25	6.25-6.25	.....	5.24

[5] For monthly data, high and low for the period. Prime rate for 1929–33 and 1947–48 are ranges of the rate in effect during the period.

[6] Primary credit replaced adjustment credit as the Federal Reserve's principal discount window lending program effective January 9, 2003.

[7] Since July 19, 1975, the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to that date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

[8] From October 30, 1942, to April 24, 1946, a preferential rate of 0.50 percent was in effect for advances secured by Government securities maturing in 1 year or less.

Sources: Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Housing Finance Board, Moody's Investors Service, and Standard & Poor's.

TABLE B–74.—*Credit market borrowing, 1998–2006*
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Item	1998	1999	2000	2001	2002	2003	2004	2005
NONFINANCIAL SECTORS								
DOMESTIC	1,028.2	1,032.7	849.6	1,137.9	1,386.7	1,687.5	1,999.5	2,314.1
BY INSTRUMENT	1,028.2	1,032.7	849.6	1,137.9	1,386.7	1,687.5	1,999.5	2,314.1
Commercial paper	24.4	37.4	48.1	–83.0	–57.9	–35.1	16.8	–7.9
Treasury securities	–54.6	–71.0	–294.9	–5.1	257.1	398.4	362.5	307.3
Agency- and GSE-backed securities	2.0	–.2	–1.0	–.5	.5	–2.4	–.6	–.4
Municipal securities	84.2	54.4	23.6	122.8	159.4	137.6	130.5	194.7
Corporate bonds	235.2	221.7	162.6	347.7	132.3	158.3	77.7	59.9
Banks loans n.e.c.	107.6	77.3	95.0	–87.2	–106.6	–77.7	12.5	136.9
Other loans and advances	68.5	26.1	77.4	4.4	15.7	5.5	20.4	77.3
Mortgages	463.7	572.6	557.8	687.9	872.8	999.0	1,262.8	1,454.9
Home	356.3	427.3	418.7	529.6	734.0	800.8	1,054.8	1,134.9
Multifamily residential	25.4	39.1	26.6	40.3	36.8	70.3	48.6	72.0
Commercial	75.4	100.0	105.6	110.2	94.3	119.8	151.4	241.8
Farm	6.6	6.2	7.0	7.7	7.6	8.0	8.1	6.2
Consumer credit	97.3	114.5	181.0	151.0	113.4	104.0	116.9	91.3
BY SECTOR	1,028.2	1,032.7	849.6	1,137.9	1,386.7	1,687.5	1,999.5	2,314.1
Household sector	426.0	495.8	580.0	649.9	813.8	978.4	1,093.5	1,238.6
Nonfinancial business	587.0	569.6	550.0	387.9	171.4	192.8	428.8	597.3
Corporate	396.9	370.2	341.8	215.2	15.6	88.6	177.7	279.3
Nonfarm noncorporate	179.9	194.3	196.8	162.2	148.0	96.5	239.6	305.4
Farm	10.2	5.1	11.3	10.5	7.8	7.7	11.5	12.6
State and local governments	67.9	38.5	15.5	105.7	143.9	120.3	115.3	171.3
Federal Government	–52.6	–71.2	–295.9	–5.6	257.6	396.0	361.9	306.9
FOREIGN BORROWING IN THE UNITED STATES	37.2	19.0	63.0	–13.7	92.9	31.7	123.5	84.7
Commercial paper	7.8	16.3	31.7	15.8	58.3	12.9	62.8	38.5
Bonds	28.8	7.9	21.2	–18.5	31.6	28.7	61.8	38.0
Bank loans n.e.c.	6.6	.5	11.4	–7.3	5.3	–7.7	2.5	12.9
Other loans and advances	–6.0	–5.7	–1.3	–3.8	–2.3	–2.1	–3.6	–4.6
NONFINANCIAL DOMESTIC AND FOREIGN BORROWING	1,065.4	1,051.6	912.6	1,124.2	1,479.7	1,719.2	2,123.0	2,398.8
FINANCIAL SECTORS								
BY INSTRUMENT	1,024.9	1,024.2	780.6	932.8	872.5	1,009.4	880.3	1,036.8
Open market paper	161.0	176.2	131.7	–27.4	–63.8	–52.9	55.1	236.1
GSE issues (government-sponsored enterprises)	278.9	318.8	235.2	304.1	219.8	243.7	65.0	–84.2
Agency- and GSE-backed mortgage pool securities	192.7	274.6	199.7	338.5	326.8	330.5	53.0	134.8
Corporate bonds	245.0	148.6	159.7	271.1	353.6	455.7	573.2	683.5
Banks loans n.e.c.	32.3	–7.9	7.0	18.7	21.1	–7.2	33.5	9.2
Other loans and advances	90.2	107.1	42.5	25.5	6.8	31.2	74.1	44.3
Mortgages	24.8	6.9	4.9	2.2	8.2	8.3	26.3	13.1
BY SECTOR	1,024.9	1,024.2	780.6	932.8	872.5	1,009.4	880.3	1,036.8
Commercial banking	72.9	67.2	60.0	52.9	49.7	49.2	77.7	85.1
U.S.-chartered commercial banks	52.8	41.8	36.8	30.2	29.9	13.9	18.1	36.8
Foreign banking offices in U.S.	–4.8	–.4	–.0	–.9	–.4	–.1	.1	.0
Bank holding companies	24.9	25.8	23.2	23.6	20.3	35.4	59.5	48.2
Savings institutions	52.2	48.0	27.3	–2.0	–23.4	6.1	64.4	16.2
Credit unions	.6	2.2	.0	1.5	2.0	2.2	2.3	3.3
Life insurance companies	.7	.7	–.7	.6	2.0	2.9	3.0	.4
Government-sponsored enterprises	278.9	318.8	235.2	304.1	219.8	243.7	65.0	–84.2
Agency- and GSE-backed mortgage pools	192.7	274.6	199.7	338.5	326.8	330.5	53.0	134.8
Asset-backed securities issuers	256.2	150.5	156.2	220.4	182.8	211.1	332.1	661.0
Finance companies	60.9	75.5	86.4	10.9	66.2	111.0	134.4	33.4
REITs	62.7	12.3	2.6	3.2	24.5	31.9	98.4	58.5
Brokers and dealers	7.2	–17.2	15.6	1.4	–1.7	6.4	15.2	.1
Funding corporations	40.0	91.6	–1.6	1.1	23.7	14.4	34.6	128.1
ALL SECTORS, BY INSTRUMENT								
TOTAL	2,090.3	2,075.8	1,693.2	2,057.0	2,352.2	2,728.6	3,003.3	3,435.6
Open market paper	193.1	229.9	211.6	–94.5	–63.5	–75.1	134.7	266.7
Treasury securities	–54.6	–71.0	–294.9	–5.1	257.1	398.4	362.5	307.3
Agency- and GSE-backed securities	473.6	593.1	433.9	642.1	547.2	571.9	117.5	50.2
Municipal securities	84.2	54.4	23.6	122.8	159.4	137.6	130.5	194.7
Corporate and foreign bonds	509.0	378.2	343.5	600.3	517.5	642.7	712.7	781.4
Bank loans n.e.c.	146.5	69.8	113.3	–75.8	–80.2	–92.6	48.5	159.0
Other loans and advances	152.7	127.5	118.6	26.1	20.2	34.5	90.9	117.0
Mortgages	488.5	579.5	562.7	690.1	881.1	1,007.3	1,289.1	1,468.0
Consumer credit	97.3	114.5	181.0	151.0	113.4	104.0	116.9	91.3

See next page for continuation of table.

TABLE B–74.—*Credit market borrowing, 1998–2006*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Item	2005				2006		
	I	II	III	IV	I	II	III
NONFINANCIAL SECTORS							
DOMESTIC	2,249.3	2,046.5	2,454.5	2,506.1	2,534.0	1,835.1	1,847.7
BY INSTRUMENT	2,249.3	2,046.5	2,454.5	2,506.1	2,534.0	1,835.1	1,847.7
Commercial paper	49.8	5.8	2.8	–89.9	42.1	40.1	–14.3
Treasury securities	570.4	26.5	264.2	368.1	532.5	–116.4	161.1
Agency- and GSE-backed securities	–.7	–1.4	–.4	.8	–1.0	.2	–1.0
Municipal securities	188.2	147.4	237.6	205.3	77.6	160.5	195.5
Corporate bonds	34.3	30.1	99.6	75.5	213.5	207.3	119.6
Banks loans n.e.c.	108.4	212.2	39.5	187.7	263.7	128.5	155.0
Other loans and advances	76.3	73.6	40.3	119.2	48.3	90.4	67.4
Mortgages	1,125.1	1,438.7	1,667.8	1,588.0	1,307.7	1,168.5	1,028.6
Home	901.3	1,135.7	1,322.5	1,180.2	1,025.2	872.1	685.9
Multifamily residential	51.0	80.3	65.0	91.8	52.7	43.5	36.4
Commercial	167.6	211.1	271.9	316.6	219.4	237.4	288.6
Farm	5.3	11.5	8.5	–.5	10.4	15.5	17.7
Consumer credit	97.4	113.6	102.9	51.4	49.5	155.9	135.8
BY SECTOR	2,249.3	2,046.5	2,454.5	2,506.1	2,534.0	1,835.1	1,847.7
Household sector	1,009.8	1,288.4	1,322.9	1,333.4	1,139.7	1,110.6	841.6
Nonfinancial business	503.3	606.4	650.9	628.5	797.7	716.9	669.8
Corporate	287.2	251.7	313.0	265.3	468.5	423.8	388.3
Nonfarm noncorporate	211.8	336.7	316.3	356.9	300.3	268.1	258.0
Farm	4.4	18.0	21.6	6.4	28.8	25.0	23.5
State and local governments	166.5	126.5	216.8	175.3	65.2	123.7	176.3
Federal Government	569.7	25.1	263.9	368.9	531.5	–116.1	160.1
FOREIGN BORROWING IN THE UNITED STATES	56.2	84.5	84.7	113.3	109.3	101.6	412.7
Commercial paper	6.2	10.0	78.5	59.1	62.6	–58.9	249.3
Bonds	41.3	84.4	8.5	17.9	50.6	139.1	176.7
Bank loans n.e.c.	12.1	–5.3	5.2	39.5	7.6	28.2	–5.2
Other loans and advances	–3.4	–4.6	–7.4	–3.1	–11.5	–6.9	–8.1
NONFINANCIAL DOMESTIC AND FOREIGN BORROWING	2,305.5	2,131.0	2,539.2	2,619.5	2,643.3	1,936.7	2,260.4
FINANCIAL SECTORS							
BY INSTRUMENT	709.1	1,173.5	773.3	1,491.3	1,113.0	1,392.0	763.6
Open market paper	180.1	301.5	243.5	219.3	261.4	308.5	316.2
GSE issues (government-sponsored enterprises)	–209.6	–84.2	–243.9	200.9	144.8	314.3	–191.1
Agency- and GSE-backed morgage pool securities	47.3	136.6	163.4	191.8	327.3	306.4	280.8
Corporate bonds	613.0	757.2	535.9	828.0	330.3	439.0	342.9
Bank loans n.e.c.	16.8	–44.3	29.4	35.0	9.7	–35.2	–20.2
Other loans and advances	38.8	87.4	25.2	25.9	16.7	44.6	29.0
Mortgages	22.7	19.3	19.9	–9.6	22.9	14.5	6.1
BY SECTOR	709.1	1,173.5	773.3	1,491.3	1,113.0	1,392.0	763.5
Commercial banking	149.3	47.1	82.8	61.2	62.5	195.0	48.4
U.S.-chartered commercial banks	61.5	25.2	31.2	29.4	25.6	81.9	15.4
Foreign banking offices in U.S.	–.1	.5	.1	–.3	.3	–.2	–.1
Bank holding companies	87.9	21.4	51.5	32.1	36.6	113.4	33.1
Savings institutions	–4.9	49.4	6.9	13.3	9.6	–24.7	41.1
Credit unions	1.5	3.1	.3	8.1	–.2	6.8	2.2
Life insurance companies	–1.6	2.3	.4	.6	2.8	1.3	2.4
Government-sponsored enterprises	–209.6	–84.2	–243.9	200.9	144.8	314.3	–191.1
Agency- and GSE-backed mortgage pools	47.3	136.6	163.4	191.8	327.3	306.4	280.8
Asset-backed securities issuers	427.0	691.5	720.3	805.3	305.0	377.1	379.4
Finance companies	108.7	–27.2	–150.2	202.2	22.5	66.2	–39.6
REITs	73.0	92.8	66.0	2.4	66.6	59.3	24.7
Brokers and dealers	11.2	–5.2	28.0	–33.4	35.1	6.5	5.0
Funding corporations	107.1	267.1	99.4	38.9	137.0	83.7	210.3
ALL SECTORS, BY INSTRUMENT							
TOTAL	3,014.7	3,304.5	3,312.5	4,110.8	3,756.3	3,328.8	3,024.0
Open market paper	236.2	317.3	324.8	188.5	366.1	289.7	551.1
Treasury securities	570.4	26.5	264.2	368.1	532.5	–116.4	161.1
Agency- and GSE-backed securities	–163.0	51.1	–80.9	393.5	471.1	621.0	88.7
Municipal securities	188.2	147.4	237.6	205.3	77.6	160.5	195.5
Corporate and foreign bonds	688.6	871.7	644.0	921.4	594.3	785.4	639.2
Banks loans n.e.c.	137.3	162.6	74.0	262.2	281.0	121.5	129.5
Other loans and advances	111.8	156.4	58.1	141.9	53.5	128.1	88.3
Mortgages	1,147.8	1,458.0	1,687.7	1,578.4	1,330.6	1,183.0	1,034.7
Consumer credit	97.4	113.6	102.9	51.4	49.5	155.9	135.8

Source: Board of Governors of the Federal Reserve System.

TABLE B–75.—*Mortgage debt outstanding by type of property and of financing, 1949–2006*

[Billions of dollars]

End of year or quarter	All properties	Farm properties	Nonfarm properties				Nonfarm properties by type of mortgage					
							Government underwritten				Conventional[2]	
			Total	1- to 4-family houses	Multifamily properties	Commercial properties	Total[1]	1- to 4-family houses			Total	1- to 4-family houses
								Total	FHA insured	VA guaranteed		
1949	62.3	5.6	56.7	37.3	8.6	10.8	17.1	15.0	6.9	8.1	39.6	22.3
1950	72.7	6.0	66.6	45.1	10.1	11.5	22.1	18.8	8.5	10.3	44.6	26.2
1951	82.1	6.6	75.6	51.6	11.5	12.5	26.6	22.9	9.7	13.2	49.0	28.8
1952	91.4	7.2	84.2	58.6	12.3	13.4	29.3	25.4	10.8	14.6	55.0	33.2
1953	101.2	7.7	93.5	66.1	12.9	14.6	32.1	28.1	12.0	16.1	61.4	38.0
1954	113.7	8.1	105.6	75.8	13.5	16.3	36.2	32.1	12.8	19.3	69.4	43.7
1955	130.1	9.0	121.1	88.4	14.3	18.4	42.9	38.9	14.3	24.6	78.1	49.5
1956	144.7	9.8	134.8	99.2	14.9	20.8	47.8	43.9	15.5	28.4	87.0	55.3
1957	156.7	10.4	146.3	107.8	15.3	23.2	51.6	47.2	16.5	30.7	94.8	60.6
1958	172.0	11.1	160.9	117.9	16.8	26.2	55.2	50.1	19.7	30.4	105.8	67.8
1959	190.9	12.1	178.8	130.9	18.7	29.2	59.3	53.8	23.8	30.0	119.5	77.1
1960	207.5	12.8	194.7	141.9	20.3	32.4	62.3	56.4	26.7	29.7	132.3	85.5
1961	228.1	13.9	214.2	154.7	23.0	36.5	65.6	59.1	29.5	29.6	148.6	95.5
1962	251.6	15.2	236.4	169.4	25.8	41.2	69.4	62.2	32.3	29.9	167.1	107.3
1963	278.7	16.8	261.9	186.6	29.0	46.3	73.4	65.9	35.0	30.9	188.5	120.7
1964	306.2	18.9	287.3	203.6	33.6	50.1	77.2	69.2	38.3	30.9	210.1	134.3
1965	333.7	21.2	312.5	220.8	37.2	54.5	81.2	73.1	42.0	31.1	231.3	147.6
1966	356.9	23.1	333.8	233.3	40.3	60.3	84.1	76.1	44.8	31.3	249.7	157.2
1967	381.6	25.1	356.5	247.7	43.9	64.8	88.2	79.9	47.4	32.5	268.3	167.8
1968	411.5	27.5	383.9	265.2	47.3	71.4	93.4	84.4	50.6	33.8	290.5	180.8
1969	442.3	29.4	412.9	283.6	52.2	77.1	100.2	90.2	54.5	35.7	312.7	193.4
1970	474.4	30.5	443.9	297.8	60.1	86.0	109.2	97.3	59.9	37.3	334.7	200.6
1971	525.1	32.4	492.7	326.2	70.1	96.4	120.7	105.2	65.7	39.5	372.0	221.0
1972	598.1	35.4	562.8	366.7	82.8	113.3	131.1	113.0	68.2	44.7	431.7	253.8
1973	673.4	39.8	633.6	407.9	93.2	132.6	135.0	116.2	66.2	50.0	498.6	291.6
1974	734.0	44.9	689.1	440.7	100.0	148.3	140.2	121.3	65.1	56.2	548.8	319.4
1975	793.5	49.9	743.7	482.0	100.7	161.0	147.0	127.7	66.1	61.6	596.7	354.2
1976	880.3	55.4	824.9	544.8	105.9	174.2	154.0	133.5	66.5	67.0	670.9	411.3
1977	1,012.0	63.8	948.2	640.6	114.3	193.3	161.7	141.6	68.0	73.6	786.4	499.0
1978	1,164.6	72.8	1,091.9	752.2	125.2	214.5	176.4	153.4	71.4	82.0	915.5	598.8
1979	1,330.0	86.8	1,243.3	868.8	135.0	239.4	199.0	172.9	81.0	92.0	1,044.3	695.9
1980	1,464.8	97.5	1,367.3	966.2	141.1	259.9	225.1	195.2	93.6	101.6	1,142.2	771.1
1981	1,590.1	107.2	1,482.9	1,044.1	139.2	299.7	238.9	207.6	101.3	106.2	1,244.0	836.5
1982	1,675.5	111.3	1,564.2	1,089.5	141.1	333.6	248.9	217.9	108.0	109.9	1,315.3	871.6
1983	1,869.1	113.7	1,755.3	1,211.6	154.3	389.4	279.8	248.8	127.4	121.4	1,475.5	962.8
1984	2,113.1	112.4	2,000.7	1,351.4	177.4	471.9	294.8	265.9	136.7	129.1	1,705.8	1,085.5
1985	2,376.8	105.9	2,271.0	1,523.5	205.9	541.6	328.3	288.8	153.0	135.8	1,942.7	1,234.7
1986	2,663.3	95.1	2,568.3	1,726.4	239.3	602.5	370.5	328.6	185.5	143.1	2,197.8	1,397.8
1987	3,001.5	87.7	2,913.7	1,953.6	262.1	698.0	431.4	387.9	235.5	152.4	2,482.3	1,565.7
1988	3,319.6	83.0	3,236.6	2,188.1	279.0	769.6	459.7	414.2	258.8	155.4	2,776.9	1,773.9
1989	3,591.3	80.5	3,510.8	2,421.5	289.9	799.5	486.8	440.1	282.8	157.3	3,024.0	1,981.4
1990	3,807.4	78.9	3,728.5	2,619.5	288.3	820.7	517.9	470.9	310.9	160.0	3,210.5	2,148.6
1991	3,952.9	79.2	3,873.7	2,781.7	284.9	807.1	537.2	493.3	330.6	162.7	3,336.4	2,288.4
1992	4,062.5	79.7	3,982.7	2,947.3	272.0	763.4	533.3	489.8	326.0	163.8	3,449.4	2,457.6
1993	4,195.7	80.7	4,115.0	3,106.0	269.1	739.9	513.4	469.5	303.2	166.2	3,601.6	2,636.6
1994	4,363.3	83.3	4,280.0	3,283.2	269.6	727.2	559.3	514.2	336.8	177.3	3,720.7	2,769.0
1995	4,550.4	85.0	4,465.4	3,451.2	275.5	738.7	584.3	537.1	352.3	184.7	3,881.1	2,914.2
1996	4,819.7	87.6	4,732.2	3,674.7	287.8	769.7	620.3	571.2	379.2	192.0	4,111.9	3,103.5
1997	5,132.6	90.4	5,042.3	3,910.2	300.9	831.2	656.7	605.7	405.7	200.0	4,385.6	3,304.5
1998	5,620.6	96.7	5,523.9	4,266.2	333.9	923.8	674.1	623.8	417.9	205.9	4,849.8	3,642.4
1999	6,233.2	103.9	6,129.3	4,691.2	375.0	1,063.1	731.5	678.8	462.3	216.5	5,397.8	4,012.4
2000	6,795.2	110.2	6,685.0	5,109.8	404.6	1,170.6	773.1	720.0	499.9	220.1	5,911.9	4,389.9
2001	7,485.2	117.8	7,367.4	5,639.5	446.5	1,281.4	772.7	718.5	497.4	221.2	6,594.7	4,921.0
2002	8,367.3	125.5	8,241.8	6,374.4	484.9	1,382.6	759.3	704.0	486.2	217.7	7,482.5	5,670.4
2003	9,374.9	133.6	9,241.3	7,175.1	555.6	1,510.5	709.2	653.3	438.7	214.6	8,532.1	6,521.9
2004	10,680.5	141.7	10,538.8	8,246.8	608.8	1,683.2	661.5	605.4	398.1	207.3	9,877.3	7,641.4
2005	12,148.7	147.9	12,000.8	9,383.3	679.7	1,937.8	606.6	550.4	348.4	202.0	11,394.2	8,832.8
2005: I	10,938.5	143.0	10,795.5	8,448.1	621.8	1,725.5	647.9	591.6	386.1	205.5	10,147.6	7,856.5
II	11,324.3	146.3	11,178.1	8,747.8	640.7	1,789.6	633.7	577.2	372.7	204.4	10,544.4	8,170.6
III	11,754.1	148.4	11,605.7	9,090.7	658.4	1,856.6	619.1	562.5	359.3	203.2	10,986.7	8,528.2
IV	12,148.7	147.9	12,000.8	9,383.3	679.7	1,937.8	606.6	550.4	348.4	202.0	11,394.2	8,832.8
2006: I	12,450.8	150.5	12,300.3	9,612.3	693.8	1,994.3	599.9	543.7	343.3	200.4	11,700.4	9,068.6
II	12,765.3	154.7	12,610.6	9,845.6	703.9	2,061.1	594.9	539.1	339.8	199.3	12,015.7	9,306.5
III[P]	13,033.5	159.1	12,874.4	10,029.3	714.6	2,130.4	599.1	542.7	338.6	204.2	12,275.2	9,486.6

[1] Includes FHA insured multifamily properties, not shown separately.

[2] Derived figures. Total includes multifamily properties, not shown separately, and commercial properties not shown here but are the same as nonfarm properties—commercial properties.

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

TABLE B–76.—*Mortgage debt outstanding by holder, 1949–2006*

[Billions of dollars]

End of year or quarter	Total	Major financial institutions				Other holders	
		Total	Savings institutions[1]	Commercial banks[2]	Life insurance companies	Federal and related agencies[3]	Individuals and others[4]
1949	62.3	42.9	18.3	11.6	12.9	2.0	17.5
1950	72.7	51.7	21.9	13.7	16.1	2.6	18.4
1951	82.1	59.5	25.5	14.7	19.3	3.3	19.3
1952	91.4	67.0	29.8	16.0	21.3	3.9	20.4
1953	101.2	75.1	34.8	17.0	23.3	4.4	21.7
1954	113.7	85.8	41.1	18.7	26.0	4.7	23.2
1955	130.1	99.5	48.9	21.2	29.4	5.3	25.3
1956	144.7	111.4	55.5	22.9	33.0	6.2	27.1
1957	156.7	120.0	61.2	23.6	35.2	7.7	29.1
1958	172.0	131.7	68.9	25.8	37.1	8.0	32.3
1959	190.9	145.6	78.1	28.2	39.2	10.2	35.1
1960	207.5	157.6	86.9	28.9	41.8	11.5	38.4
1961	228.1	172.7	98.0	30.6	44.2	12.2	43.1
1962	251.6	192.6	111.1	34.7	46.9	12.6	46.3
1963	278.7	217.4	127.2	39.6	50.5	11.8	49.5
1964	306.2	241.3	141.9	44.3	55.2	12.2	52.7
1965	333.7	265.0	154.9	50.0	60.0	13.5	55.2
1966	356.9	281.2	161.8	54.8	64.6	17.5	58.2
1967	381.6	299.2	172.3	59.5	67.4	20.9	61.4
1968	411.5	320.3	184.3	66.1	70.0	25.1	66.1
1969	442.3	339.8	196.4	71.4	72.0	31.1	71.4
1970	474.4	356.7	208.3	74.1	74.4	38.3	79.4
1971	525.1	395.2	236.2	83.4	75.5	46.3	83.6
1972	598.1	450.8	273.6	100.2	76.9	54.5	92.8
1973	673.4	506.3	305.0	120.1	81.3	64.7	102.4
1974	734.0	544.1	324.2	133.6	86.2	82.2	107.7
1975	793.5	582.9	355.8	137.9	89.2	101.1	109.6
1976	880.3	649.3	404.6	153.1	91.6	116.7	114.4
1977	1,012.0	747.0	469.4	180.8	96.8	140.5	124.5
1978	1,164.6	849.8	528.0	215.7	106.2	170.6	144.3
1979	1,330.0	939.9	574.6	246.9	118.4	216.0	174.2
1980	1,464.8	998.6	603.1	264.5	131.1	256.8	209.4
1981	1,590.1	1,042.8	618.5	286.5	137.7	289.4	257.9
1982	1,675.5	1,023.4	578.1	303.4	142.0	355.4	296.7
1983	1,869.1	1,109.9	626.6	332.3	151.0	433.3	325.8
1984	2,113.1	1,247.8	709.7	381.4	156.7	490.6	374.7
1985	2,376.8	1,363.5	760.5	431.2	171.8	580.9	432.4
1986	2,663.3	1,476.5	778.0	504.7	193.8	733.7	453.1
1987	3,001.5	1,667.6	860.5	594.8	212.4	857.9	475.9
1988	3,319.6	1,834.3	924.5	676.9	232.9	937.8	547.6
1989	3,591.3	1,935.2	910.3	770.7	254.2	1,067.3	588.8
1990	3,807.4	1,918.8	801.6	849.3	267.9	1,258.9	629.7
1991	3,952.9	1,846.2	705.4	881.3	259.5	1,422.5	684.2
1992	4,062.5	1,770.4	627.9	900.5	242.0	1,558.1	733.9
1993	4,195.7	1,770.1	598.4	947.8	223.9	1,682.8	742.8
1994	4,363.3	1,824.7	596.2	1,012.7	215.8	1,788.0	750.7
1995	4,550.4	1,900.1	596.8	1,090.2	213.1	1,878.7	771.6
1996	4,819.7	1,981.9	628.3	1,145.4	208.2	2,006.1	831.8
1997	5,132.6	2,084.0	631.8	1,245.3	206.8	2,111.4	937.2
1998	5,620.6	2,194.6	644.0	1,337.0	213.6	2,310.9	1,115.1
1999	6,233.2	2,394.3	668.1	1,495.4	230.8	2,613.3	1,225.7
2000	6,795.2	2,619.0	723.0	1,660.1	235.9	2,834.4	1,341.8
2001	7,485.2	2,790.9	758.0	1,789.8	243.0	3,205.0	1,489.3
2002	8,367.3	3,089.4	781.0	2,058.4	250.0	3,592.2	1,685.7
2003	9,374.9	3,387.2	870.2	2,256.0	260.9	4,026.3	1,961.5
2004	10,680.5	3,925.7	1,057.0	2,595.3	273.3	4,096.0	2,658.8
2005	12,148.7	4,394.8	1,152.7	2,956.6	285.5	4,232.0	3,522.0
2005: I	10,938.5	4,032.3	1,068.0	2,689.2	275.0	4,101.8	2,804.4
II	11,324.3	4,183.5	1,113.3	2,791.8	278.4	4,121.3	3,019.5
III	11,754.1	4,317.2	1,140.9	2,895.4	280.9	4,169.4	3,267.5
IV	12,148.7	4,394.8	1,152.7	2,956.6	285.5	4,232.0	3,522.0
2006: I	12,450.8	4,505.6	1,192.4	3,024.9	288.3	4,308.2	3,637.0
II	12,765.3	4,648.1	1,221.0	3,131.8	295.3	4,371.3	3,746.0
III *p*	13,033.5	4,720.2	1,249.1	3,172.9	298.1	4,450.5	3,862.9

[1] Includes savings banks and savings and loan associations. Data reported by Federal Savings and Loan Insurance Corporation-insured institutions include loans in process for 1987 and exclude loans in process beginning 1988.

[2] Includes loans held by nondeposit trust companies, but not by bank trust departments.

[3] Includes Ginnie Mae—Government National Mortgage Association (GNMA), Federal Housing Administration, Veterans Administration, Farmers Home Administration (FmHA), Federal Deposit Insurance Corporation, Resolution Trust Corporation (through 1995), and in earlier years Reconstruction Finance Corporation, Homeowners Loan Corporation, Federal Farm Mortgage Corporation, and Public Housing Administration. Also includes U.S.-sponsored agencies such as Fannie Mae—Federal National Mortgage Association (FNMA), Federal Land Banks, Freddie Mac—Federal Home Loan Mortgage Corporation (FHLMC), Farmer Mac—Federal Agricultural Mortgage Corporation (beginning 1994), Federal Home Loan Banks (beginning 1997), and mortgage pass-through securities issued or guaranteed by GNMA, FHLMC, FNMA, FmHA or Farmer Mac. Other U.S. agencies (amounts small or current separate data not readily available) included with ''individuals and others.''

[4] Includes private mortgage pools.

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

TABLE B–77.—*Consumer credit outstanding, 1959–2006*

[Amount outstanding (end of month); millions of dollars, seasonally adjusted]

Year and month	Total consumer credit [1]	Revolving	Nonrevolving [2]
December:			
1959	56,010.7	.....	56,010.7
1960	60,025.3	.....	60,025.3
1961	62,248.5	.....	62,248.5
1962	68,126.7	.....	68,126.7
1963	76,581.4	.....	76,581.4
1964	85,959.6	.....	85,959.6
1965	95,954.7	.....	95,954.7
1966	101,788.2	.....	101,788.2
1967	106,842.6	.....	106,842.6
1968	117,399.1	2,041.5	115,357.5
1969	127,156.2	3,604.8	123,551.3
1970	131,551.6	4,961.5	126,590.1
1971	146,930.2	8,245.3	138,684.8
1972	166,189.1	9,379.2	156,809.9
1973	190,086.3	11,342.2	178,744.1
1974	198,917.8	13,241.3	185,676.6
1975	204,002.0	14,495.3	189,506.7
1976	225,721.6	16,489.1	209,232.5
1977	260,562.7	37,414.8	223,147.9
1978	306,100.4	45,691.0	260,409.4
1979	348,589.1	53,596.4	294,992.7
1980	351,920.1	54,970.1	296,950.0
1981	371,301.4	60,928.0	310,373.4
1982	389,848.7	66,348.3	323,500.4
1983	437,068.9	79,027.2	358,041.6
1984	517,279.0	100,385.6	416,893.3
1985	599,711.2	124,465.8	475,245.4
1986	654,750.2	141,068.2	513,682.1
1987	686,318.8	160,853.9	525,464.9
1988[3]	731,917.8	184,593.1	547,324.6
1989	794,612.2	211,229.8	583,382.3
1990	808,230.6	238,642.6	569,587.9
1991	798,029.0	263,768.6	534,260.4
1992	806,118.7	278,449.7	527,669.0
1993	865,650.6	309,908.0	555,742.6
1994	997,126.9	365,569.6	631,557.3
1995	1,141,422.8	443,920.1	697,502.7
1996	1,253,333.4	507,516.6	745,816.9
1997	1,323,328.4	538,007.4	785,321.1
1998	1,419,390.6	579,468.5	839,922.1
1999	1,532,652.6	609,386.9	923,265.8
2000	1,722,357.8	682,971.5	1,039,386.3
2001	1,871,885.3	716,411.4	1,155,473.9
2002	1,984,143.8	749,007.6	1,235,136.2
2003	2,087,784.1	771,130.4	1,316,653.7
2004	2,202,424.9	801,261.3	1,401,163.7
2005	2,295,558.3	826,601.8	1,468,956.5
2005: Jan	2,211,756.5	806,466.9	1,405,289.5
Feb	2,220,769.0	803,607.1	1,417,161.9
Mar	2,228,872.2	802,072.4	1,426,799.9
Apr	2,239,339.9	806,444.8	1,432,895.1
May	2,241,517.7	805,365.7	1,436,152.1
June	2,257,049.9	810,485.3	1,446,564.6
July	2,268,204.3	811,403.2	1,456,801.1
Aug	2,279,080.7	814,970.4	1,464,110.3
Sept	2,282,821.5	818,088.5	1,464,733.0
Oct	2,283,505.8	819,206.1	1,464,299.7
Nov	2,291,614.0	824,327.3	1,467,286.8
Dec	2,295,558.3	826,601.8	1,468,956.5
2006: Jan	2,306,258.3	826,630.6	1,479,627.7
Feb	2,308,349.6	826,385.3	1,481,964.3
Mar	2,309,242.0	825,807.3	1,483,434.7
Apr	2,317,913.2	828,685.6	1,489,227.6
May	2,334,140.5	837,469.9	1,496,670.5
June	2,346,148.6	845,946.8	1,500,201.8
July	2,361,431.5	851,580.4	1,509,851.1
Aug	2,374,851.7	857,914.2	1,516,937.5
Sept	2,378,580.2	861,020.2	1,517,560.0
Oct	2,377,325.7	864,058.8	1,513,266.9
Nov[p]	2,389,658.3	872,618.0	1,517,040.2

[1] Covers most short- and intermediate-term credit extended to individuals. Credit secured by real estate is excluded.

[2] Includes automobile loans and all other loans not included in revolving credit, such as loans for mobile homes, education, boats, trailers, or vacations. These loans may be secured or unsecured. Beginning 1977 includes student loans extended by the Federal Government and by SLM Holding Corporation.

[3] Data newly available in January 1989 result in breaks in these series between December 1988 and subsequent months.

Source: Board of Governors of the Federal Reserve System.

TABLE B–78.—*Federal receipts, outlays, surplus or deficit, and debt, fiscal years, 1940–2008*

[Billions of dollars; fiscal years]

Fiscal year or period	Total			On-budget			Off-budget			Federal debt (end of period)		Addendum: Gross domestic product
	Receipts	Outlays	Surplus or deficit (–)	Receipts	Outlays	Surplus or deficit (–)	Receipts	Outlays	Surplus or deficit (–)	Gross Federal	Held by the public	
1940	6.5	9.5	–2.9	6.0	9.5	–3.5	0.6	–0.0	0.6	50.7	42.8	96.8
1941	8.7	13.7	–4.9	8.0	13.6	–5.6	.7	.0	.7	57.5	48.2	114.1
1942	14.6	35.1	–20.5	13.7	35.1	–21.3	.9	.1	.8	79.2	67.8	144.3
1943	24.0	78.6	–54.6	22.9	78.5	–55.6	1.1	.1	1.0	142.6	127.8	180.3
1944	43.7	91.3	–47.6	42.5	91.2	–48.7	1.3	.1	1.2	204.1	184.8	209.2
1945	45.2	92.7	–47.6	43.8	92.6	–48.7	1.3	.1	1.2	260.1	235.2	221.4
1946	39.3	55.2	–15.9	38.1	55.0	–17.0	1.2	.2	1.0	271.0	241.9	222.7
1947	38.5	34.5	4.0	37.1	34.2	2.9	1.5	.3	1.2	257.1	224.3	233.2
1948	41.6	29.8	11.8	39.9	29.4	10.5	1.6	.4	1.2	252.0	216.3	256.0
1949	39.4	38.8	.6	37.7	38.4	–.7	1.7	.4	1.3	252.6	214.3	271.1
1950	39.4	42.6	–3.1	37.3	42.0	–4.7	2.1	.5	1.6	256.9	219.0	273.0
1951	51.6	45.5	6.1	48.5	44.2	4.3	3.1	1.3	1.8	255.3	214.3	320.6
1952	66.2	67.7	–1.5	62.6	66.0	–3.4	3.6	1.7	1.9	259.1	214.8	348.6
1953	69.6	76.1	–6.5	65.5	73.8	–8.3	4.1	2.3	1.8	266.0	218.4	372.9
1954	69.7	70.9	–1.2	65.1	67.9	–2.8	4.6	2.9	1.7	270.8	224.5	377.3
1955	65.5	68.4	–3.0	60.4	64.5	–4.1	5.1	4.0	1.1	274.4	226.6	394.6
1956	74.6	70.6	3.9	68.2	65.7	2.5	6.4	5.0	1.5	272.7	222.2	427.2
1957	80.0	76.6	3.4	73.2	70.6	2.6	6.8	6.0	.8	272.3	219.3	450.3
1958	79.6	82.4	–2.8	71.6	74.9	–3.3	8.0	7.5	.5	279.7	226.3	460.5
1959	79.2	92.1	–12.8	71.0	83.1	–12.1	8.3	9.0	–.7	287.5	234.7	491.5
1960	92.5	92.2	.3	81.9	81.3	.5	10.6	10.9	–.2	290.5	236.8	517.9
1961	94.4	97.7	–3.3	82.3	86.0	–3.8	12.1	11.7	.4	292.6	238.4	530.8
1962	99.7	106.8	–7.1	87.4	93.3	–5.9	12.3	13.5	–1.3	302.9	248.0	567.6
1963	106.6	111.3	–4.8	92.4	96.4	–4.0	14.2	15.0	–.8	310.3	254.0	598.7
1964	112.6	118.5	–5.9	96.2	102.8	–6.5	16.4	15.7	.6	316.1	256.8	640.4
1965	116.8	118.2	–1.4	100.1	101.7	–1.6	16.7	16.5	.2	322.3	260.8	687.1
1966	130.8	134.5	–3.7	111.7	114.8	–3.1	19.1	19.7	–.6	328.5	263.7	752.9
1967	148.8	157.5	–8.6	124.4	137.0	–12.6	24.4	20.4	4.0	340.4	266.6	811.8
1968	153.0	178.1	–25.2	128.1	155.8	–27.7	24.9	22.3	2.6	368.7	289.5	866.6
1969	186.9	183.6	3.2	157.9	158.4	–.5	29.0	25.2	3.7	365.8	278.1	948.6
1970	192.8	195.6	–2.8	159.3	168.0	–8.7	33.5	27.6	5.9	380.9	283.2	1,012.2
1971	187.1	210.2	–23.0	151.3	177.3	–26.1	35.8	32.8	3.0	408.2	303.0	1,079.9
1972	207.3	230.7	–23.4	167.4	193.5	–26.1	39.9	37.2	2.7	435.9	322.4	1,178.3
1973	230.8	245.7	–14.9	184.7	200.0	–15.2	46.1	45.7	.3	466.3	340.9	1,307.6
1974	263.2	269.4	–6.1	209.3	216.5	–7.2	53.9	52.9	1.1	483.9	343.7	1,439.3
1975	279.1	332.3	–53.2	216.6	270.8	–54.1	62.5	61.6	.9	541.9	394.7	1,560.7
1976	298.1	371.8	–73.7	231.7	301.1	–69.4	66.4	70.7	–4.3	629.0	477.4	1,736.5
Transition quarter	81.2	96.0	–14.7	63.2	77.3	–14.1	18.0	18.7	–.7	643.6	495.5	456.7
1977	355.6	409.2	–53.7	278.7	328.7	–49.9	76.8	80.5	–3.7	706.4	549.1	1,974.3
1978	399.6	458.7	–59.2	314.2	369.6	–55.4	85.4	89.2	–3.8	776.6	607.1	2,217.0
1979	463.3	504.0	–40.7	365.3	404.9	–39.6	98.0	99.1	–1.1	829.5	640.3	2,500.7
1980	517.1	590.9	–73.8	403.9	477.0	–73.1	113.2	113.9	–.7	909.0	711.9	2,726.7
1981	599.3	678.2	–79.0	469.1	543.0	–73.9	130.2	135.3	–5.1	994.8	789.4	3,054.7
1982	617.8	745.7	–128.0	474.3	594.9	–120.6	143.5	150.9	–7.4	1,137.3	924.6	3,227.6
1983	600.6	808.4	–207.8	453.2	660.9	–207.7	147.3	147.4	–.1	1,371.7	1,137.3	3,440.7
1984	666.5	851.9	–185.4	500.4	685.7	–185.3	166.1	166.2	–.1	1,564.6	1,307.0	3,840.2
1985	734.1	946.4	–212.3	547.9	769.4	–221.5	186.2	176.9	9.2	1,817.4	1,507.3	4,141.5
1986	769.2	990.4	–221.2	569.0	806.9	–237.9	200.2	183.5	16.7	2,120.5	1,740.6	4,412.4
1987	854.4	1,004.1	–149.7	641.0	809.3	–168.4	213.4	194.8	18.6	2,346.0	1,889.8	4,647.1
1988	909.3	1,064.5	–155.2	667.8	860.1	–192.3	241.5	204.4	37.1	2,601.1	2,051.6	5,008.6
1989	991.2	1,143.8	–152.6	727.5	932.9	–205.4	263.7	210.9	52.8	2,867.8	2,190.7	5,400.5
1990	1,032.1	1,253.1	–221.0	750.4	1,028.1	–277.6	281.7	225.1	56.6	3,206.3	2,411.6	5,735.4
1991	1,055.1	1,324.3	–269.2	761.2	1,082.6	–321.4	293.9	241.7	52.2	3,598.2	2,689.0	5,935.1
1992	1,091.3	1,381.6	–290.3	788.9	1,129.3	–340.4	302.4	252.3	50.1	4,001.8	2,999.7	6,239.9
1993	1,154.5	1,409.5	–255.1	842.5	1,142.9	–300.4	311.9	266.6	45.3	4,351.0	3,248.4	6,575.5
1994	1,258.7	1,461.9	–203.2	923.7	1,182.5	–258.8	335.0	279.4	55.7	4,643.3	3,433.1	6,961.3
1995	1,351.9	1,515.9	–164.0	1,000.9	1,227.2	–226.4	351.1	288.7	62.4	4,920.6	3,604.4	7,325.8
1996	1,453.2	1,560.6	–107.4	1,085.7	1,259.7	–174.0	367.5	300.9	66.6	5,181.5	3,734.1	7,694.1
1997	1,579.4	1,601.3	–21.9	1,187.4	1,290.7	–103.2	392.0	310.6	81.4	5,369.2	3,772.3	8,182.4
1998	1,722.0	1,652.7	69.3	1,306.2	1,336.1	–29.9	415.8	316.6	99.2	5,478.2	3,721.1	8,627.9
1999	1,827.6	1,702.0	125.6	1,383.2	1,381.3	1.9	444.5	320.8	123.7	5,605.5	3,632.4	9,125.3
2000	2,025.5	1,789.2	236.2	1,544.9	1,458.5	86.4	480.6	330.8	149.8	5,628.7	3,409.8	9,709.8
2001	1,991.4	1,863.2	128.2	1,483.9	1,516.4	–32.4	507.5	346.8	160.7	5,769.9	3,319.6	10,057.9
2002	1,853.4	2,011.2	–157.8	1,338.1	1,655.5	–317.4	515.3	355.7	159.7	6,198.4	3,540.4	10,377.4
2003	1,782.5	2,160.1	–377.6	1,258.7	1,797.1	–538.4	523.8	363.0	160.8	6,760.0	3,913.4	10,808.6
2004	1,880.3	2,293.0	–412.7	1,345.5	1,913.5	–568.0	534.7	379.5	155.2	7,354.7	4,295.5	11,517.5
2005	2,153.9	2,472.2	–318.3	1,576.4	2,070.0	–493.6	577.5	402.2	175.3	7,905.3	4,592.2	12,265.8
2006	2,407.3	2,655.4	–248.2	1,798.9	2,233.4	–434.5	608.4	422.1	186.3	8,451.4	4,829.0	13,061.1
2007 (estimates)	2,540.1	2,784.3	–244.2	1,906.0	2,333.0	–427.0	634.1	451.3	182.8	9,007.8	5,083.3	13,761.2
2008 (estimates)	2,662.5	2,901.9	–239.4	1,988.4	2,439.3	–450.9	674.1	462.5	211.6	9,575.5	5,345.4	14,515.0

Note.—Through fiscal year 1976, the fiscal year was on a July 1-June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1-September 30 basis. The transition quarter is the 3-month period from July 1, 1976 through September 30, 1976.

See *Budget of the United States Government, Fiscal Year 2008,* for additional information.

Sources: Department of Commerce (Bureau of Economic Analysis), Department of the Treasury, and Office of Management and Budget.

TABLE B–79.—*Federal receipts, outlays, surplus or deficit, and debt, as percent of gross domestic product, fiscal years 1934–2008*

[Percent; fiscal years]

Fiscal year or period	Receipts	Outlays		Surplus or deficit (–)	Federal debt (end of period)	
		Total	National defense		Gross Federal	Held by public
1934	4.8	10.7	.....	–5.9	.....	.....
1935	5.2	9.2	.....	–4.0	.....	.....
1936	5.0	10.5	.....	–5.5	.....	.....
1937	6.1	8.6	.....	–2.5	.....	.....
1938	7.6	7.7	.....	–.1	.....	.....
1939	7.1	10.3	.....	–3.2	54.2	46.6
1940	6.8	9.8	1.7	–3.0	52.4	44.2
1941	7.6	12.0	5.6	–4.3	50.4	42.3
1942	10.1	24.3	17.8	–14.2	54.9	47.0
1943	13.3	43.6	37.0	–30.3	79.1	70.9
1944	20.9	43.6	37.8	–22.7	97.6	88.3
1945	20.4	41.9	37.5	–21.5	117.5	106.2
1946	17.6	24.8	19.2	–7.2	121.7	108.6
1947	16.5	14.8	5.5	1.7	110.3	96.2
1948	16.2	11.6	3.6	4.6	98.4	84.5
1949	14.5	14.3	4.9	.2	93.2	79.1
1950	14.4	15.6	5.0	–1.1	94.1	80.2
1951	16.1	14.2	7.4	1.9	79.6	66.9
1952	19.0	19.4	13.2	–.4	74.3	61.6
1953	18.7	20.4	14.2	–1.7	71.3	58.6
1954	18.5	18.8	13.1	–.3	71.8	59.5
1955	16.6	17.3	10.8	–.8	69.5	57.4
1956	17.5	16.5	10.0	.9	63.8	52.0
1957	17.8	17.0	10.1	.8	60.5	48.7
1958	17.3	17.9	10.2	–.6	60.7	49.2
1959	16.1	18.7	10.0	–2.6	58.5	47.8
1960	17.9	17.8	9.3	.1	56.1	45.7
1961	17.8	18.4	9.3	–.6	55.1	44.9
1962	17.6	18.8	9.2	–1.3	53.4	43.7
1963	17.8	18.6	8.9	–.8	51.8	42.4
1964	17.6	18.5	8.6	–.9	49.4	40.1
1965	17.0	17.2	7.4	–.2	46.9	38.0
1966	17.4	17.9	7.7	–.5	43.6	35.0
1967	18.3	19.4	8.8	–1.1	41.9	32.8
1968	17.7	20.6	9.5	–2.9	42.5	33.4
1969	19.7	19.4	8.7	.3	38.6	29.3
1970	19.0	19.3	8.1	–.3	37.6	28.0
1971	17.3	19.5	7.3	–2.1	37.8	28.1
1972	17.6	19.6	6.7	–2.0	37.0	27.4
1973	17.7	18.8	5.9	–1.1	35.7	26.1
1974	18.3	18.7	5.5	–.4	33.6	23.9
1975	17.9	21.3	5.5	–3.4	34.7	25.3
1976	17.2	21.4	5.2	–4.2	36.2	27.5
Transition quarter	17.8	21.0	4.9	–3.2	35.2	27.1
1977	18.0	20.7	4.9	–2.7	35.8	27.8
1978	18.0	20.7	4.7	–2.7	35.0	27.4
1979	18.5	20.2	4.7	–1.6	33.2	25.6
1980	19.0	21.7	4.9	–2.7	33.3	26.1
1981	19.6	22.2	5.2	–2.6	32.6	25.8
1982	19.1	23.1	5.7	–4.0	35.2	28.6
1983	17.5	23.5	6.1	–6.0	39.9	33.1
1984	17.4	22.2	5.9	–4.8	40.7	34.0
1985	17.7	22.9	6.1	–5.1	43.9	36.4
1986	17.4	22.4	6.2	–5.0	48.1	39.4
1987	18.4	21.6	6.1	–3.2	50.5	40.7
1988	18.2	21.3	5.8	–3.1	51.9	41.0
1989	18.4	21.2	5.6	–2.8	53.1	40.6
1990	18.0	21.8	5.2	–3.9	55.9	42.0
1991	17.8	22.3	4.6	–4.5	60.6	45.3
1992	17.5	22.1	4.8	–4.7	64.1	48.1
1993	17.6	21.4	4.4	–3.9	66.2	49.4
1994	18.1	21.0	4.0	–2.9	66.7	49.3
1995	18.5	20.7	3.7	–2.2	67.2	49.2
1996	18.9	20.3	3.5	–1.4	67.3	48.5
1997	19.3	19.6	3.3	–.3	65.6	46.1
1998	20.0	19.2	3.1	.8	63.5	43.1
1999	20.0	18.7	3.0	1.4	61.4	39.8
2000	20.9	18.4	3.0	2.4	58.0	35.1
2001	19.8	18.5	3.0	1.3	57.4	33.0
2002	17.9	19.4	3.4	–1.5	59.7	34.1
2003	16.5	20.0	3.7	–3.5	62.5	36.2
2004	16.3	19.9	4.0	–3.6	63.9	37.3
2005	17.6	20.2	4.0	–2.6	64.4	37.4
2006	18.4	20.3	4.0	–1.9	64.7	37.0
2007 (estimates)	18.5	20.2	4.2	–1.8	65.5	36.9
2008 (estimates)	18.3	20.0	4.2	–1.6	66.0	36.8

Note.—See Note, Table B–78.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B–80.—*Federal receipts and outlays, by major category, and surplus or deficit, fiscal years 1940–2008*

[Billions of dollars; fiscal years]

Fiscal year or period	Receipts (on-budget and off-budget)					Outlays (on-budget and off-budget)										Surplus or deficit (–) (on-budget and off-budget)
							National defense									
	Total	Individual income taxes	Corporation income taxes	Social insurance and retirement receipts	Other	Total	Total	Department of Defense, military	International affairs	Health	Medicare	Income security	Social security	Net interest	Other	
1940	6.5	0.9	1.2	1.8	2.7	9.5	1.7	.....	0.1	0.1	.....	1.5	0.0	0.9	5.3	–2.9
1941	8.7	1.3	2.1	1.9	3.3	13.7	6.4	.....	.1	.1	.....	1.9	.1	.9	4.1	–4.9
1942	14.6	3.3	4.7	2.5	4.2	35.1	25.7	.....	1.0	.1	.....	1.8	.1	1.1	5.4	–20.5
1943	24.0	6.5	9.6	3.0	4.9	78.6	66.7	.....	1.3	.1	.....	1.7	.2	1.5	7.0	–54.6
1944	43.7	19.7	14.8	3.5	5.7	91.3	79.1	.....	1.4	.2	.....	1.5	.2	2.2	6.6	–47.6
1945	45.2	18.4	16.0	3.5	7.3	92.7	83.0	.....	1.9	.2	.....	1.1	.3	3.1	3.1	–47.6
1946	39.3	16.1	11.9	3.1	8.2	55.2	42.7	.....	1.9	.2	.....	2.4	.4	4.1	3.6	–15.9
1947	38.5	17.9	8.6	3.4	8.5	34.5	12.8	.....	5.8	.2	.....	2.8	.5	4.2	8.2	4.0
1948	41.6	19.3	9.7	3.8	8.8	29.8	9.1	.....	4.6	.2	.....	2.5	.6	4.3	8.5	11.8
1949	39.4	15.6	11.2	3.8	8.9	38.8	13.2	.....	6.1	.2	.....	3.2	.7	4.5	11.1	.6
1950	39.4	15.8	10.4	4.3	8.9	42.6	13.7	.....	4.7	.3	.....	4.1	.8	4.8	14.2	–3.1
1951	51.6	21.6	14.1	5.7	10.2	45.5	23.6	.....	3.6	.3	.....	3.4	1.6	4.7	8.4	6.1
1952	66.2	27.9	21.2	6.4	10.6	67.7	46.1	.....	2.7	.3	.....	3.7	2.1	4.7	8.1	–1.5
1953	69.6	29.8	21.2	6.8	11.7	76.1	52.8	.....	2.1	.3	.....	3.8	2.7	5.2	9.1	–6.5
1954	69.7	29.5	21.1	7.2	11.9	70.9	49.3	.....	1.6	.3	.....	4.4	3.4	4.8	7.1	–1.2
1955	65.5	28.7	17.9	7.9	11.0	68.4	42.7	.....	2.2	.3	.....	5.1	4.4	4.9	8.9	–3.0
1956	74.6	32.2	20.9	9.3	12.2	70.6	42.5	.....	2.4	.4	.....	4.7	5.5	5.1	10.1	3.9
1957	80.0	35.6	21.2	10.0	13.2	76.6	45.4	.....	3.1	.5	.....	5.4	6.7	5.4	10.1	3.4
1958	79.6	34.7	20.1	11.2	13.6	82.4	46.8	.....	3.4	.5	.....	7.5	8.2	5.6	10.3	–2.8
1959	79.2	36.7	17.3	11.7	13.5	92.1	49.0	.....	3.1	.7	.....	8.2	9.7	5.8	15.5	–12.8
1960	92.5	40.7	21.5	14.7	15.6	92.2	48.1	.....	3.0	.8	.....	7.4	11.6	6.9	14.4	.3
1961	94.4	41.3	21.0	16.4	15.7	97.7	49.6	.....	3.2	.9	.....	9.7	12.5	6.7	15.2	–3.3
1962	99.7	45.6	20.5	17.0	16.5	106.8	52.3	50.1	5.6	1.2	.....	9.2	14.4	6.9	17.2	–7.1
1963	106.6	47.6	21.6	19.8	17.6	111.3	53.4	51.1	5.3	1.5	.....	9.3	15.8	7.7	18.3	–4.8
1964	112.6	48.7	23.5	22.0	18.5	118.5	54.8	52.6	4.9	1.8	.....	9.7	16.6	8.2	22.6	–5.9
1965	116.8	48.8	25.5	22.2	20.3	118.2	50.6	48.8	5.3	1.8	.....	9.5	17.5	8.6	25.0	–1.4
1966	130.8	55.4	30.1	25.5	19.8	134.5	58.1	56.6	5.6	2.5	0.1	9.7	20.7	9.4	28.5	–3.7
1967	148.8	61.5	34.0	32.6	20.7	157.5	71.4	70.1	5.6	3.4	2.7	10.3	21.7	10.3	32.1	–8.6
1968	153.0	68.7	28.7	33.9	21.7	178.1	81.9	80.4	5.3	4.4	4.6	11.8	23.9	11.1	35.1	–25.2
1969	186.9	87.2	36.7	39.0	23.9	183.6	82.5	80.8	4.6	5.2	5.7	13.1	27.3	12.7	32.6	3.2
1970	192.8	90.4	32.8	44.4	25.2	195.6	81.7	80.1	4.3	5.9	6.2	15.7	30.3	14.4	37.2	–2.8
1971	187.1	86.2	26.8	47.3	26.8	210.2	78.9	77.5	4.2	6.8	6.6	22.9	35.9	14.8	40.0	–23.0
1972	207.3	94.7	32.2	52.6	27.8	230.7	79.2	77.6	4.8	8.7	7.5	27.7	40.2	15.5	47.3	–23.4
1973	230.8	103.2	36.2	63.1	28.3	245.7	76.7	75.0	4.1	9.4	8.1	28.3	49.1	17.3	52.8	–14.9
1974	263.2	119.0	38.6	75.1	30.6	269.4	79.3	77.9	5.7	10.7	9.6	33.7	55.9	21.4	52.9	–6.1
1975	279.1	122.4	40.6	84.5	31.5	332.3	86.5	84.9	7.1	12.9	12.9	50.2	64.7	23.2	74.8	–53.2
1976	298.1	131.6	41.4	90.8	34.3	371.8	89.6	87.9	6.4	15.7	15.8	60.8	73.9	26.7	82.7	–73.7
Transition quarter	81.2	38.8	8.5	25.2	8.8	96.0	22.3	21.8	2.5	3.9	4.3	15.0	19.8	6.9	21.4	–14.7
1977	355.6	157.6	54.9	106.5	36.6	409.2	97.2	95.1	6.4	17.3	19.3	61.1	85.1	29.9	93.0	–53.7
1978	399.6	181.0	60.0	121.0	37.7	458.7	104.5	102.3	7.5	18.5	22.8	61.5	93.9	35.5	114.7	–59.2
1979	463.3	217.8	65.7	138.9	40.8	504.0	116.3	113.6	7.5	20.5	26.5	66.4	104.1	42.6	120.2	–40.7
1980	517.1	244.1	64.6	157.8	50.6	590.9	134.0	130.9	12.7	23.2	32.1	86.6	118.5	52.5	131.3	–73.8
1981	599.3	285.9	61.1	182.7	69.5	678.2	157.5	153.9	13.1	26.9	39.1	100.3	139.6	68.8	133.0	–79.0
1982	617.8	297.7	49.2	201.5	69.3	745.7	185.3	180.7	12.3	27.4	46.6	108.2	156.0	85.0	125.0	–128.0
1983	600.6	288.9	37.0	209.0	65.6	808.4	209.9	204.4	11.8	28.6	52.6	123.0	170.7	89.8	121.8	–207.8
1984	666.5	298.4	56.9	239.4	71.8	851.9	227.4	220.9	15.9	30.4	57.5	113.4	178.2	111.1	117.9	–185.4
1985	734.1	334.5	61.3	265.2	73.1	946.4	252.7	245.1	16.2	33.5	65.8	129.0	188.6	129.5	131.0	–212.3
1986	769.2	349.0	63.1	283.9	73.2	990.4	273.4	265.4	14.2	35.9	70.2	120.6	198.8	136.0	141.4	–221.2
1987	854.4	392.6	83.9	303.3	74.6	1,004.1	282.0	273.9	11.6	40.0	75.1	124.1	207.4	138.6	125.3	–149.7
1988	909.3	401.2	94.5	334.3	79.3	1,064.5	290.4	281.9	10.5	44.5	78.9	130.4	219.3	151.8	138.8	–155.2
1989	991.2	445.7	103.3	359.4	82.8	1,143.8	303.6	294.8	9.6	48.4	85.0	137.4	232.5	169.0	158.4	–152.6
1990	1,032.1	466.9	93.5	380.0	91.7	1,253.1	299.3	289.7	13.8	57.7	98.1	148.7	248.6	184.3	202.6	–221.0
1991	1,055.1	467.8	98.1	396.0	93.2	1,324.3	273.3	262.3	15.9	71.2	104.5	172.5	269.0	194.4	223.6	–269.2
1992	1,091.3	476.0	100.3	413.7	101.4	1,381.6	298.4	286.8	16.1	89.5	119.0	199.6	287.6	199.3	172.2	–290.3
1993	1,154.5	509.7	117.5	428.3	99.0	1,409.5	291.1	278.5	17.2	99.4	130.6	210.0	304.6	198.7	158.0	–255.1
1994	1,258.7	543.1	140.4	461.5	113.8	1,461.9	281.6	268.6	17.1	107.1	144.7	217.2	319.6	202.9	171.7	–203.2
1995	1,351.9	590.2	157.0	484.5	120.2	1,515.9	272.1	259.4	16.4	115.4	159.9	223.8	335.8	232.1	160.3	–164.0
1996	1,453.2	656.4	171.8	509.4	115.5	1,560.6	265.8	253.1	13.5	119.4	174.2	229.7	349.7	241.1	167.3	–107.4
1997	1,579.4	737.5	182.3	539.4	120.3	1,601.3	270.5	258.3	15.2	123.8	190.0	235.0	365.3	244.0	157.4	–21.9
1998	1,722.0	828.6	188.7	571.8	132.9	1,652.7	268.2	255.8	13.1	131.4	192.8	237.8	379.2	241.1	189.0	69.3
1999	1,827.6	879.5	184.7	611.8	151.7	1,702.0	274.8	261.2	15.2	141.1	190.4	242.5	390.0	229.8	218.2	125.6
2000	2,025.5	1,004.5	207.3	652.9	160.9	1,789.2	294.4	281.1	17.2	154.5	197.1	253.7	409.4	222.9	239.9	236.2
2001	1,991.4	994.3	151.1	694.0	152.0	1,863.2	304.8	290.2	16.5	172.3	217.4	269.8	433.0	206.2	243.4	128.2
2002	1,853.4	858.3	148.0	700.8	146.2	2,011.2	348.5	331.9	22.4	196.5	230.9	312.7	456.0	170.9	273.3	–157.8
2003	1,782.5	793.7	131.8	713.0	144.1	2,160.1	404.8	387.2	21.2	219.6	249.4	334.6	474.7	153.1	302.7	–377.6
2004	1,880.3	809.0	189.4	733.4	148.5	2,293.0	455.8	436.5	26.9	240.1	269.4	333.1	495.5	160.2	311.9	–412.7
2005	2,153.9	927.2	278.3	794.1	154.2	2,472.2	495.3	474.1	34.6	250.6	298.6	345.8	523.3	184.0	339.9	–318.3
2006	2,407.3	1,043.9	353.9	837.8	171.6	2,655.4	521.8	499.3	29.5	252.8	329.9	352.5	548.5	226.6	393.8	–248.2
2007[1]	2,540.1	1,168.8	342.1	873.4	155.8	2,784.3	571.9	548.9	35.1	268.5	372.3	365.4	586.5	239.2	345.5	–244.2
2008[1]	2,662.5	1,246.6	314.9	927.2	173.7	2,901.9	606.5	583.3	36.1	280.6	391.6	380.8	612.5	261.3	332.3	–239.4

[1] Estimates.

Note.—See Note, Table B–78.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B–81.—*Federal receipts, outlays, surplus or deficit, and debt, fiscal years 2003–2008*

[Millions of dollars; fiscal years]

Description	Actual				Estimates	
	2003	2004	2005	2006	2007	2008
RECEIPTS AND OUTLAYS:						
Total receipts	1,782,532	1,880,279	2,153,859	2,407,254	2,540,096	2,662,474
Total outlays	2,160,117	2,293,006	2,472,205	2,655,435	2,784,267	2,901,861
Total surplus or deficit (–)	–377,585	–412,727	–318,346	–248,181	–244,171	–239,387
On-budget receipts	1,258,690	1,345,534	1,576,383	1,798,872	1,905,966	1,988,389
On-budget outlays	1,797,108	1,913,495	2,069,994	2,233,366	2,332,984	2,439,334
On-budget surplus or deficit (–)	–538,418	–567,961	–493,611	–434,494	–427,018	–450,945
Off-budget receipts	523,842	534,745	577,476	608,382	634,130	674,085
Off-budget outlays	363,009	379,511	402,211	422,069	451,283	462,527
Off-budget surplus or deficit (–)	160,833	155,234	175,265	186,313	182,847	211,558
OUTSTANDING DEBT, END OF PERIOD:						
Gross Federal debt	6,760,014	7,354,673	7,905,300	8,451,351	9,007,765	9,575,497
Held by Federal Government accounts	2,846,570	3,059,129	3,313,088	3,622,378	3,924,487	4,230,058
Held by the public	3,913,443	4,295,544	4,592,213	4,828,973	5,083,278	5,345,439
Federal Reserve System	656,116	700,341	736,360	768,924	.....	.....
Other	3,257,327	3,595,203	3,855,853	4,060,049	.....	.....
RECEIPTS: ON-BUDGET AND OFF-BUDGET	1,782,532	1,880,279	2,153,859	2,407,254	2,540,096	2,662,474
Individual income taxes	793,699	808,959	927,222	1,043,908	1,168,846	1,246,614
Corporation income taxes	131,778	189,371	278,282	353,915	342,057	314,941
Social insurance and retirement receipts	712,978	733,407	794,125	837,821	873,377	927,195
On-budget	189,136	198,662	216,649	229,439	239,247	253,110
Off-budget	523,842	534,745	577,476	608,382	634,130	674,085
Excise taxes	67,524	69,855	73,094	73,961	57,062	68,106
Estate and gift taxes	21,959	24,831	24,764	27,877	25,277	25,705
Customs duties and fees	19,862	21,083	23,379	24,810	26,766	29,223
Miscellaneous receipts	34,732	32,773	32,993	44,962	46,711	50,690
Deposits of earnings by Federal Reserve System	21,878	19,652	19,297	29,945	32,638	36,115
All other	12,854	13,121	13,696	15,017	14,073	14,575
OUTLAYS: ON-BUDGET AND OFF-BUDGET	2,160,117	2,293,006	2,472,205	2,655,435	2,784,267	2,901,861
National defense	404,778	455,847	495,326	521,840	571,869	606,546
International affairs	21,209	26,891	34,595	29,549	35,071	36,149
General science, space and technology	20,873	23,053	23,628	23,616	24,862	26,636
Energy	–735	–166	429	782	1,836	1,405
Natural resources and environment	29,703	30,725	28,023	33,055	35,203	32,904
Agriculture	22,497	15,440	26,566	25,970	20,116	19,869
Commerce and housing credit	728	5,266	7,567	6,188	210	–2,040
On-budget	5,973	9,396	9,358	7,263	–2,432	247
Off-budget	–5,245	–4,130	–1,791	–1,075	2,642	–2,287
Transportation	67,069	64,627	67,894	70,244	74,607	79,282
Community and regional development	18,850	15,822	26,264	54,531	32,606	24,652
Education, training, employment, and social services	82,603	87,990	97,567	118,560	93,957	82,732
Health	219,576	240,134	250,614	252,780	268,543	280,620
Medicare	249,433	269,360	298,638	329,868	372,252	391,646
Income security	334,632	333,059	345,847	352,477	365,371	380,815
Social security	474,680	495,548	523,305	548,549	586,538	612,505
On-budget	13,279	14,348	16,526	16,058	19,359	19,965
Off-budget	461,401	481,200	506,779	532,491	567,179	592,540
Veterans benefits and services	57,022	59,779	70,151	69,842	72,401	83,361
Administration of justice	35,340	45,576	40,019	41,016	45,307	46,960
General government	23,168	22,347	17,010	18,215	18,761	20,739
Net interest	153,073	160,245	183,986	226,603	239,153	261,276
On-budget	236,618	246,473	275,822	324,325	345,402	375,894
Off-budget	–83,545	–86,228	–91,836	–97,722	–106,249	–114,618
Allowances	.....	.....	.....	.....	7,428	2,061
Undistributed offsetting receipts	–54,382	–58,537	–65,224	–68,250	–81,824	–86,257
On-budget	–44,780	–47,206	–54,283	–56,625	–69,535	–73,149
Off-budget	–9,602	–11,331	–10,941	–11,625	–12,289	–13,108

Note.—See Note, Table B–78.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B–82.—*Federal and State and local government current receipts and expenditures, national income and product accounts (NIPA), 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Total government			Federal Government			State and local government			Addendum: Grants-in-aid to State and local governments
	Current receipts	Current expenditures	Net government saving (NIPA)	Current receipts	Current expenditures	Net Federal Government saving (NIPA)	Current receipts	Current expenditures	Net State and local government saving (NIPA)	
1959	123.0	115.8	7.1	87.0	83.6	3.3	40.6	36.9	3.8	3.8
1960	134.4	122.9	11.5	93.9	86.7	7.2	44.5	40.2	4.3	4.0
1961	139.0	132.1	6.9	95.5	92.8	2.6	48.1	43.8	4.3	4.5
1962	150.6	142.8	7.8	103.6	101.1	2.5	52.0	46.8	5.2	5.0
1963	162.2	151.1	11.1	111.8	106.4	5.4	56.0	50.3	5.7	5.6
1964	166.6	159.2	7.4	111.8	110.8	1.0	61.3	54.9	6.4	6.5
1965	180.3	170.4	9.9	120.9	117.6	3.3	66.5	60.0	6.5	7.2
1966	202.8	192.8	10.0	137.9	135.7	2.3	74.9	67.2	7.8	10.1
1967	217.6	220.0	–2.4	146.9	156.2	–9.4	82.5	75.5	7.0	11.7
1968	252.0	246.8	5.2	171.2	173.5	–2.3	93.5	86.0	7.5	12.7
1969	283.4	266.7	16.7	192.5	183.8	8.7	105.5	97.5	8.0	14.6
1970	286.7	294.8	–8.1	186.0	201.1	–15.2	120.1	113.0	7.1	19.3
1971	303.4	325.3	–21.9	191.7	220.0	–28.4	134.9	128.5	6.5	23.2
1972	346.8	355.5	–8.8	220.1	244.4	–24.4	158.4	142.8	15.6	31.7
1973	390.0	385.6	4.4	250.4	261.7	–11.3	174.3	158.6	15.7	34.8
1974	431.3	435.8	–4.4	279.5	293.3	–13.8	188.1	178.7	9.3	36.3
1975	441.6	508.2	–66.6	277.2	346.2	–69.0	209.6	207.1	2.5	45.1
1976	505.5	549.9	–44.4	322.5	374.3	–51.7	233.7	226.3	7.4	50.7
1977	566.8	597.7	–31.0	363.4	407.5	–44.1	259.9	246.8	13.1	56.6
1978	645.6	653.4	–7.8	423.5	450.0	–26.5	287.6	268.9	18.7	65.5
1979	728.2	726.5	1.7	486.2	497.5	–11.3	308.4	295.4	13.0	66.3
1980	798.0	842.8	–44.8	532.1	585.7	–53.6	338.2	329.4	8.8	72.3
1981	917.2	962.9	–45.7	619.4	672.7	–53.3	370.2	362.7	7.6	72.5
1982	938.5	1,072.6	–134.1	616.6	748.5	–131.9	391.4	393.6	–2.2	69.5
1983	999.4	1,167.5	–168.1	642.3	815.4	–173.0	428.6	423.7	4.9	71.6
1984	1,112.5	1,256.6	–144.1	709.0	877.1	–168.1	480.2	456.2	23.9	76.7
1985	1,213.5	1,366.1	–152.6	773.3	948.2	–175.0	521.1	498.7	22.3	80.9
1986	1,289.3	1,459.1	–169.9	815.2	1,006.0	–190.8	561.6	540.7	21.0	87.6
1987	1,403.2	1,535.8	–132.6	896.6	1,041.6	–145.0	590.6	578.1	12.4	83.9
1988	1,502.2	1,618.7	–116.6	958.2	1,092.7	–134.5	635.5	617.6	17.9	91.6
1989	1,626.3	1,735.6	–109.3	1,037.4	1,167.5	–130.1	687.3	666.5	20.8	98.3
1990	1,707.8	1,872.6	–164.8	1,081.5	1,253.5	–172.0	737.8	730.5	7.2	111.4
1991	1,758.8	1,976.7	–217.9	1,101.3	1,315.0	–213.7	789.2	793.3	–4.2	131.6
1992	1,843.7	2,140.4	–296.7	1,147.2	1,444.6	–297.4	845.7	845.0	.7	149.1
1993	1,945.8	2,218.4	–272.6	1,222.5	1,496.0	–273.5	886.9	886.0	.9	163.7
1994	2,089.0	2,290.8	–201.9	1,320.8	1,533.1	–212.3	942.9	932.4	10.5	174.7
1995	2,212.6	2,397.6	–184.9	1,406.5	1,603.5	–197.0	990.2	978.2	12.0	184.1
1996	2,376.1	2,492.1	–116.0	1,524.0	1,665.8	–141.8	1,043.3	1,017.5	25.8	191.2
1997	2,551.9	2,568.6	–16.7	1,653.1	1,708.9	–55.8	1,097.4	1,058.3	39.1	198.6
1998	2,724.2	2,633.4	90.8	1,773.8	1,734.9	38.8	1,163.2	1,111.2	52.0	212.8
1999	2,895.0	2,741.0	154.0	1,891.2	1,787.6	103.6	1,236.7	1,186.3	50.4	232.9
2000	3,125.9	2,886.5	239.4	2,053.8	1,864.4	189.5	1,319.5	1,269.5	50.0	247.3
2001	3,113.1	3,061.6	51.5	2,016.2	1,969.5	46.7	1,373.0	1,368.2	4.8	276.1
2002	2,958.7	3,240.8	–282.1	1,853.2	2,101.1	–247.9	1,410.1	1,444.3	–34.2	304.6
2003	3,035.6	3,428.1	–392.5	1,879.9	2,252.1	–372.1	1,494.2	1,514.5	–20.4	338.5
2004	3,244.5	3,639.4	–394.9	2,001.0	2,383.0	–382.0	1,592.6	1,605.5	–12.9	349.0
2005	3,586.3	3,898.8	–312.5	2,246.8	2,555.9	–309.2	1,700.6	1,703.9	–3.3	361.1
2003:I	3,012.7	3,364.1	–351.4	1,888.9	2,179.0	–290.2	1,435.8	1,497.0	–61.2	311.9
II	3,035.3	3,428.0	–392.7	1,903.3	2,268.8	–365.5	1,474.2	1,501.4	–27.2	342.2
III	2,988.3	3,447.9	–459.6	1,817.3	2,268.8	–451.4	1,516.8	1,525.0	–8.2	345.9
IV	3,106.0	3,472.3	–366.3	1,910.2	2,291.7	–381.5	1,549.9	1,534.8	15.2	354.2
2004:I	3,158.8	3,574.5	–415.7	1,945.4	2,346.4	–401.0	1,552.9	1,567.6	–14.7	339.5
II	3,218.7	3,613.0	–394.3	1,985.6	2,366.3	–380.6	1,582.9	1,596.5	–13.6	349.8
III	3,258.2	3,661.2	–402.9	2,013.0	2,393.6	–380.6	1,590.9	1,613.2	–22.3	345.7
IV	3,342.3	3,708.9	–366.6	2,059.9	2,425.6	–365.7	1,643.6	1,644.5	–.9	361.2
2005:I	3,530.8	3,807.4	–276.6	2,214.5	2,502.0	–287.6	1,672.2	1,661.2	10.9	355.9
II	3,583.4	3,860.6	–277.1	2,240.3	2,529.9	–289.6	1,702.9	1,690.5	12.4	359.8
III	3,518.4	3,933.8	–415.4	2,182.4	2,578.5	–396.0	1,697.8	1,717.2	–19.3	361.9
IV	3,712.5	3,993.3	–280.8	2,349.8	2,613.3	–263.6	1,729.6	1,746.8	–17.2	366.8
2006:I	3,895.1	4,029.3	–134.3	2,490.9	2,637.9	–147.0	1,755.4	1,742.7	12.7	351.3
II	3,961.6	4,098.6	–136.9	2,523.2	2,686.2	–163.1	1,795.5	1,769.4	26.1	357.0
III	3,997.7	4,173.5	–175.8	2,564.7	2,730.2	–165.6	1,798.7	1,808.9	–10.2	365.6

Note.—Federal grants-in-aid to State and local governments are reflected in Federal current expenditures and State and local current receipts. Total government current receipts and expenditures have been adjusted to eliminate this duplication.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–83.—*Federal and State and local government current receipts and expenditures, national income and product accounts (NIPA), by major type, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts									Current expenditures					Net government saving
	Total	Current tax receipts				Contributions for government social insurance	Income receipts on assets	Current transfer receipts	Current surplus of government enterprises	Total [2]	Consumption expenditures	Current transfer payments	Interest payments	Subsidies	
		Total [1]	Personal current taxes	Taxes on production and imports	Taxes on corporate income										
1959	123.0	107.1	42.3	41.1	23.6	13.8	0.3	0.8	1.0	115.8	80.7	26.8	7.3	1.1	7.1
1960	134.4	113.4	46.1	44.6	22.7	16.4	2.7	.9	.9	122.9	83.3	28.0	10.4	1.1	11.5
1961	139.0	117.1	47.3	47.0	22.8	17.0	2.9	1.1	.8	132.1	88.2	31.8	10.2	2.0	6.9
1962	150.6	126.1	51.6	50.4	24.0	19.1	3.2	1.2	.9	142.8	96.8	32.6	11.1	2.3	7.8
1963	162.2	134.4	54.6	53.4	26.2	21.7	3.4	1.3	1.4	151.1	102.7	34.1	12.0	2.2	11.1
1964	166.6	137.6	52.1	57.3	28.0	22.4	3.7	1.6	1.3	159.2	108.6	34.9	12.9	2.7	7.4
1965	180.3	149.5	57.7	60.8	30.9	23.4	4.1	1.9	1.3	170.4	115.9	37.8	13.7	3.0	9.9
1966	202.8	163.5	66.4	63.3	33.7	31.3	4.7	2.2	1.0	192.8	132.0	41.8	15.1	3.9	10.0
1967	217.6	173.9	73.0	68.0	32.7	34.9	5.5	2.5	.9	220.0	149.7	50.1	16.4	3.8	–2.4
1968	252.0	203.2	87.0	76.5	39.4	38.7	6.4	2.6	1.2	246.8	165.8	58.1	18.8	4.2	5.2
1969	283.4	228.5	104.5	84.0	39.7	44.1	7.0	2.7	1.0	266.7	178.2	63.7	20.2	4.5	16.7
1970	286.7	229.3	103.1	91.5	34.4	46.4	8.2	2.9	.0	294.8	190.2	76.8	23.1	4.8	–8.1
1971	303.4	240.4	101.7	100.6	37.7	51.2	9.0	3.1	–.2	325.3	204.7	91.6	24.5	4.7	–21.9
1972	346.8	274.0	123.6	108.1	41.9	59.2	9.5	3.6	.5	355.5	220.8	102.2	26.3	6.6	–8.8
1973	390.0	299.4	132.4	117.3	49.3	75.5	11.6	3.9	–.4	385.6	234.8	114.2	31.3	5.2	4.4
1974	431.3	328.3	151.0	125.0	51.8	85.2	14.4	4.5	–.9	435.8	261.7	134.7	35.6	3.3	–4.4
1975	441.6	334.4	147.6	135.5	50.9	89.3	16.1	5.1	–3.2	508.2	294.6	169.2	40.0	4.5	–66.6
1976	505.5	383.8	172.3	146.6	64.2	101.3	16.3	5.8	–1.8	549.9	316.6	181.9	46.3	5.1	–44.4
1977	566.8	431.2	197.5	159.9	73.0	113.1	18.4	6.8	–2.6	597.7	346.6	193.3	50.8	7.1	–31.0
1978	645.6	485.0	229.4	171.2	83.5	131.3	23.2	8.0	–1.9	653.4	376.5	207.9	60.2	8.9	–7.8
1979	728.2	538.2	268.7	180.4	88.0	152.7	30.8	9.1	–2.6	726.5	412.3	232.6	72.9	8.5	1.7
1980	798.0	586.0	298.9	200.7	84.8	166.2	39.9	10.7	–4.8	842.8	465.9	278.0	89.1	9.8	–44.8
1981	917.2	663.9	345.2	236.0	81.1	195.7	50.2	12.3	–4.9	962.9	520.6	314.2	116.7	11.5	–45.7
1982	938.5	659.9	354.1	241.3	63.1	208.9	58.9	14.8	–4.0	1,072.6	568.2	350.5	138.9	15.0	–134.1
1983	999.4	694.5	352.3	263.7	77.2	226.0	65.3	16.8	–3.1	1,167.5	610.6	378.4	156.9	21.2	–168.1
1984	1,112.5	763.0	377.4	290.2	94.0	257.5	74.3	19.6	–1.9	1,256.6	657.6	390.9	187.3	21.0	–144.1
1985	1,213.5	824.3	417.4	308.5	96.5	281.4	84.0	23.0	.8	1,366.1	720.2	415.7	208.8	21.3	–152.6
1986	1,289.3	869.2	437.3	323.7	106.5	303.4	89.8	25.6	1.3	1,459.1	776.1	441.9	216.3	24.8	–169.9
1987	1,403.2	966.1	489.1	347.9	127.1	323.1	86.1	26.8	1.2	1,535.8	815.2	459.7	230.8	30.2	–132.6
1988	1,502.2	1,019.4	505.0	374.9	137.2	361.5	90.5	28.2	2.5	1,618.7	852.8	488.8	247.7	29.4	–116.6
1989	1,626.3	1,109.7	566.1	399.3	141.5	385.2	94.3	32.2	4.9	1,735.6	901.4	533.1	274.0	27.2	–109.3
1990	1,707.8	1,161.9	592.8	425.5	140.6	410.1	98.7	35.6	1.6	1,872.6	964.4	586.1	295.3	26.8	–164.8
1991	1,758.8	1,180.3	586.7	457.5	133.6	430.2	98.1	44.6	5.7	1,976.7	1,014.1	622.5	312.7	27.3	–217.9
1992	1,843.7	1,240.2	610.6	483.8	143.1	455.0	90.5	50.5	7.6	2,140.4	1,047.8	749.5	313.2	29.9	–296.7
1993	1,945.8	1,318.2	646.6	503.4	165.4	477.7	87.6	55.1	7.2	2,218.4	1,072.2	796.3	313.6	36.4	–272.6
1994	2,089.0	1,426.1	690.7	545.6	186.7	508.2	86.6	59.5	8.6	2,290.8	1,104.1	831.2	323.4	32.2	–201.9
1995	2,212.6	1,517.2	744.1	558.2	211.0	532.8	92.1	59.1	11.4	2,397.6	1,136.5	872.5	354.6	34.0	–184.9
1996	2,376.1	1,642.0	832.1	581.1	223.6	555.2	100.2	66.0	12.7	2,492.1	1,171.1	921.4	365.3	34.3	–116.0
1997	2,551.9	1,780.5	926.3	612.0	237.1	587.2	103.7	67.9	12.6	2,568.6	1,216.6	947.8	371.4	32.9	–16.7
1998	2,724.2	1,911.7	1,027.0	639.8	239.2	624.2	102.4	75.5	10.3	2,633.4	1,256.0	969.6	372.4	35.4	90.8
1999	2,895.0	2,036.2	1,107.5	674.0	248.8	661.4	106.8	80.6	10.1	2,741.0	1,334.0	1,005.5	357.3	44.2	154.0
2000	3,125.9	2,206.8	1,235.7	708.9	255.0	702.7	117.4	93.7	5.3	2,886.5	1,417.1	1,062.4	362.8	44.3	239.4
2001	3,113.1	2,168.0	1,237.3	728.6	194.9	731.1	113.7	101.8	–1.4	3,061.6	1,501.6	1,160.6	344.1	55.3	51.5
2002	2,958.7	2,004.5	1,051.8	762.8	182.6	750.0	98.4	104.9	.9	3,240.8	1,616.9	1,270.4	315.1	38.4	–282.1
2003	3,035.6	2,050.3	1,001.1	807.2	233.1	778.6	95.8	109.2	1.7	3,428.1	1,736.5	1,343.2	300.6	47.9	–392.5
2004	3,244.5	2,211.1	1,049.8	864.0	287.6	826.4	95.4	116.6	–5.0	3,639.4	1,854.8	1,427.2	312.7	44.7	–394.9
2005	3,586.3	2,520.7	1,203.1	922.4	384.4	880.6	98.3	102.1	–15.4	3,898.8	1,975.7	1,517.8	348.0	57.3	–312.5
2003:I	3,012.7	2,041.8	1,022.7	787.5	224.1	765.4	93.8	106.3	5.4	3,364.1	1,702.1	1,318.4	303.0	42.0	–351.4
II	3,035.3	2,053.7	1,023.7	800.2	219.4	775.0	95.9	108.1	2.5	3,428.0	1,735.2	1,336.4	299.5	55.6	–392.7
III	2,988.3	1,998.9	942.6	812.9	235.5	782.1	96.7	110.2	.5	3,447.9	1,745.4	1,358.0	298.1	46.5	–459.6
IV	3,106.0	2,106.5	1,015.4	828.0	253.5	791.9	97.0	112.1	–1.5	3,472.3	1,763.4	1,359.9	301.7	47.3	–366.3
2004:I	3,158.8	2,140.9	1,016.0	845.4	269.8	810.8	94.4	114.8	–2.3	3,574.5	1,816.1	1,410.2	305.9	43.7	–415.7
II	3,218.7	2,190.8	1,033.4	858.2	290.2	819.8	94.6	117.0	–3.6	3,613.0	1,843.5	1,418.3	306.9	42.8	–394.3
III	3,258.2	2,222.6	1,061.6	867.2	285.5	831.8	95.4	114.0	–5.6	3,661.2	1,871.4	1,428.4	317.1	44.3	–402.9
IV	3,342.3	2,290.0	1,088.2	885.2	304.8	843.1	97.0	120.7	–8.6	3,708.9	1,888.3	1,452.0	320.7	47.8	–366.6
2005:I	3,530.8	2,457.2	1,157.9	901.6	386.3	863.6	97.3	121.9	–9.1	3,807.4	1,932.6	1,498.7	323.8	52.3	–276.6
II	3,583.4	2,499.9	1,191.8	920.2	378.6	871.5	98.8	124.5	–11.3	3,860.6	1,953.6	1,505.8	345.6	55.6	–277.1
III	3,518.4	2,520.8	1,215.0	930.2	364.2	888.5	98.4	38.4	–27.7	3,933.8	2,002.1	1,523.9	349.6	58.1	–415.4
IV	3,712.5	2,604.8	1,247.6	937.3	408.4	898.9	98.5	123.6	–13.3	3,993.3	2,014.5	1,542.8	372.9	63.1	–280.8
2006:I	3,895.1	2,736.2	1,332.6	952.5	440.7	936.7	100.0	131.4	–9.2	4,029.3	2,059.7	1,561.2	353.3	55.1	–134.3
II	3,961.6	2,796.5	1,361.0	966.4	458.2	938.8	101.6	134.1	–9.4	4,098.6	2,083.0	1,581.2	382.0	52.3	–136.9
III	3,997.7	2,818.8	1,366.2	968.6	472.7	948.9	103.3	136.9	–10.2	4,173.5	2,109.1	1,610.2	402.4	51.8	–175.8

[1] Includes taxes from the rest of the world, not shown separately.

[2] Includes an item for the difference between wage accruals and disbursements, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–84.—*Federal Government current receipts and expenditures, national income and product accounts (NIPA), 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts									Current expenditures					Net Federal Government saving
	Total	Current tax receipts				Contributions for government social insurance	Income receipts on assets	Current transfer receipts	Current surplus of government enterprises	Total [2]	Consumption expenditures	Current transfer payments [3]	Interest payments	Subsidies	
		Total [1]	Personal current taxes	Taxes on production and imports	Taxes on corporate income										
1959	87.0	73.3	38.5	12.2	22.5	13.4	0.0	0.4	–0.1	83.6	50.0	26.2	6.3	1.1	3.3
1960	93.9	76.5	41.8	13.1	21.4	16.0	1.4	.4	–.3	86.7	49.8	27.5	8.4	1.1	7.2
1961	95.5	77.5	42.7	13.2	21.5	16.5	1.5	.5	–.5	92.8	51.6	31.3	7.9	2.0	2.6
1962	103.6	83.3	46.5	14.2	22.5	18.6	1.7	.5	–.5	101.1	57.8	32.3	8.6	2.3	2.5
1963	111.8	88.6	49.1	14.7	24.6	21.0	1.8	.6	–.3	106.4	60.8	34.1	9.3	2.2	5.4
1964	111.8	87.8	46.0	15.5	26.1	21.7	1.8	.7	–.3	110.8	62.8	35.2	10.0	2.7	1.0
1965	120.9	95.7	51.1	15.5	28.9	22.7	1.9	1.1	–.3	117.6	65.7	38.3	10.6	3.0	3.3
1966	137.9	104.8	58.6	14.5	31.4	30.5	2.1	1.2	–.6	135.7	75.9	44.2	11.6	3.9	2.3
1967	146.9	109.9	64.4	15.2	30.0	34.0	2.5	1.1	–.6	156.2	87.1	52.6	12.7	3.8	–9.4
1968	171.2	129.8	76.4	17.0	36.1	37.8	2.9	1.1	–.3	173.5	95.4	59.3	14.6	4.1	–2.3
1969	192.5	146.1	91.7	17.9	36.1	43.1	2.7	1.1	–.5	183.8	98.4	65.1	15.8	4.5	8.7
1970	186.0	138.0	88.9	18.2	30.6	45.3	3.1	1.1	–1.5	201.1	98.6	80.0	17.7	4.8	–15.2
1971	191.7	138.7	85.8	19.1	33.5	50.0	3.5	1.1	–1.6	220.0	102.0	95.5	17.9	4.6	–28.4
1972	220.1	158.4	102.8	18.6	36.6	57.9	3.6	1.3	–1.1	244.4	107.7	111.9	18.8	6.6	–24.4
1973	250.4	173.1	109.6	19.9	43.3	74.0	3.8	1.3	–1.8	261.7	108.9	124.9	22.8	5.1	–11.3
1974	279.5	192.2	126.5	20.2	45.1	83.5	4.2	1.4	–1.8	293.3	118.0	145.7	26.0	3.2	–13.8
1975	277.2	187.0	120.7	22.2	43.6	87.5	4.9	1.5	–3.6	346.2	129.6	183.5	28.9	4.3	–69.0
1976	322.5	218.1	141.2	21.6	54.6	99.1	5.9	1.6	–2.2	374.3	137.2	198.5	33.8	4.9	–51.7
1977	363.4	247.4	162.2	22.9	61.6	110.3	6.7	1.9	–2.9	407.5	150.7	212.9	37.1	6.9	–44.1
1978	423.5	286.9	188.9	25.6	71.4	127.9	8.5	2.4	–2.1	450.0	163.3	232.7	45.3	8.7	–26.5
1979	486.2	326.2	224.6	26.0	74.4	148.9	10.7	2.8	–2.3	497.5	179.0	254.6	55.7	8.2	–11.3
1980	532.1	355.9	250.0	34.0	70.3	162.6	13.7	3.5	–3.6	585.7	207.5	299.1	69.7	9.4	–53.6
1981	619.4	408.1	290.6	50.3	65.7	191.8	18.3	3.8	–2.5	672.7	238.3	329.5	93.9	11.1	–53.3
1982	616.6	386.8	295.0	41.4	49.0	204.9	22.2	5.2	–2.4	748.5	263.3	358.8	111.8	14.5	–131.9
1983	642.3	393.6	286.2	44.8	61.3	221.8	23.8	6.0	–2.9	815.4	286.5	383.0	124.6	20.8	–173.0
1984	709.0	425.7	301.4	47.8	75.2	252.8	26.6	7.3	–3.4	877.1	310.0	396.5	150.3	20.6	–168.1
1985	773.3	460.6	336.0	46.4	76.3	276.5	29.1	9.4	–2.4	948.2	338.4	419.3	169.4	20.9	–175.0
1986	815.2	479.6	350.1	44.0	83.8	297.5	31.4	8.2	–1.5	1,006.0	358.2	445.1	178.2	24.5	–190.8
1987	896.6	544.0	392.5	46.3	103.2	315.9	27.9	10.7	–2.0	1,041.6	374.3	452.9	184.6	29.9	–145.0
1988	958.2	566.7	402.9	50.3	111.1	353.1	30.0	10.8	–2.3	1,092.7	382.5	481.9	199.3	29.0	–134.5
1989	1,037.4	621.7	451.5	50.2	117.2	376.3	28.6	12.4	–1.6	1,167.5	399.2	522.0	219.3	26.8	–130.1
1990	1,081.5	642.8	470.2	51.4	118.1	400.1	30.2	13.5	–5.1	1,253.5	419.8	569.9	237.5	26.4	–172.0
1991	1,101.3	636.1	461.3	62.2	109.9	418.6	30.1	17.9	–1.4	1,315.0	439.5	597.6	250.9	26.9	–213.7
1992	1,147.2	660.4	475.3	63.7	118.8	441.8	25.7	19.4	–.1	1,444.6	445.2	718.7	251.3	29.5	–297.4
1993	1,222.5	713.4	505.5	66.7	138.5	463.6	26.2	21.1	–1.8	1,496.0	441.9	764.7	253.4	36.0	–273.5
1994	1,320.8	781.9	542.7	79.4	156.7	493.7	23.4	22.3	–.4	1,533.1	440.8	799.2	261.3	31.8	–212.3
1995	1,406.5	845.1	586.0	75.9	179.3	519.2	23.7	19.1	–.6	1,603.5	440.5	839.0	290.4	33.7	–197.0
1996	1,524.0	932.4	663.4	73.2	190.6	542.8	26.9	23.1	–1.2	1,665.8	446.3	888.3	297.3	34.0	–141.8
1997	1,653.1	1,030.6	744.3	78.2	203.0	576.4	25.9	19.9	.3	1,708.9	457.7	918.8	300.0	32.4	–55.8
1998	1,773.8	1,116.8	825.8	81.1	204.2	613.8	21.5	21.5	.1	1,734.9	454.6	946.5	298.8	35.0	38.8
1999	1,891.2	1,195.7	893.0	83.9	213.0	651.6	21.5	22.7	–.3	1,787.6	475.1	986.1	282.7	43.8	103.6
2000	2,053.8	1,313.6	999.1	87.8	219.4	691.7	25.2	25.7	–2.3	1,864.4	499.3	1,038.1	283.3	43.8	189.5
2001	2,016.2	1,252.2	994.5	85.8	164.7	717.5	24.9	27.1	–5.5	1,969.5	531.9	1,131.4	258.6	47.6	46.7
2002	1,853.2	1,075.5	830.5	87.3	150.5	734.3	20.2	24.8	–1.6	2,101.1	591.5	1,243.0	229.1	37.5	–247.9
2003	1,879.9	1,070.8	774.5	89.7	197.8	758.9	22.9	25.0	2.3	2,252.1	662.7	1,328.7	212.9	47.8	–372.1
2004	2,001.0	1,150.2	801.4	94.6	244.5	802.2	22.1	27.7	–1.2	2,383.0	724.5	1,393.3	220.9	44.3	–382.0
2005	2,246.8	1,366.2	927.9	101.1	326.4	855.3	22.9	7.1	–4.9	2,555.9	768.6	1,476.7	253.8	56.9	–309.2
2003: I	1,888.9	1,092.7	804.4	90.0	190.8	747.6	19.8	24.2	4.6	2,179.0	636.9	1,285.1	216.6	41.9	–290.2
II	1,903.3	1,097.0	810.4	89.5	186.5	755.9	23.0	24.7	2.7	2,268.8	668.4	1,331.4	212.4	55.2	–365.5
III	1,817.3	1,004.5	708.2	88.8	199.6	761.7	24.2	25.4	1.5	2,268.8	669.1	1,342.1	210.0	47.5	–451.4
IV	1,910.2	1,089.1	774.7	90.3	214.3	770.3	24.8	25.7	.4	2,291.7	676.5	1,356.3	212.5	46.4	–381.5
2004: I	1,945.4	1,108.6	776.0	93.6	229.4	787.8	22.2	26.7	.1	2,346.4	712.2	1,376.7	215.6	43.4	–401.0
II	1,985.6	1,141.0	791.4	94.0	246.5	795.8	21.7	27.4	–.3	2,366.3	722.6	1,384.5	215.3	42.4	–380.6
III	2,013.0	1,156.9	810.8	95.1	242.8	807.1	22.0	28.2	–1.3	2,393.6	734.8	1,390.0	224.8	43.9	–380.6
IV	2,059.9	1,194.3	827.5	95.8	259.3	817.9	22.5	28.6	–3.4	2,425.6	728.3	1,422.1	227.7	47.4	–365.7
2005: I	2,214.5	1,328.0	891.2	97.9	327.6	838.3	22.8	29.1	–3.7	2,502.0	758.0	1,461.2	230.9	51.9	–287.6
II	2,240.3	1,344.3	910.9	102.7	321.4	846.1	23.8	30.5	–4.5	2,529.9	760.8	1,461.8	252.1	55.2	–289.6
III	2,182.4	1,364.2	941.0	102.4	309.5	863.2	22.8	–61.7	–6.0	2,578.5	784.3	1,481.3	255.2	57.7	–396.0
IV	2,349.8	1,428.4	968.4	101.6	347.1	873.8	22.3	30.6	–5.4	2,613.3	771.1	1,502.4	277.1	62.7	–263.6
2006: I	2,490.9	1,524.9	1,039.2	101.1	374.3	911.9	23.3	32.2	–1.4	2,637.9	803.6	1,522.0	257.5	54.7	–147.0
II	2,523.2	1,553.2	1,049.9	103.0	389.4	914.1	24.2	32.8	–1.1	2,686.2	802.3	1,546.6	285.4	51.9	–163.1
III	2,564.7	1,582.9	1,068.4	101.3	401.8	924.2	25.4	33.6	–1.5	2,730.2	809.1	1,564.8	304.9	51.4	–165.6

[1] Includes taxes from the rest of the world, not shown separately.
[2] Includes an item for the difference between wage accruals and disbursements, not shown separately.
[3] Includes Federal grants-in-aid to state and local governments. See Table B–82 for data on Federal grants-in-aid.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–85.—*State and local government current receipts and expenditures, national income and product accounts (NIPA), 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts									Current expenditures					Net State and local government saving
	Total	Current tax receipts				Contributions for government social insurance	Income receipts on assets	Current transfer receipts [1]	Current surplus of government enterprises	Total [2]	Consumption expenditures	Government social benefit payments to persons	Interest payments	Subsidies	
		Total	Personal current taxes	Taxes on production and imports	Taxes on corporate income										
1959	40.6	33.8	3.8	28.8	1.2	0.4	1.1	4.2	1.1	36.9	30.7	4.3	1.8	0.0	3.8
1960	44.5	37.0	4.2	31.5	1.2	.5	1.3	4.5	1.2	40.2	33.5	4.6	2.1	.0	4.3
1961	48.1	39.7	4.6	33.8	1.3	.5	1.4	5.2	1.3	43.8	36.6	5.0	2.2	.0	4.3
1962	52.0	42.8	5.0	36.3	1.5	.5	1.5	5.8	1.4	46.8	39.0	5.3	2.4	.0	5.2
1963	56.0	45.8	5.4	38.7	1.7	.6	1.6	6.4	1.6	50.3	41.9	5.7	2.7	.0	5.7
1964	61.3	49.8	6.1	41.8	1.8	.7	1.9	7.3	1.6	54.9	45.8	6.2	2.9	.0	6.4
1965	66.5	53.9	6.6	45.3	2.0	.8	2.2	8.0	1.7	60.0	50.2	6.7	3.1	.0	6.5
1966	74.9	58.8	7.8	48.8	2.2	.8	2.6	11.1	1.6	67.2	56.1	7.6	3.4	.0	7.8
1967	82.5	64.0	8.6	52.8	2.6	.9	3.0	13.1	1.5	75.5	62.6	9.2	3.7	.0	7.0
1968	93.5	73.4	10.6	59.5	3.3	.9	3.5	14.2	1.5	86.0	70.4	11.4	4.2	.0	7.5
1969	105.5	82.5	12.8	66.0	3.6	1.0	4.3	16.2	1.5	97.5	79.9	13.2	4.4	.0	8.0
1970	120.1	91.3	14.2	73.3	3.7	1.1	5.2	21.1	1.5	113.0	91.5	16.1	5.3	.0	7.1
1971	134.9	101.7	15.9	81.5	4.3	1.2	5.5	25.2	1.4	128.5	102.7	19.3	6.5	.0	6.5
1972	158.4	115.6	20.9	89.4	5.3	1.3	5.9	34.0	1.6	142.8	113.2	22.0	7.5	.1	15.6
1973	174.3	126.3	22.8	97.4	6.0	1.5	7.8	37.3	1.5	158.6	126.0	24.1	8.5	.1	15.7
1974	188.1	136.0	24.5	104.8	6.7	1.7	10.2	39.3	.9	178.7	143.7	25.3	9.6	.1	9.3
1975	209.6	147.4	26.9	113.2	7.3	1.8	11.2	48.7	.4	207.1	165.1	30.8	11.1	.2	2.5
1976	233.7	165.7	31.1	125.0	9.6	2.2	10.4	55.0	.4	226.3	179.5	34.1	12.5	.2	7.4
1977	259.9	183.7	35.4	136.9	11.4	2.8	11.7	61.4	.3	246.8	195.9	37.0	13.7	.2	13.1
1978	287.6	198.2	40.5	145.6	12.1	3.4	14.7	71.1	.3	268.9	213.2	40.8	14.9	.2	18.7
1979	308.4	212.0	44.0	154.4	13.6	3.9	20.1	72.7	–.3	295.4	233.3	44.3	17.2	.3	13.0
1980	338.2	230.0	48.9	166.7	14.5	3.6	26.3	79.5	–1.2	329.4	258.4	51.2	19.4	.4	8.8
1981	370.2	255.8	54.6	185.7	15.4	3.9	32.0	81.0	–2.4	362.7	282.3	57.1	22.8	.4	7.6
1982	391.4	273.2	59.1	200.0	14.0	4.0	36.7	79.1	–1.6	393.6	304.9	61.2	27.1	.5	–2.2
1983	428.6	300.9	66.1	218.9	15.9	4.1	41.4	82.4	–.2	423.7	324.1	66.9	32.3	.4	4.9
1984	480.2	337.3	76.0	242.5	18.8	4.7	47.7	89.0	1.5	456.2	347.7	71.2	37.0	.4	23.9
1985	521.1	363.7	81.4	262.1	20.2	4.9	54.9	94.5	3.2	498.7	381.8	77.3	39.4	.3	22.3
1986	561.6	389.5	87.2	279.7	22.7	6.0	58.4	105.0	2.8	540.7	417.9	84.3	38.2	.3	21.0
1987	590.6	422.1	96.6	301.6	23.9	7.2	58.1	100.0	3.1	578.1	440.9	90.7	46.2	.3	12.4
1988	635.5	452.8	102.1	324.6	26.0	8.4	60.5	109.0	4.8	617.6	470.4	98.5	48.4	.4	17.9
1989	687.3	488.0	114.6	349.1	24.2	9.0	65.7	118.1	6.5	666.5	502.1	109.3	54.6	.4	20.8
1990	737.8	519.1	122.6	374.1	22.5	10.0	68.4	133.5	6.7	730.5	544.6	127.7	57.9	.4	7.2
1991	789.2	544.3	125.3	395.3	23.6	11.6	68.0	158.2	7.1	793.3	574.6	156.5	61.7	.4	–4.2
1992	845.7	579.8	135.3	420.1	24.4	13.1	64.8	180.3	7.7	845.0	602.7	180.0	61.9	.4	.7
1993	886.9	604.7	141.1	436.8	26.9	14.1	61.4	197.7	9.0	886.0	630.3	195.2	60.2	.4	.9
1994	942.9	644.2	148.0	466.3	30.0	14.5	63.2	211.9	9.0	932.4	663.3	206.7	62.0	.3	10.5
1995	990.2	672.1	158.1	482.4	31.7	13.6	68.4	224.1	12.0	978.2	696.1	217.6	64.2	.3	12.0
1996	1,043.3	709.6	168.7	507.9	33.0	12.5	73.3	234.1	13.9	1,017.5	724.8	224.3	68.1	.3	25.8
1997	1,097.4	749.9	182.0	533.8	34.1	10.8	77.8	246.6	12.3	1,058.3	758.9	227.6	71.4	.4	39.1
1998	1,163.2	794.9	201.2	558.8	34.9	10.4	80.9	266.8	10.2	1,111.2	801.4	235.8	73.6	.4	52.0
1999	1,236.7	840.4	214.5	590.2	35.8	9.8	85.3	290.8	10.4	1,186.3	858.9	252.4	74.6	.4	50.4
2000	1,319.5	893.2	236.6	621.1	35.5	11.0	92.2	315.4	7.7	1,269.5	917.8	271.7	79.5	.5	50.0
2001	1,373.0	915.8	242.7	642.8	30.2	13.6	88.8	350.8	4.0	1,368.2	969.8	305.2	85.5	7.7	4.8
2002	1,410.1	929.0	221.3	675.5	32.2	15.8	78.2	384.7	2.5	1,444.3	1,025.3	332.0	86.0	.9	–34.2
2003	1,494.2	979.4	226.6	717.5	35.3	19.8	72.9	422.7	–.6	1,514.5	1,073.8	353.0	87.7	.1	–20.4
2004	1,592.6	1,060.9	248.4	769.4	43.1	24.2	73.3	438.0	–3.8	1,605.5	1,130.3	382.9	91.8	.4	–12.9
2005	1,700.6	1,154.4	275.2	821.2	58.0	25.3	75.3	456.1	–10.5	1,703.9	1,207.2	402.3	94.2	.4	–3.3
2003:I	1,435.8	949.2	218.3	697.5	33.3	17.8	74.0	394.0	.7	1,497.0	1,065.2	345.3	86.4	.1	–61.2
II	1,474.2	956.8	213.2	710.7	32.9	19.1	73.0	425.5	–.2	1,501.4	1,066.7	347.2	87.1	.3	–27.2
III	1,516.8	994.4	234.4	724.1	35.9	20.4	72.5	430.6	–1.1	1,525.0	1,076.2	361.8	88.1	–1.0	–8.2
IV	1,549.9	1,017.4	240.6	737.7	39.1	21.7	72.2	440.5	–1.8	1,534.8	1,086.9	357.8	89.2	.9	15.2
2004:I	1,552.9	1,032.3	240.1	751.8	40.4	23.1	72.2	427.6	–2.3	1,567.6	1,103.9	372.9	90.3	.4	–14.7
II	1,582.9	1,049.8	242.0	764.1	43.7	24.0	72.9	439.5	–3.3	1,596.5	1,120.9	383.7	91.5	.4	–13.6
III	1,590.9	1,065.6	250.8	772.1	42.7	24.7	73.4	431.4	–4.3	1,613.2	1,136.6	384.0	92.3	.4	–22.3
IV	1,643.6	1,095.7	260.7	789.4	45.6	25.2	74.6	453.4	–5.2	1,644.5	1,160.0	391.2	93.0	.4	–.9
2005:I	1,672.2	1,129.2	266.7	803.8	58.7	25.3	74.4	448.7	–5.4	1,661.2	1,174.6	393.4	92.8	.4	10.9
II	1,702.9	1,155.6	280.9	817.5	57.1	25.3	75.0	453.8	–6.8	1,690.5	1,192.8	403.8	93.5	.4	12.4
III	1,697.8	1,156.6	274.0	827.9	54.7	25.3	75.6	462.0	–21.7	1,717.2	1,217.8	404.5	94.5	.4	–19.3
IV	1,729.6	1,176.3	279.3	835.7	61.3	25.2	76.3	459.8	–7.9	1,746.8	1,243.4	407.3	95.8	.4	–17.2
2006:I	1,755.4	1,211.3	293.4	851.4	66.4	24.8	76.7	450.5	–7.8	1,742.7	1,256.2	390.4	95.8	.4	12.7
II	1,795.5	1,243.3	311.1	863.3	68.8	24.7	77.4	458.3	–8.2	1,769.4	1,280.7	391.7	96.6	.4	26.1
III	1,798.7	1,235.9	297.8	867.2	70.9	24.7	77.9	468.8	–8.7	1,808.9	1,300.0	411.0	97.5	.4	–10.2

[1] Includes Federal grants-in-aid. See Table B–82 for data on Federal grants-in-aid.
[2] Includes an item for the difference between wage accruals and disbursements, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–86.—*State and local government revenues and expenditures, selected fiscal years, 1938–2004*

[Millions of dollars]

Fiscal year[1]	General revenues by source[2]							General expenditures by function[2]				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other[3]	Total	Education	Highways	Public welfare	All other[4]
1938	9,228	4,440	1,794	218	165	800	1,811	8,757	2,491	1,650	1,069	3,547
1940	9,609	4,430	1,982	224	156	945	1,872	9,229	2,638	1,573	1,156	3,862
1942	10,418	4,537	2,351	276	272	858	2,123	9,190	2,586	1,490	1,225	3,889
1944	10,908	4,604	2,289	342	451	954	2,269	8,863	2,793	1,200	1,133	3,737
1946	12,356	4,986	2,986	422	447	855	2,661	11,028	3,356	1,672	1,409	4,591
1948	17,250	6,126	4,442	543	592	1,861	3,685	17,684	5,379	3,036	2,099	7,170
1950	20,911	7,349	5,154	788	593	2,486	4,541	22,787	7,177	3,803	2,940	8,867
1952	25,181	8,652	6,357	998	846	2,566	5,763	26,098	8,318	4,650	2,788	10,342
1953	27,307	9,375	6,927	1,065	817	2,870	6,252	27,910	9,390	4,987	2,914	10,619
1954	29,012	9,967	7,276	1,127	778	2,966	6,897	30,701	10,557	5,527	3,060	11,557
1955	31,073	10,735	7,643	1,237	744	3,131	7,584	33,724	11,907	6,452	3,168	12,197
1956	34,667	11,749	8,691	1,538	890	3,335	8,465	36,711	13,220	6,953	3,139	13,399
1957	38,164	12,864	9,467	1,754	984	3,843	9,252	40,375	14,134	7,816	3,485	14,940
1958	41,219	14,047	9,829	1,759	1,018	4,865	9,699	44,851	15,919	8,567	3,818	16,547
1959	45,306	14,983	10,437	1,994	1,001	6,377	10,516	48,887	17,283	9,592	4,136	17,876
1960	50,505	16,405	11,849	2,463	1,180	6,974	11,634	51,876	18,719	9,428	4,404	19,325
1961	54,037	18,002	12,463	2,613	1,266	7,131	12,563	56,201	20,574	9,844	4,720	21,063
1962	58,252	19,054	13,494	3,037	1,308	7,871	13,489	60,206	22,216	10,357	5,084	22,549
1963	62,890	20,089	14,456	3,269	1,505	8,722	14,850	64,816	23,776	11,136	5,481	24,423
1962-63	62,269	19,833	14,446	3,267	1,505	8,663	14,556	63,977	23,729	11,150	5,420	23,678
1963-64	68,443	21,241	15,762	3,791	1,695	10,002	15,951	69,302	26,286	11,664	5,766	25,586
1964-65	74,000	22,583	17,118	4,090	1,929	11,029	17,250	74,678	28,563	12,221	6,315	27,579
1965-66	83,036	24,670	19,085	4,760	2,038	13,214	19,269	82,843	33,287	12,770	6,757	30,029
1966-67	91,197	26,047	20,530	5,825	2,227	15,370	21,198	93,350	37,919	13,932	8,218	33,281
1967-68	101,264	27,747	22,911	7,308	2,518	17,181	23,599	102,411	41,158	14,481	9,857	36,915
1968-69	114,550	30,673	26,519	8,908	3,180	19,153	26,117	116,728	47,238	15,417	12,110	41,963
1969-70	130,756	34,054	30,322	10,812	3,738	21,857	29,973	131,332	52,718	16,427	14,679	47,508
1970-71	144,927	37,852	33,233	11,900	3,424	26,146	32,372	150,674	59,413	18,095	18,226	54,940
1971-72	167,535	42,877	37,518	15,227	4,416	31,342	36,156	168,549	65,813	19,021	21,117	62,598
1972-73	190,222	45,283	42,047	17,994	5,425	39,264	40,210	181,357	69,713	18,615	23,582	69,447
1973-74	207,670	47,705	46,098	19,491	6,015	41,820	46,542	198,959	75,833	19,946	25,085	78,095
1974-75	228,171	51,491	49,815	21,454	6,642	47,034	51,735	230,722	87,858	22,528	28,156	92,180
1975-76	256,176	57,001	54,547	24,575	7,273	55,589	57,191	256,731	97,216	23,907	32,604	103,004
1976-77	285,157	62,527	60,641	29,246	9,174	62,444	61,125	274,215	102,780	23,058	35,906	112,472
1977-78	315,960	66,422	67,596	33,176	10,738	69,592	68,435	296,984	110,758	24,609	39,140	122,478
1978-79	343,236	64,944	74,247	36,932	12,128	75,164	79,822	327,517	119,448	28,440	41,898	137,731
1979-80	382,322	68,499	79,927	42,080	13,321	83,029	95,467	369,086	133,211	33,311	47,288	155,276
1980-81	423,404	74,969	85,971	46,426	14,143	90,294	111,599	407,449	145,784	34,603	54,105	172,957
1981-82	457,654	82,067	93,613	50,738	15,028	87,282	128,925	436,733	154,282	34,520	57,996	189,935
1982-83	486,753	89,105	100,247	55,129	14,258	90,007	138,008	466,516	163,876	36,655	60,906	205,080
1983-84	542,730	96,457	114,097	64,529	17,141	96,935	153,571	505,008	176,108	39,419	66,414	223,068
1984-85	598,121	103,757	126,376	70,361	19,152	106,158	172,317	553,899	192,686	44,989	71,479	244,745
1985-86	641,486	111,709	135,005	74,365	19,994	113,099	187,314	605,623	210,819	49,368	75,868	269,568
1986-87	686,860	121,203	144,091	83,935	22,425	114,857	200,350	657,134	226,619	52,355	82,650	295,510
1987-88	726,762	132,212	156,452	88,350	23,663	117,602	208,482	704,921	242,683	55,621	89,090	317,527
1988-89	786,129	142,400	166,336	97,806	25,926	125,824	227,838	762,360	263,898	58,105	97,879	342,479
1989-90	849,502	155,613	177,885	105,640	23,566	136,802	249,996	834,818	288,148	61,057	110,518	375,094
1990-91	902,207	167,999	185,570	109,341	22,242	154,099	262,955	908,108	309,302	64,937	130,402	403,467
1991-92	979,137	180,337	197,731	115,638	23,880	179,174	282,376	981,253	324,652	67,351	158,723	430,526
1992-93	1,041,643	189,744	209,649	123,235	26,417	198,663	293,935	1,030,434	342,287	68,370	170,705	449,072
1993-94	1,100,490	197,141	223,628	128,810	28,320	215,492	307,099	1,077,665	353,287	72,067	183,394	468,916
1994-95	1,169,505	203,451	237,268	137,931	31,406	228,771	330,677	1,149,863	378,273	77,109	196,703	497,779
1995-96	1,222,821	209,440	248,993	146,844	32,009	234,891	350,645	1,193,276	398,859	79,092	197,354	517,971
1996-97	1,289,237	218,877	261,418	159,042	33,820	244,847	371,233	1,249,984	418,416	82,062	203,779	545,727
1997-98	1,365,762	230,150	274,883	175,630	34,412	255,048	395,639	1,318,042	450,365	87,214	208,120	572,343
1998-99	1,434,029	239,672	290,993	189,309	33,922	270,628	409,505	1,402,369	483,259	93,018	218,957	607,134
1999-2000	1,541,322	249,178	309,290	211,661	36,059	291,950	443,186	1,506,797	521,612	101,336	237,336	646,512
2000-01	1,647,161	263,689	320,217	226,334	35,296	324,033	477,592	1,626,066	563,575	107,235	261,622	693,634
2001-02	1,684,879	279,191	324,123	202,832	28,152	360,546	490,035	1,736,866	594,694	115,295	285,464	741,413
2002-03	1,763,212	296,683	337,787	199,407	31,369	389,264	508,702	1,821,917	621,335	117,696	310,783	772,102
2003-04	1,889,741	318,242	360,629	215,215	33,716	425,683	536,256	1,907,915	655,361	118,179	339,895	794,481

[1] Fiscal years not the same for all governments. See Note.

[2] Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between State and local governments are also excluded.

[3] Includes other taxes and charges and miscellaneous revenues.

[4] Includes expenditures for libraries, hospitals, health, employment security administration, veterans' services, air transportation, water transport and terminals, parking facilities, transit subsidies, police protection, fire protection, correction, protective inspection and regulation, sewerage, natural resources, parks and recreation, housing and community development, solid waste management, financial administration, judicial and legal, general public buildings, other government administration, interest on general debt, and general expenditures, n.e.c.

Note.—Except for States listed, data for fiscal years listed from 1962-63 to 2003-04 are the aggregation of data for government fiscal years that ended in the 12-month period from July 1 to June 30 of those years (Texas used August and Alabama and Michigan used September). Data for 1963 and earlier years include data for governments fiscal years ending during that particular calendar year.

Data prior to 1952 are not available for intervening years.

Source: Department of Commerce, Bureau of the Census.

TABLE B–87.—*U.S. Treasury securities outstanding by kind of obligation, 1969–2006*

[Billions of dollars]

End of year or month	Total Treasury securities outstanding [1]	Marketable							Nonmarketable				
		Total [2]	Treasury bills	Treasury notes	Treasury bonds	Treasury inflation-protected securities			Total	U.S. savings securities [3]	Foreign series [4]	Government account series	Other [5]
						Total	Notes	Bonds					
Fiscal year:													
1969	351.7	226.1	68.4	78.9	78.8	.....	.....	.....	125.6	51.7	4.1	66.8	3.1
1970	369.0	232.6	76.2	93.5	63.0	.....	.....	.....	136.4	51.3	4.8	76.3	4.1
1971	396.3	245.5	86.7	104.8	54.0	.....	.....	.....	150.8	53.0	9.3	82.8	5.8
1972	425.4	257.2	94.6	113.4	49.1	.....	.....	.....	168.2	55.9	19.0	89.6	3.7
1973	456.4	263.0	100.1	117.8	45.1	.....	.....	.....	193.4	59.4	28.5	101.7	3.7
1974	473.2	266.6	105.0	128.4	33.1	.....	.....	.....	206.7	61.9	25.0	115.4	4.3
1975	532.1	315.6	128.6	150.3	36.8	.....	.....	.....	216.5	65.5	23.2	124.2	3.6
1976	619.3	392.6	161.2	191.8	39.6	.....	.....	.....	226.7	69.7	21.5	130.6	4.9
1977	697.6	443.5	156.1	241.7	45.7	.....	.....	.....	254.1	75.4	21.8	140.1	16.8
1978	767.0	485.2	160.9	267.9	56.4	.....	.....	.....	281.8	79.8	21.7	153.3	27.1
1979	819.0	506.7	161.4	274.2	71.1	.....	.....	.....	312.3	80.4	28.1	176.4	27.4
1980	906.4	594.5	199.8	310.9	83.8	.....	.....	.....	311.9	72.7	25.2	189.8	24.2
1981	996.5	683.2	223.4	363.6	96.2	.....	.....	.....	313.3	68.0	20.5	201.1	23.7
1982	1,140.9	824.4	277.9	442.9	103.6	.....	.....	.....	316.5	67.3	14.6	210.5	24.1
1983	1,375.8	1,024.0	340.7	557.5	125.7	.....	.....	.....	351.8	70.0	11.5	234.7	35.6
1984	1,559.6	1,176.6	356.8	661.7	158.1	.....	.....	.....	383.0	72.8	8.8	259.5	41.8
1985	1,821.0	1,360.2	384.2	776.4	199.5	.....	.....	.....	460.8	77.0	6.6	313.9	63.3
1986	2,122.7	[2] 1,564.3	410.7	896.9	241.7	.....	.....	.....	558.4	85.6	4.1	365.9	102.8
1987	2,347.8	[2] 1,676.0	378.3	1,005.1	277.6	.....	.....	.....	671.8	97.0	4.4	440.7	129.8
1988	2,599.9	[2] 1,802.9	398.5	1,089.6	299.9	.....	.....	.....	797.0	106.2	6.3	536.5	148.0
1989	2,836.3	[2] 1,892.8	406.6	1,133.2	338.0	.....	.....	.....	943.5	114.0	6.8	663.7	159.0
1990	3,210.9	[2] 2,092.8	482.5	1,218.1	377.2	.....	.....	.....	1,118.2	122.2	36.0	779.4	180.6
1991	3,662.8	[2] 2,390.7	564.6	1,387.7	423.4	.....	.....	.....	1,272.1	133.5	41.6	908.4	188.5
1992	4,061.8	[2] 2,677.5	634.3	1,566.3	461.8	.....	.....	.....	1,384.3	148.3	37.0	1,011.0	188.0
1993	4,408.6	[2] 2,904.9	658.4	1,734.2	497.4	.....	.....	.....	1,503.7	167.0	42.5	1,114.3	179.9
1994	4,689.5	[2] 3,091.6	697.3	1,867.5	511.8	.....	.....	.....	1,597.9	176.4	42.0	1,211.7	167.8
1995	4,950.6	[2] 3,260.4	742.5	1,980.3	522.6	.....	.....	.....	1,690.2	181.2	41.0	1,324.3	143.8
1996	5,220.8	[2] 3,418.4	761.2	2,098.7	543.5	.....	.....	.....	1,802.4	184.1	37.5	1,454.7	126.1
1997	5,407.5	[2] 3,439.6	701.9	2,122.2	576.2	24.4	24.4	.....	1,967.9	182.7	34.9	1,608.5	141.9
1998	5,518.7	[2] 3,331.0	637.6	2,009.1	610.4	58.8	41.9	17.0	2,187.7	180.8	35.1	1,777.3	194.4
1999	5,647.2	[2] 3,233.0	653.2	1,828.8	643.7	92.4	67.6	24.8	2,414.2	180.0	31.0	2,005.2	198.1
2000	5,622.1	[2] 2,992.8	616.2	1,611.3	635.3	115.0	81.6	33.4	2,629.3	177.7	25.4	2,242.9	183.3
2001 [1]	5,807.5	[2] 2,930.7	734.9	1,433.0	613.0	134.9	95.1	39.7	2,876.7	186.5	18.3	2,492.1	179.9
2002	6,228.2	[2] 3,136.7	868.3	1,521.6	593.0	138.9	93.7	45.1	3,091.5	193.3	12.5	2,707.3	178.4
2003	6,783.2	3,460.7	918.2	1,799.5	576.9	166.1	120.0	46.1	3,322.5	201.6	11.0	2,912.2	197.7
2004	7,379.1	3,846.1	961.5	2,109.6	552.0	223.0	.....	.....	3,533.0	204.2	5.9	3,130.0	192.9
2005	7,932.7	[2] 4,084.9	914.3	2,328.8	520.7	307.1	.....	.....	3,847.8	203.6	3.1	3,380.6	260.5
2006	8,507.0	[2] 4,303.0	911.5	2,447.2	534.7	395.6	.....	.....	4,203.9	203.7	3.0	3,722.7	274.5
2005: Jan	7,627.7	[2] 3,975.0	986.8	2,167.3	539.5	267.3	.....	.....	3,652.8	204.4	6.2	3,243.6	198.5
Feb	7,713.1	[2] 4,054.3	1,030.9	2,205.9	537.2	266.3	.....	.....	3,658.8	204.5	6.2	3,249.4	198.8
Mar	7,776.9	[2] 4,103.8	1,059.1	2,226.7	537.2	266.8	.....	.....	3,673.1	204.2	6.1	3,248.9	213.9
Apr	7,764.5	[2] 4,070.7	991.3	2,241.7	537.2	286.5	.....	.....	3,693.9	204.2	6.0	3,259.6	224.0
May	7,777.9	[2] 4,050.2	961.3	2,256.1	530.1	288.7	.....	.....	3,727.7	204.3	5.9	3,282.2	235.4
June	7,836.5	[2] 4,031.1	923.4	2,273.1	530.0	290.7	.....	.....	3,805.4	204.2	3.0	3,356.3	241.9
July	7,887.6	[2] 4,077.9	942.2	2,286.1	530.0	305.6	.....	.....	3,809.7	204.1	3.0	3,354.4	248.2
Aug	7,926.9	[2] 4,106.5	953.3	2,312.7	520.7	305.8	.....	.....	3,820.5	203.8	3.0	3,360.9	252.8
Sept	7,932.7	[2] 4,084.9	914.3	2,328.8	520.7	307.1	.....	.....	3,847.8	203.6	3.1	3,380.6	260.5
Oct	8,027.1	[2] 4,131.3	936.6	2,336.0	520.7	324.0	.....	.....	3,895.8	203.9	3.1	3,426.7	262.1
Nov	8,092.3	[2] 4,185.3	986.9	2,339.8	516.6	327.9	.....	.....	3,907.1	204.6	3.0	3,432.8	266.7
Dec	8,170.4	[2] 4,184.0	963.9	2,360.8	516.6	328.7	.....	.....	3,986.5	205.2	3.8	3,506.6	270.9
2006: Jan	8,196.1	[2] 4,194.8	956.3	2,361.1	516.6	346.9	.....	.....	4,001.2	205.6	3.8	3,523.2	268.6
Feb	8,269.9	[2] 4,277.6	999.6	2,391.7	526.7	345.6	.....	.....	3,992.3	205.9	3.6	3,513.1	269.7
Mar	8,371.2	[2] 4,340.4	1,042.1	2,409.7	526.7	347.9	.....	.....	4,030.8	206.0	3.4	3,551.2	270.2
Apr	8,355.7	[2] 4,283.2	965.1	2,409.7	526.7	367.7	.....	.....	4,072.5	206.1	3.2	3,589.1	274.2
May	8,356.8	[2] 4,269.2	954.4	2,408.0	523.2	369.7	.....	.....	4,087.5	205.7	3.0	3,604.2	274.6
June	8,420.0	[2] 4,254.0	916.7	2,427.4	523.2	372.8	.....	.....	4,166.0	205.2	3.0	3,680.2	277.6
July	8,444.3	[2] 4,280.4	932.7	2,416.9	523.2	393.7	.....	.....	4,163.9	204.8	3.0	3,683.2	273.0
Aug	8,515.0	[2] 4,344.7	962.3	2,439.2	534.7	394.5	.....	.....	4,170.4	204.0	3.0	3,689.2	274.1
Sept	8,507.0	[2] 4,303.0	911.5	2,447.2	534.7	395.6	.....	.....	4,203.9	203.7	3.0	3,722.7	274.5
Oct	8,584.3	[2] 4,338.0	929.5	2,444.4	534.7	415.4	.....	.....	4,246.4	203.2	3.0	3,762.7	277.4
Nov	8,633.2	[2] 4,381.0	989.0	2,433.9	530.7	413.4	.....	.....	4,252.2	202.8	3.0	3,763.0	283.5
Dec	8,680.2	[2] 4,342.0	944.2	2,441.9	530.7	411.2	.....	.....	4,338.3	202.4	3.0	3,839.3	293.5

[1] Data beginning January 2001 are interest-bearing and noninterest-bearing securities; prior data are interest-bearing securities only.

[2] Includes Federal Financing Bank securities, not shown separately.

[3] Through 1996, series is U.S. savings bonds. Beginning 1997, includes U.S. retirement plan bonds, U.S. individual retirement bonds, and U.S. savings notes previously included in "other" nonmarketable securities.

[4] Nonmarketable certificates of indebtedness, notes, bonds, and bills in the Treasury foreign series of dollar-denominated and foreign-currency denominated issues.

[5] Includes depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local bonds, special issues held only by U.S. Government agencies and trust funds and the Federal home loan banks and for the period July 2003 through February 2004, depositary compensation securities.

Note.—Through fiscal year 1976, the fiscal year was on a July 1–June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1–September 30 basis.

Source: Department of the Treasury.

TABLE B–88.—*Maturity distribution and average length of marketable interest-bearing public debt securities held by private investors, 1969–2006*

End of year or month	Amount outstanding, privately held	Maturity class					Average length [1]	
		Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over		
	Millions of dollars						Years	Months
Fiscal year:								
1969	156,008	69,311	50,182	18,078	6,097	12,337	4	2
1970	157,910	76,443	57,035	8,286	7,876	8,272	3	8
1971	161,863	74,803	58,557	14,503	6,357	7,645	3	6
1972	165,978	79,509	57,157	16,033	6,358	6,922	3	3
1973	167,869	84,041	54,139	16,385	8,741	4,564	3	1
1974	164,862	87,150	50,103	14,197	9,930	3,481	2	11
1975	210,382	115,677	65,852	15,385	8,857	4,611	2	8
1976	279,782	150,296	90,578	24,169	8,087	6,652	2	7
1977	326,674	161,329	113,319	33,067	8,428	10,531	2	11
1978	356,501	163,819	132,993	33,500	11,383	14,805	3	3
1979	380,530	181,883	127,574	32,279	18,489	20,304	3	7
1980	463,717	220,084	156,244	38,809	25,901	22,679	3	9
1981	549,863	256,187	182,237	48,743	32,569	30,127	4	0
1982	682,043	314,436	221,783	75,749	33,017	37,058	3	11
1983	862,631	379,579	294,955	99,174	40,826	48,097	4	1
1984	1,017,488	437,941	332,808	130,417	49,664	66,658	4	6
1985	1,185,675	472,661	402,766	159,383	62,853	88,012	4	11
1986	1,354,275	506,903	467,348	189,995	70,664	119,365	5	3
1987	1,445,366	483,582	526,746	209,160	72,862	153,016	5	9
1988	1,555,208	524,201	552,993	232,453	74,186	171,375	5	9
1989	1,654,660	546,751	578,333	247,428	80,616	201,532	6	0
1990	1,841,903	626,297	630,144	267,573	82,713	235,176	6	1
1991	2,113,799	713,778	761,243	280,574	84,900	273,304	6	0
1992	2,363,802	808,705	866,329	295,921	84,706	308,141	5	11
1993	2,562,336	858,135	978,714	306,663	94,345	324,479	5	10
1994	2,719,861	877,932	1,128,322	289,998	88,208	335,401	5	8
1995	2,870,781	1,002,875	1,157,492	290,111	87,297	333,006	5	4
1996	3,011,185	1,058,558	1,212,258	306,643	111,360	322,366	5	3
1997	2,998,846	1,017,913	1,206,993	321,622	154,205	298,113	5	5
1998	2,856,637	940,572	1,105,175	319,331	157,347	334,212	5	10
1999	2,728,011	915,145	962,644	378,163	149,703	322,356	6	0
2000	2,469,152	858,903	791,540	355,382	167,082	296,246	6	2
2001	2,328,302	900,178	650,522	329,247	174,653	273,702	6	1
2002	2,492,821	939,986	802,032	311,176	203,816	235,811	5	6
2003	2,804,092	1,057,049	955,239	351,552	243,755	196,497	5	1
2004	3,145,244	1,127,850	1,150,979	414,728	243,036	208,652	4	11
2005	3,334,411	1,100,783	1,279,646	499,386	281,229	173,367	4	10
2006	3,496,359	1,140,553	1,295,589	589,748	290,733	179,736	4	11
2005: Jan	3,240,748	1,132,991	1,195,479	452,642	269,863	189,773	4	10
Feb	3,322,699	1,184,006	1,231,825	456,120	269,036	181,712	4	9
Mar	3,372,393	1,211,253	1,244,945	465,335	269,072	181,789	4	8
Apr	3,310,933	1,143,168	1,253,939	462,850	268,951	182,025	4	9
May	3,311,486	1,132,636	1,250,391	477,013	269,100	182,346	4	10
June	3,292,256	1,095,354	1,260,365	485,465	268,443	182,629	4	10
July	3,314,952	1,130,292	1,233,071	494,373	274,618	182,599	4	10
Aug	3,361,958	1,143,059	1,273,564	490,944	281,161	173,230	4	9
Sept	3,334,411	1,100,783	1,279,646	499,386	281,229	173,367	4	10
Oct	3,376,594	1,136,101	1,278,315	508,135	280,839	173,203	4	9
Nov	3,426,982	1,201,621	1,248,485	526,593	276,571	173,712	4	9
Dec	3,399,628	1,176,549	1,237,702	534,929	276,633	173,815	4	9
2006: Jan	3,431,952	1,182,593	1,260,294	529,361	286,315	173,388	4	9
Feb	3,508,777	1,238,763	1,275,570	526,340	292,517	175,586	4	9
Mar	3,567,753	1,278,145	1,286,260	534,872	292,674	175,802	4	8
Apr	3,483,412	1,198,187	1,273,413	543,174	292,741	175,897	4	9
May	3,492,721	1,178,383	1,288,303	573,995	275,911	176,129	4	10
June	3,473,551	1,136,203	1,302,488	582,153	276,216	176,491	4	10
July	3,501,559	1,130,146	1,319,182	591,937	283,575	176,719	4	10
Aug	3,563,832	1,195,210	1,316,350	581,832	290,832	179,608	4	10
Sept	3,496,359	1,140,553	1,295,589	589,748	290,733	179,736	4	11
Oct	3,555,382	1,136,163	1,350,430	598,143	290,822	179,824	4	10
Nov	3,594,275	1,186,116	1,328,664	626,014	283,386	170,096	4	9
Dec	3,548,925	1,141,206	1,323,105	632,680	282,368	169,566	4	9

[1] In 2002, the average length calculation was revised to include Treasury inflation-protected securities.

Note.—Through fiscal year 1976, the fiscal year was on a July 1–June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1–September 30 basis.

Data shown in this table are as of January 10, 2007.

Source: Department of the Treasury.

TABLE B–89.—*Estimated ownership of U.S. Treasury securities, 1995–2006*

[Billions of dollars]

End of month	Total public debt [1]	Federal Reserve and Government accounts [2]	Held by private investors									
			Total privately held	Depository institutions [3]	U.S. savings bonds [4]	Pension funds		Insurance companies	Mutual funds [6]	State and local governments	Foreign and international [7]	Other investors [8]
						Private [5]	State and local governments					
1995: Mar	4,864.1	1,619.3	3,244.8	352.9	181.4	142.1	225.0	244.2	210.5	350.5	707.0	831.4
June	4,951.4	1,690.1	3,261.3	339.9	182.6	142.9	217.2	245.0	202.4	313.7	762.5	855.1
Sept	4,974.0	1,688.0	3,286.0	330.8	183.5	142.3	211.3	245.2	211.5	304.3	820.4	836.8
Dec	4,988.7	1,681.0	3,307.7	315.4	185.0	143.0	208.2	241.5	224.9	289.8	835.2	864.8
1996: Mar	5,117.8	1,731.1	3,386.7	322.1	185.8	144.7	213.5	239.4	240.8	283.6	908.1	848.8
June	5,161.1	1,806.7	3,354.4	318.7	186.5	144.9	221.1	229.5	230.4	283.3	929.7	810.3
Sept	5,224.8	1,831.6	3,393.2	310.9	186.8	141.6	213.4	226.8	226.4	263.7	993.4	830.2
Dec	5,323.2	1,892.0	3,431.2	296.6	187.0	140.4	212.8	214.1	227.2	257.0	1,102.1	794.0
1997: Mar	5,380.9	1,928.7	3,452.2	317.3	186.5	141.7	211.1	181.8	221.6	248.1	1,157.6	786.5
June	5,376.2	1,998.9	3,377.3	300.2	186.3	142.1	214.9	183.1	216.4	243.3	1,182.7	708.2
Sept	5,413.1	2,011.5	3,401.6	292.8	186.2	143.0	223.5	186.8	221.3	235.2	1,230.5	682.3
Dec	5,502.4	2,087.8	3,414.6	300.3	186.5	144.1	219.0	176.6	232.3	239.3	1,241.6	674.9
1998: Mar	5,542.4	2,104.9	3,437.5	308.3	186.2	141.3	212.1	169.5	234.6	238.1	1,250.5	696.9
June	5,547.9	2,198.6	3,349.3	290.9	186.0	139.0	213.2	160.6	230.8	258.5	1,256.0	614.4
Sept	5,526.2	2,213.0	3,313.2	244.5	185.9	135.5	207.8	151.4	231.7	271.8	1,224.2	660.3
Dec	5,614.2	2,280.2	3,334.0	237.4	186.6	133.2	212.6	141.7	257.6	280.8	1,278.7	605.4
1999: Mar	5,651.6	2,324.1	3,327.5	247.4	186.5	135.5	211.5	137.5	245.0	288.4	1,272.3	603.4
June	5,638.8	2,439.6	3,199.2	240.6	186.5	142.9	213.8	133.6	228.1	298.6	1,258.8	496.3
Sept	5,656.3	2,480.9	3,175.4	241.2	186.2	150.9	204.8	128.0	222.5	299.2	1,281.4	461.2
Dec	5,776.1	2,542.2	3,233.9	248.7	186.4	153.0	198.8	123.4	228.7	304.5	1,268.7	521.7
2000: Mar	5,773.4	2,590.6	3,182.8	237.7	185.3	150.2	196.9	120.0	222.3	306.3	1,106.9	657.2
June	5,685.9	2,698.6	2,987.3	222.2	184.6	149.0	194.9	116.5	205.4	309.3	1,082.0	523.5
Sept	5,674.2	2,737.9	2,936.3	220.5	184.3	147.9	185.5	113.7	207.8	307.9	1,057.9	510.8
Dec	5,662.2	2,781.8	2,880.4	201.5	184.8	145.0	179.1	110.2	225.7	310.0	1,034.2	490.0
2001: Mar	5,773.7	2,880.9	2,892.8	188.0	184.8	153.4	177.3	109.1	225.3	316.9	1,029.9	508.1
June	5,726.8	3,004.2	2,722.6	188.1	185.5	148.5	183.1	108.1	221.0	324.8	1,000.5	363.1
Sept	5,807.5	3,027.8	2,779.7	189.1	186.4	149.9	166.8	106.8	234.1	321.2	1,005.5	419.8
Dec	5,943.4	3,123.9	2,819.5	181.5	190.3	144.6	155.1	105.7	261.9	328.4	1,051.2	400.8
2002: Mar	6,006.0	3,156.8	2,849.2	187.6	191.9	150.6	163.3	114.0	266.1	327.6	1,067.1	381.0
June	6,126.5	3,276.7	2,849.8	204.7	192.7	149.0	153.9	122.0	253.8	333.6	1,135.4	304.6
Sept	6,228.2	3,303.5	2,924.8	209.3	193.3	151.4	156.3	130.4	256.8	338.6	1,200.8	287.9
Dec	6,405.7	3,387.2	3,018.5	222.9	194.9	150.8	158.9	139.7	281.0	354.7	1,246.8	268.9
2003: Mar	6,460.8	3,390.8	3,069.9	153.6	196.9	162.9	162.1	139.5	296.6	350.0	1,286.3	322.1
June	6,670.1	3,505.4	3,164.7	145.5	199.1	167.3	161.3	138.7	302.9	347.9	1,382.8	319.3
Sept	6,783.2	3,515.3	3,268.0	147.4	201.5	164.6	155.1	137.4	287.7	357.7	1,454.2	362.4
Dec	6,998.0	3,620.1	3,377.9	154.2	203.8	169.2	147.9	136.5	281.6	364.2	1,533.0	387.5
2004: Mar	7,131.1	3,628.3	3,502.8	163.2	204.4	167.0	142.5	141.0	281.6	374.1	1,677.1	351.8
June	7,274.3	3,742.8	3,531.5	159.9	204.6	170.1	133.6	144.1	259.5	381.2	1,739.6	338.9
Sept	7,379.1	3,772.0	3,607.0	139.6	204.1	170.6	130.5	147.4	255.8	380.8	1,798.7	379.4
Dec	7,596.1	3,929.0	3,667.1	127.5	204.4	170.5	130.4	149.7	254.9	387.4	1,853.4	388.9
2005: Mar	7,776.9	3,921.6	3,855.4	142.0	204.2	174.3	127.1	152.4	261.9	408.0	1,956.3	429.2
June	7,836.5	4,033.5	3,803.0	127.3	204.2	177.5	130.1	155.0	249.6	431.5	1,879.6	448.3
Sept	7,932.7	4,067.8	3,864.9	125.5	203.6	180.9	130.1	159.0	245.6	448.4	1,930.6	441.1
Dec	8,170.4	4,199.8	3,970.6	117.2	205.1	181.2	129.4	160.4	252.2	456.2	2,035.5	433.3
2006: Mar	8,371.2	4,257.2	4,114.0	115.4	206.0	183.0	128.9	162.9	249.7	456.5	2,079.6	532.0
June	8,420.0	4,389.2	4,030.8	116.8	205.2	188.4	132.1	164.4	244.9	466.2	2,089.5	423.3
Sept	8,507.0	4,432.8	4,074.2	113.9	203.7	191.2	129.9	165.2	237.7	468.0	2,133.6	430.9
Dec	8,680.2	4,558.1	4,122.1	.....	202.4	.....	.....	.....	.....	.....	.....	.....

[1] Face value.

[2] Federal Reserve holdings exclude Treasury securities held under repurchase agreements.

[3] Includes commercial banks, savings institutions, and credit unions.

[4] Current accrual value.

[5] Includes Treasury securities held by the Federal Employees Retirement System Thrift Savings Plan "G Fund."

[6] Includes money market mutual funds, mutual funds, and closed-end investment companies.

[7] Includes nonmarketable foreign series Treasury securities and Treasury deposit funds. Excludes Treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.

Estimates reflect benchmarks to this series at differing intervals.

[8] Includes individuals, Government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

Note.—Data shown in this table are as of January 10, 2007.

Source: Department of the Treasury.

TABLE B–90.—*Corporate profits with inventory valuation and capital consumption adjustments, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation and capital consumption adjustments	Taxes on corporate income	Corporate profits after tax with inventory valuation and capital consumption adjustments		
			Total	Net dividends	Undistributed profits with inventory valuation and capital consumption adjustments
1959	55.7	23.7	32.0	12.6	19.4
1960	53.8	22.8	31.0	13.4	17.6
1961	54.9	22.9	32.0	13.9	18.1
1962	63.3	24.1	39.2	15.0	24.1
1963	69.0	26.4	42.6	16.2	26.4
1964	76.5	28.2	48.3	18.2	30.1
1965	87.5	31.1	56.4	20.2	36.2
1966	93.2	33.9	59.3	20.7	38.7
1967	91.3	32.9	58.4	21.5	36.9
1968	98.8	39.6	59.2	23.5	35.6
1969	95.4	40.0	55.4	24.2	31.2
1970	83.6	34.8	48.9	24.3	24.6
1971	98.0	38.2	59.9	25.0	34.8
1972	112.1	42.3	69.7	26.8	42.9
1973	125.5	50.0	75.5	29.9	45.6
1974	115.8	52.8	63.0	33.2	29.8
1975	134.8	51.6	83.2	33.0	50.2
1976	163.3	65.3	98.1	39.0	59.0
1977	192.4	74.4	118.0	44.8	73.2
1978	216.6	84.9	131.8	50.8	81.0
1979	223.2	90.0	133.2	57.5	75.7
1980	201.1	87.2	113.9	64.1	49.9
1981	226.1	84.3	141.8	73.8	68.0
1982	209.7	66.5	143.2	77.7	65.4
1983	264.2	80.6	183.6	83.5	100.1
1984	318.6	97.5	221.1	90.8	130.3
1985	330.3	99.4	230.9	97.6	133.4
1986	319.5	109.7	209.8	106.2	103.7
1987	368.8	130.4	238.4	112.3	126.1
1988	432.6	141.6	291.0	129.9	161.1
1989	426.6	146.1	280.5	158.0	122.6
1990	437.8	145.4	292.4	169.1	123.3
1991	451.2	138.6	312.6	180.7	131.9
1992	479.3	148.7	330.6	187.9	142.7
1993	541.9	171.0	370.9	202.8	168.1
1994	600.3	193.7	406.5	234.7	171.8
1995	696.7	218.7	478.0	254.2	223.8
1996	786.2	231.7	554.5	297.6	256.9
1997	868.5	246.1	622.4	334.5	287.9
1998	801.6	248.3	553.3	351.6	201.7
1999	851.3	258.6	592.6	337.4	255.3
2000	817.9	265.2	552.7	377.9	174.8
2001	767.3	204.1	563.2	370.9	192.3
2002	886.3	192.6	693.7	399.2	294.5
2003	993.1	243.3	749.9	424.7	325.1
2004	1,182.6	300.1	882.5	539.5	343.0
2005	1,330.7	399.3	931.4	576.9	354.5
2003: I	923.6	234.1	689.5	411.7	277.8
II	956.2	228.9	727.4	417.4	310.0
III	1,016.2	245.5	770.7	427.1	343.6
IV	1,076.5	264.7	811.8	442.8	369.0
2004: I	1,158.1	281.3	876.8	475.5	401.3
II	1,183.3	303.0	880.2	503.0	377.2
III	1,154.0	297.8	856.2	529.0	327.2
IV	1,234.9	318.1	916.8	650.5	266.2
2005: I	1,320.0	400.9	919.0	554.3	364.7
II	1,342.9	392.8	950.1	568.2	381.9
III	1,266.3	378.9	887.5	584.0	303.5
IV	1,393.5	424.6	968.9	601.0	367.9
2006: I	1,569.1	456.9	1,112.1	615.7	496.4
II	1,591.8	476.1	1,115.7	631.1	484.6
III	1,653.3	490.6	1,162.7	650.4	512.4

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–91.—*Corporate profits by industry, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment													
	Total	Domestic industries												Rest of the world
		Total	Financial			Nonfinancial								
			Total	Federal Reserve banks	Other	Total	Manufacturing[1]	Transportation[2]	Utilities	Wholesale trade	Retail trade	Information	Other	
SIC:[3]														
1959	53.5	50.8	7.6	0.7	6.9	43.2	26.5	7.1	.....	2.9	3.3	.....	3.4	2.7
1960	51.5	48.3	8.4	.9	7.5	39.9	23.8	7.5	.....	2.5	2.8	.....	3.3	3.1
1961	51.8	48.5	8.3	.8	7.6	40.2	23.4	7.9	.....	2.5	3.0	.....	3.4	3.3
1962	57.0	53.3	8.6	.9	7.7	44.7	26.3	8.5	.....	2.8	3.4	.....	3.6	3.8
1963	62.1	58.1	8.3	1.0	7.3	49.8	29.7	9.5	.....	2.8	3.6	.....	4.1	4.1
1964	68.6	64.1	8.8	1.1	7.6	55.4	32.6	10.2	.....	3.4	4.5	.....	4.7	4.5
1965	78.9	74.2	9.3	1.3	8.0	64.9	39.8	11.0	.....	3.8	4.9	.....	5.4	4.7
1966	84.6	80.1	10.7	1.7	9.1	69.3	42.6	12.0	.....	4.0	4.9	.....	5.9	4.5
1967	82.0	77.2	11.2	2.0	9.2	66.0	39.2	10.9	.....	4.1	5.7	.....	6.1	4.8
1968	88.8	83.2	12.8	2.5	10.3	70.4	41.9	11.0	.....	4.6	6.4	.....	6.6	5.6
1969	85.5	78.9	13.6	3.1	10.5	65.3	37.3	10.7	.....	4.9	6.4	.....	6.1	6.6
1970	74.4	67.3	15.4	3.5	11.9	52.0	27.5	8.3	.....	4.4	6.0	.....	5.8	7.1
1971	88.3	80.4	17.6	3.3	14.3	62.8	35.1	8.9	.....	5.2	7.2	.....	6.4	7.9
1972	101.2	91.7	19.1	3.3	15.8	72.6	41.9	9.5	.....	6.9	7.4	.....	7.0	9.5
1973	115.3	100.4	20.5	4.5	16.0	79.9	47.2	9.1	.....	8.2	6.6	.....	8.7	14.9
1974	109.5	92.1	20.2	5.7	14.5	71.9	41.4	7.6	.....	11.5	2.3	.....	9.1	17.5
1975	135.0	120.4	20.2	5.6	14.6	100.2	55.2	11.0	.....	13.8	8.2	.....	12.0	14.6
1976	165.6	149.0	25.0	5.9	19.1	124.1	71.3	15.3	.....	12.9	10.5	.....	14.0	16.5
1977	194.7	175.6	31.9	6.1	25.8	143.7	79.3	18.6	.....	15.6	12.4	.....	17.8	19.1
1978	222.4	199.6	39.5	7.6	31.9	160.0	90.5	21.8	.....	15.6	12.3	.....	19.8	22.9
1979	231.8	197.2	40.3	9.4	30.9	156.8	89.6	17.0	.....	18.8	9.8	.....	21.6	34.6
1980	211.4	175.9	34.0	11.8	22.2	141.9	78.3	18.4	.....	17.2	6.2	.....	21.8	35.5
1981	219.1	189.4	29.1	14.4	14.7	160.3	91.1	20.3	.....	22.4	9.9	.....	16.7	29.7
1982	191.0	158.5	26.0	15.2	10.8	132.4	67.1	23.1	.....	19.6	13.4	.....	9.2	32.6
1983	226.5	191.4	35.5	14.6	20.9	155.9	76.2	29.5	.....	21.0	18.7	.....	10.4	35.1
1984	264.6	228.1	34.4	16.4	18.0	193.7	91.8	40.1	.....	29.5	21.1	.....	11.1	36.6
1985	257.5	219.4	45.9	16.3	29.5	173.5	84.3	33.8	.....	23.9	22.2	.....	9.2	38.1
1986	253.0	213.5	56.8	15.5	41.2	156.8	57.9	35.8	.....	24.1	23.5	.....	15.5	39.5
1987	301.4	253.4	59.8	15.7	44.1	193.5	86.3	41.9	.....	18.6	23.4	.....	23.4	48.0
1988	363.9	306.9	68.7	17.6	51.1	238.2	121.2	48.4	.....	20.1	20.3	.....	28.3	57.0
1989	367.4	300.3	77.9	20.2	57.8	222.3	110.9	43.3	.....	21.8	20.8	.....	25.5	67.1
1990	396.6	320.5	94.4	21.4	73.0	226.1	113.1	44.2	.....	19.2	20.7	.....	29.0	76.1
1991	427.9	351.4	124.2	20.3	103.9	227.3	98.0	53.3	.....	21.7	26.7	.....	27.5	76.5
1992	458.3	385.2	129.8	17.8	111.9	255.4	99.5	58.4	.....	25.1	32.6	.....	39.7	73.1
1993	513.1	436.1	136.8	16.2	120.6	299.3	115.6	69.5	.....	26.3	39.1	.....	48.9	76.9
1994	564.6	487.6	119.9	18.1	101.8	367.7	147.0	83.2	.....	30.9	46.2	.....	60.4	77.1
1995	656.0	563.2	162.2	22.5	139.7	401.0	173.7	85.8	.....	27.3	43.1	.....	71.2	92.8
1996	736.1	634.2	172.6	22.1	150.5	461.6	188.8	91.3	.....	39.8	51.9	.....	89.7	101.9
1997	812.3	701.4	193.0	23.8	169.2	508.4	209.0	84.2	.....	47.6	64.2	.....	103.4	110.9
1998	738.5	635.5	165.9	25.2	140.7	469.6	173.5	78.9	.....	52.3	73.4	.....	91.5	103.0
1999	776.8	655.3	196.4	26.3	170.1	458.9	175.2	56.8	.....	52.6	74.6	.....	99.7	121.5
2000	759.3	613.6	203.8	30.8	173.0	409.8	166.3	43.8	.....	56.9	70.1	.....	72.8	145.7
NAICS:[3]														
1998	738.5	635.5	165.4	25.2	140.2	470.1	157.0	21.0	32.7	53.2	66.4	20.1	119.8	103.0
1999	776.8	655.3	194.3	26.3	168.0	461.1	150.6	16.1	33.1	55.5	65.2	10.5	130.1	121.5
2000	759.3	613.6	200.2	30.8	169.4	413.4	144.3	14.9	24.4	59.7	59.6	–17.6	128.2	145.7
2001	719.2	549.5	227.6	28.3	199.3	322.0	52.6	1.3	24.7	52.1	71.0	–25.6	145.9	169.7
2002	766.2	610.4	276.4	23.7	252.7	334.0	48.2	–.9	10.6	49.3	79.4	–8.5	155.8	155.8
2003	894.5	729.0	317.3	20.1	297.2	411.8	76.0	7.3	11.6	55.2	86.8	3.2	171.7	165.5
2004	1,104.5	928.2	344.2	20.0	324.1	584.0	150.2	11.8	16.2	69.9	89.3	37.7	208.8	176.3
2005	1,486.1	1,289.1	389.0	26.6	362.5	900.1	254.8	21.0	30.3	97.6	113.7	77.5	305.2	197.0
2004: I	1,061.7	876.9	354.3	19.0	335.2	522.7	127.7	13.5	13.6	64.5	96.6	10.8	196.0	184.8
II	1,097.2	927.4	353.9	19.1	334.8	573.5	147.4	18.2	15.5	64.8	91.5	39.0	197.2	169.8
III	1,086.9	904.3	288.5	20.1	268.4	615.8	155.0	10.1	15.7	81.2	82.5	55.4	216.0	182.6
IV	1,172.1	1,004.3	380.1	21.9	358.2	624.2	170.7	5.6	20.0	69.3	86.7	45.8	226.0	167.8
2005: I	1,453.1	1,270.0	433.7	23.1	410.7	836.3	235.5	19.9	29.5	88.2	102.6	68.6	291.9	183.0
II	1,487.4	1,302.2	391.7	25.9	365.7	910.5	264.0	22.0	30.9	102.1	107.3	79.9	304.3	185.2
III	1,444.9	1,221.5	317.4	26.9	290.6	904.1	260.7	23.1	22.4	94.1	115.9	77.8	310.1	223.4
IV	1,559.1	1,362.8	413.3	30.4	382.9	949.4	258.9	19.0	38.3	105.9	129.1	83.6	314.6	196.3
2006: I	1,717.7	1,491.6	463.9	30.9	433.0	1,027.7	300.7	27.3	39.7	107.2	123.0	89.8	340.1	226.1
II	1,752.6	1,512.7	508.2	33.7	474.4	1,004.5	289.9	38.6	46.8	98.3	121.2	85.9	323.9	239.9
III	1,815.8	1,581.1	500.1	35.8	464.3	1,081.0	331.9	39.6	52.8	125.1	131.3	83.3	317.1	234.6

[1] See Table B–92 for industry detail.

[2] Data on SIC basis include transportation and public utilities. On NAICS basis includes transportation and warehousing. Utilities classified separately in NAICS (as shown beginning 1998).

[3] Industry data for SIC are based on the 1987 SIC for data beginning 1987 and on the 1972 SIC for earlier data shown. Data on NAICS basis are based on the 1997 NAICS.

Note.—Industry data on SIC (Standard Industrial Classification) basis and NAICS (North American Industry Classification System) basis are not necessarily the same and are not strictly comparable.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–92.—*Corporate profits of manufacturing industries, 1959–2006*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment												
		Durable goods[2]							Nondurable goods[2]				
	Total manufacturing	Total[1]	Fabricated metal products	Machinery	Computer and electronic products	Electrical equipment, appliances, and components	Motor vehicles, bodies and trailers, and parts	Other	Total	Food and beverage and tobacco products	Chemical products	Petroleum and coal products	Other
SIC:[3]													
1959	26.5	13.7	1.1	2.2	.....	1.7	3.0	3.5	12.9	2.5	3.5	2.6	4.3
1960	23.8	11.6	.8	1.8	.....	1.3	3.0	2.7	12.2	2.2	3.1	2.6	4.2
1961	23.4	11.3	1.0	1.9	.....	1.3	2.5	2.9	12.1	2.4	3.3	2.3	4.2
1962	26.3	14.1	1.2	2.4	.....	1.5	4.0	3.4	12.3	2.4	3.2	2.2	4.4
1963	29.7	16.4	1.3	2.6	.....	1.6	4.9	4.0	13.3	2.7	3.7	2.2	4.7
1964	32.6	18.1	1.5	3.3	.....	1.7	4.6	4.4	14.5	2.7	4.1	2.4	5.3
1965	39.8	23.3	2.1	4.0	.....	2.7	6.2	5.2	16.5	2.9	4.6	2.9	6.1
1966	42.6	24.1	2.4	4.6	.....	3.0	5.2	5.2	18.6	3.3	4.9	3.4	6.9
1967	39.2	21.3	2.5	4.2	.....	3.0	4.0	4.9	18.0	3.3	4.3	4.0	6.4
1968	41.9	22.5	2.3	4.2	.....	2.9	5.5	5.6	19.4	3.2	5.3	3.8	7.1
1969	37.3	19.2	2.0	3.8	.....	2.3	4.8	4.9	18.1	3.1	4.6	3.4	7.0
1970	27.5	10.5	1.1	3.1	.....	1.3	1.3	2.9	17.0	3.2	3.9	3.7	6.1
1971	35.1	16.6	1.5	3.1	.....	2.0	5.2	4.1	18.5	3.6	4.5	3.8	6.6
1972	41.9	22.7	2.2	4.5	.....	2.9	6.0	5.6	19.2	3.0	5.3	3.3	7.6
1973	47.2	25.1	2.7	4.9	.....	3.2	5.9	6.2	22.0	2.5	6.2	5.4	7.9
1974	41.4	15.3	1.8	3.3	.....	.6	.7	4.0	26.1	2.6	5.3	10.9	7.3
1975	55.2	20.6	3.3	5.1	.....	2.6	2.3	4.7	34.5	8.6	6.4	10.1	9.5
1976	71.3	31.4	3.9	6.9	.....	3.8	7.4	7.3	39.9	7.1	8.2	13.5	11.1
1977	79.3	37.9	4.5	8.6	.....	5.9	9.4	8.5	41.4	6.9	7.8	13.1	13.6
1978	90.5	45.4	5.0	10.7	.....	6.7	9.0	10.5	45.1	6.2	8.3	15.8	14.8
1979	89.6	37.1	5.3	9.5	.....	5.6	4.7	8.5	52.5	5.8	7.2	24.8	14.7
1980	78.3	18.9	4.4	8.0	.....	5.2	–4.3	2.7	59.5	6.1	5.7	34.7	13.1
1981	91.1	19.5	4.5	9.0	.....	5.2	.3	–2.6	71.6	9.2	8.0	40.0	14.5
1982	67.1	5.0	2.7	3.1	.....	1.7	.0	2.1	62.1	7.3	5.1	34.7	15.0
1983	76.2	19.5	3.1	4.0	.....	3.5	5.3	8.4	56.7	6.3	7.4	23.9	19.1
1984	91.8	39.3	4.7	6.0	.....	5.1	9.2	14.6	52.6	6.8	8.2	17.6	20.1
1985	84.3	29.7	4.9	5.7	.....	2.6	7.4	10.1	54.6	8.8	6.6	18.7	20.5
1986	57.9	26.3	5.2	.8	.....	2.7	4.6	12.1	31.7	7.5	7.5	–4.7	21.3
1987	86.3	40.7	5.5	5.4	.....	5.9	3.7	17.6	45.6	11.4	14.4	–1.5	21.3
1988	121.2	54.1	6.5	11.1	.....	7.7	6.2	16.5	67.1	12.0	18.6	12.7	23.7
1989	110.9	51.2	6.4	12.2	.....	9.3	2.7	14.2	59.7	11.1	18.2	6.5	23.9
1990	113.1	43.8	6.0	11.8	.....	8.5	–1.9	15.9	69.2	14.3	16.8	16.4	21.7
1991	98.0	34.4	5.3	5.7	.....	10.0	–5.4	17.3	63.6	18.1	16.2	7.3	22.0
1992	99.5	40.6	6.2	7.5	.....	10.4	–1.0	17.4	59.0	18.2	16.0	–.9	25.6
1993	115.6	55.8	7.4	7.5	.....	15.2	6.0	19.4	59.7	16.4	15.9	2.7	24.7
1994	147.0	74.4	11.1	9.1	.....	22.8	7.8	21.3	72.6	19.9	23.2	1.2	28.3
1995	173.7	80.9	11.8	14.8	.....	21.5	.0	25.8	92.8	27.1	27.9	7.1	30.6
1996	188.8	90.6	14.5	16.9	.....	20.1	4.2	29.2	98.2	22.1	26.4	15.0	34.7
1997	209.0	103.1	17.0	16.7	.....	25.3	4.8	33.0	105.9	24.6	32.3	17.3	31.7
1998	173.5	87.3	16.4	19.5	.....	8.9	5.9	30.1	86.2	21.9	26.5	6.7	31.1
1999	175.2	78.8	16.2	12.4	.....	5.3	7.3	35.3	96.4	28.1	25.2	4.3	38.9
2000	166.3	64.8	15.4	16.3	.....	4.7	–1.5	28.8	101.5	25.7	16.0	29.1	30.7
NAICS:[3]													
1998	157.0	83.4	16.7	15.6	3.9	6.1	6.4	34.6	73.6	21.8	25.1	4.9	21.8
1999	150.6	72.3	16.5	12.4	–6.5	6.3	7.3	36.4	78.3	30.7	23.0	1.8	22.7
2000	144.3	60.0	15.5	8.2	4.0	5.6	–1.0	27.7	84.3	25.4	14.2	26.9	17.8
2001	52.6	–25.4	9.9	2.7	–48.5	1.9	–9.2	17.8	78.0	28.0	12.6	29.6	7.8
2002	48.2	–9.9	8.9	1.7	–35.3	–.1	–5.0	20.0	58.1	24.9	18.4	1.6	13.2
2003	76.0	–5.9	7.9	1.5	–15.6	2.1	–12.3	10.5	81.9	23.6	19.5	23.3	15.5
2004	150.2	31.3	12.3	7.0	–6.7	.2	–11.2	29.7	118.9	22.4	23.8	49.3	23.4
2005	254.8	73.8	20.6	13.8	3.9	5.7	–17.9	47.7	181.0	28.5	45.3	70.4	36.8
2004: I	127.7	17.8	9.8	4.7	–8.7	.4	–7.2	18.8	109.8	24.7	22.1	42.1	20.9
II	147.4	29.5	11.7	6.4	–5.7	.4	–13.4	30.2	117.9	20.8	22.2	52.2	22.7
III	155.0	35.7	12.3	9.0	–6.2	–1.5	–10.3	32.4	119.3	22.5	27.8	43.7	25.3
IV	170.7	42.3	15.4	7.9	–6.3	1.5	–13.8	37.6	128.4	21.7	23.1	59.0	24.7
2005: I	235.5	60.6	17.4	12.1	–1.8	3.2	–15.8	45.5	175.0	29.4	47.1	65.1	33.3
II	264.0	86.2	21.2	13.7	2.8	7.2	–10.8	52.2	177.8	26.7	46.4	66.4	38.3
III	260.7	75.4	22.8	14.5	6.7	6.7	–19.8	44.5	185.2	29.3	43.3	74.2	38.4
IV	258.9	72.9	21.2	15.0	8.0	5.6	–25.3	48.5	186.0	28.6	44.4	76.0	37.0
2006: I	300.7	102.2	25.7	19.1	12.3	8.4	–18.2	54.9	198.5	29.6	54.1	74.5	40.1
II	289.9	78.7	24.1	18.3	13.1	6.8	–25.4	41.9	211.2	29.5	53.6	92.4	35.7
III	331.9	115.9	24.8	18.5	13.2	10.3	–16.6	65.7	216.0	34.4	46.6	101.1	33.9

[1] For SIC data, includes primary metal industries, not shown separately.

[2] Industry groups shown in column headings reflect NAICS classification for data beginning 1998. For data on SIC basis, the industry groups would be, machinery—industrial machinery and equipment; electrical equipment, appliances, and components—electronic and other electric equipment; motor vehicles, bodies and trailers, and parts—motor vehicles and equipment; food and beverage and tobacco products—food and kindred products; and chemical products—chemicals and allied products.

[3] See footnote 3 and Note, Table B–91.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–93.—*Sales, profits, and stockholders' equity, all manufacturing corporations, 1965–2006*

[Billions of dollars]

Year or quarter	All manufacturing corporations				Durable goods industries				Nondurable goods industries			
	Sales (net)	Profits		Stockholders' equity[2]	Sales (net)	Profits		Stockholders' equity[2]	Sales (net)	Profits		Stockholders' equity[2]
		Before income taxes[1]	After income taxes			Before income taxes[1]	After income taxes			Before income taxes[1]	After income taxes	
1965	492.2	46.5	27.5	211.7	257.0	26.2	14.5	105.4	235.2	20.3	13.0	106.3
1966	554.2	51.8	30.9	230.3	291.7	29.2	16.4	115.2	262.4	22.6	14.6	115.1
1967	575.4	47.8	29.0	247.6	300.6	25.7	14.6	125.0	274.8	22.0	14.4	122.6
1968	631.9	55.4	32.1	265.9	335.5	30.6	16.5	135.6	296.4	24.8	15.5	130.3
1969	694.6	58.1	33.2	289.9	366.5	31.5	16.9	147.6	328.1	26.6	16.4	142.3
1970	708.8	48.1	28.6	306.8	363.1	23.0	12.9	155.1	345.7	25.2	15.7	151.7
1971	751.1	52.9	31.0	320.8	381.8	26.5	14.5	160.4	369.3	26.5	16.5	160.5
1972	849.5	63.2	36.5	343.4	435.8	33.6	18.4	171.4	413.7	29.6	18.0	172.0
1973	1,017.2	81.4	48.1	374.1	527.3	43.6	24.8	188.7	489.9	37.8	23.3	185.4
1973: IV	275.1	21.4	13.0	386.4	140.1	10.8	6.3	194.7	135.0	10.6	6.7	191.7
New series:												
1973: IV	236.6	20.6	13.2	368.0	122.7	10.1	6.2	185.8	113.9	10.5	7.0	182.1
1974	1,060.6	92.1	58.7	395.0	529.0	41.1	24.7	196.0	531.6	51.0	34.1	199.0
1975	1,065.2	79.9	49.1	423.4	521.1	35.3	21.4	208.1	544.1	44.6	27.7	215.3
1976	1,203.2	104.9	64.5	462.7	589.6	50.7	30.8	224.3	613.7	54.3	33.7	238.4
1977	1,328.1	115.1	70.4	496.7	657.3	57.9	34.8	239.9	670.8	57.2	35.5	256.8
1978	1,496.4	132.5	81.1	540.5	760.7	69.6	41.8	262.6	735.7	62.9	39.3	277.9
1979	1,741.8	154.2	98.7	600.5	865.7	72.4	45.2	292.5	876.1	81.8	53.5	308.0
1980	1,912.8	145.8	92.6	668.1	889.1	57.4	35.6	317.7	1,023.7	88.4	56.9	350.4
1981	2,144.7	158.6	101.3	743.4	979.5	67.2	41.6	350.4	1,165.2	91.3	59.6	393.0
1982	2,039.4	108.2	70.9	770.2	913.1	34.7	21.7	355.5	1,126.4	73.6	49.3	414.7
1983	2,114.3	133.1	85.8	812.8	973.5	48.7	30.0	372.4	1,140.8	84.4	55.8	440.4
1984	2,335.0	165.6	107.6	864.2	1,107.6	75.5	48.9	395.6	1,227.5	90.0	58.8	468.5
1985	2,331.4	137.0	87.6	866.2	1,142.6	61.5	38.6	420.9	1,188.8	75.6	49.1	445.3
1986	2,220.9	129.3	83.1	874.7	1,125.5	52.1	32.6	436.3	1,095.4	77.2	50.5	438.4
1987	2,378.2	173.0	115.6	900.9	1,178.0	78.0	53.0	444.3	1,200.3	95.1	62.6	456.6
1988[3]	2,596.2	215.3	153.8	957.6	1,284.7	91.6	66.9	468.7	1,311.5	123.7	86.8	488.9
1989	2,745.1	187.6	135.1	999.0	1,356.6	75.1	55.5	501.3	1,388.5	112.6	79.6	497.7
1990	2,810.7	158.1	110.1	1,043.8	1,357.2	57.3	40.7	515.0	1,453.5	100.8	69.4	528.9
1991	2,761.1	98.7	66.4	1,064.1	1,304.0	13.9	7.2	506.8	1,457.1	84.8	59.3	557.4
1992[4]	2,890.2	31.4	22.1	1,034.7	1,389.8	–33.7	–24.0	473.9	1,500.4	65.1	46.0	560.8
1993	3,015.1	117.9	83.2	1,039.7	1,490.2	38.9	27.4	482.7	1,524.9	79.0	55.7	557.1
1994	3,255.8	243.5	174.9	1,110.1	1,657.6	121.0	87.1	533.3	1,598.2	122.5	87.8	576.8
1995	3,528.3	274.5	198.2	1,240.6	1,807.7	130.6	94.3	613.7	1,720.6	143.9	103.9	627.0
1996	3,757.6	306.6	224.9	1,348.0	1,941.6	146.6	106.1	673.9	1,816.0	160.0	118.8	674.2
1997	3,920.0	331.4	244.5	1,462.7	2,075.8	167.0	121.4	743.4	1,844.2	164.4	123.1	719.3
1998	3,949.4	314.7	234.4	1,482.9	2,168.8	175.1	127.8	779.9	1,780.7	139.6	106.5	703.0
1999	4,148.9	355.3	257.8	1,569.3	2,314.2	198.8	140.3	869.6	1,834.6	156.5	117.5	699.7
2000	4,548.2	381.1	275.3	1,823.1	2,457.4	190.7	131.8	1,054.3	2,090.8	190.5	143.5	768.7
2000: IV	1,163.6	69.2	46.8	1,892.4	620.4	31.2	19.3	1,101.5	543.2	38.0	27.4	790.9
NAICS:[5]												
2000: IV	1,128.8	62.1	41.7	1,833.8	623.0	26.9	15.4	1,100.0	505.8	35.2	26.3	733.8
2001	4,295.0	83.2	36.2	1,843.0	2,321.2	–69.0	–76.1	1,080.5	1,973.8	152.2	112.3	762.5
2002	4,216.4	195.5	134.7	1,804.0	2,260.6	45.9	21.6	1,024.8	1,955.8	149.6	113.1	779.2
2003	4,397.2	305.7	237.0	1,952.2	2,282.7	117.6	88.2	1,040.8	2,114.5	188.1	148.9	911.5
2004	4,934.1	447.5	348.2	2,206.3	2,537.3	200.0	156.5	1,212.9	2,396.7	247.5	191.6	993.5
2005	5,400.8	522.2	400.0	2,410.4	2,727.4	211.1	161.1	1,303.1	2,673.4	311.0	238.9	1,107.3
2004: I	1,145.9	97.3	75.3	2,113.0	593.6	44.2	34.3	1,157.4	552.3	53.1	41.0	955.6
II	1,248.7	122.3	94.6	2,177.1	644.6	57.7	45.8	1,197.8	604.1	64.6	48.8	979.4
III	1,251.0	117.7	89.8	2,220.9	638.9	49.8	37.2	1,216.9	612.0	67.9	52.6	1,004.1
IV	1,288.5	110.2	88.4	2,314.2	660.2	48.2	39.2	1,279.4	628.3	62.0	49.2	1,034.8
2005: I	1,258.4	117.6	89.8	2,351.3	642.5	45.3	34.4	1,279.1	616.0	72.3	55.5	1,072.2
II	1,352.2	137.8	106.7	2,389.1	692.1	62.2	47.6	1,294.3	660.0	75.6	59.1	1,094.8
III	1,384.2	142.1	108.5	2,437.8	684.2	56.4	43.8	1,319.7	700.1	85.7	64.7	1,118.0
IV	1,406.0	124.7	95.0	2,463.5	708.7	47.2	35.3	1,319.3	697.3	77.5	59.7	1,144.2
2006: I	1,387.6	146.2	117.5	2,587.3	701.0	62.5	50.2	1,346.1	686.6	83.7	67.3	1,241.3
II	1,469.7	156.6	120.4	2,653.3	739.7	63.9	49.0	1,379.4	730.0	92.7	71.4	1,273.9
III	1,456.7	160.7	123.8	2,695.3	724.5	65.1	49.6	1,393.6	732.2	95.6	74.2	1,301.7

[1] In the old series, "income taxes" refers to Federal income taxes only, as State and local income taxes had already been deducted. In the new series, no income taxes have been deducted.

[2] Annual data are average equity for the year (using four end-of-quarter figures).

[3] Beginning 1988, profits before and after income taxes reflect inclusion of minority stockholders' interest in net income before and after income taxes.

[4] Data for 1992 (most significantly 1992:I) reflect the early adoption of Financial Accounting Standards Board Statement 106 (Employer's Accounting for Post-Retirement Benefits Other Than Pensions) by a large number of companies during the fourth quarter of 1992. Data for 1993 (1993:I) also reflect adoption of Statement 106. Corporations must show the cumulative effect of a change in accounting principle in the first quarter of the year in which the change is adopted.

[5] Data based on the North American Industry Classification System (NAICS). Other data shown are based on the Standard Industrial Classification (SIC).

Note.—Data are not necessarily comparable from one period to another due to changes in accounting principles, industry classifications, sampling procedures, etc. For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations," Department of Commerce, Bureau of the Census.

Source: Department of Commerce, Bureau of the Census.

TABLE B–94.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, 1959–2006*

Year or quarter	Ratio of profits after income taxes (annual rate) to stockholders' equity—percent[1]			Profits after income taxes per dollar of sales—cents		
	All manufacturing corporations	Durable goods industries	Nondurable goods industries	All manufacturing corporations	Durable goods industries	Nondurable goods industries
1959	10.4	10.4	10.4	4.8	4.8	4.9
1960	9.2	8.5	9.8	4.4	4.0	4.8
1961	8.9	8.1	9.6	4.3	3.9	4.7
1962	9.8	9.6	9.9	4.5	4.4	4.7
1963	10.3	10.1	10.4	4.7	4.5	4.9
1964	11.6	11.7	11.5	5.2	5.1	5.4
1965	13.0	13.8	12.2	5.6	5.7	5.5
1966	13.4	14.2	12.7	5.6	5.6	5.6
1967	11.7	11.7	11.8	5.0	4.8	5.3
1968	12.1	12.2	11.9	5.1	4.9	5.2
1969	11.5	11.4	11.5	4.8	4.6	5.0
1970	9.3	8.3	10.3	4.0	3.5	4.5
1971	9.7	9.0	10.3	4.1	3.8	4.5
1972	10.6	10.8	10.5	4.3	4.2	4.4
1973	12.8	13.1	12.6	4.7	4.7	4.8
1973: IV	13.4	12.9	14.0	4.7	4.5	5.0
New series:						
1973: IV	14.3	13.3	15.3	5.6	5.0	6.1
1974	14.9	12.6	17.1	5.5	4.7	6.4
1975	11.6	10.3	12.9	4.6	4.1	5.1
1976	13.9	13.7	14.2	5.4	5.2	5.5
1977	14.2	14.5	13.8	5.3	5.3	5.3
1978	15.0	16.0	14.2	5.4	5.5	5.3
1979	16.4	15.4	17.4	5.7	5.2	6.1
1980	13.9	11.2	16.3	4.8	4.0	5.6
1981	13.6	11.9	15.2	4.7	4.2	5.1
1982	9.2	6.1	11.9	3.5	2.4	4.4
1983	10.6	8.1	12.7	4.1	3.1	4.9
1984	12.5	12.4	12.5	4.6	4.4	4.8
1985	10.1	9.2	11.0	3.8	3.4	4.1
1986	9.5	7.5	11.5	3.7	2.9	4.6
1987	12.8	11.9	13.7	4.9	4.5	5.2
1988[2]	16.1	14.3	17.8	5.9	5.2	6.6
1989	13.5	11.1	16.0	4.9	4.1	5.7
1990	10.6	7.9	13.1	3.9	3.0	4.8
1991	6.2	1.4	10.6	2.4	.5	4.1
1992[3]	2.1	–5.1	8.2	.8	–1.7	3.1
1993	8.0	5.7	10.0	2.8	1.8	3.7
1994	15.8	16.3	15.2	5.4	5.3	5.5
1995	16.0	15.4	16.6	5.6	5.2	6.0
1996	16.7	15.7	17.6	6.0	5.5	6.5
1997	16.7	16.3	17.1	6.2	5.8	6.7
1998	15.8	16.4	15.2	5.9	5.9	6.0
1999	16.4	16.1	16.8	6.2	6.1	6.4
2000	15.1	12.5	18.7	6.1	5.4	6.9
2000: IV	9.9	7.0	13.9	4.0	3.1	5.1
NAICS:[4]						
2000: IV	9.1	5.6	14.3	3.7	2.5	5.2
2001	2.0	–7.0	14.7	.8	–3.3	5.7
2002	7.5	2.1	14.5	3.2	1.0	5.8
2003	12.1	8.5	16.3	5.4	3.9	7.0
2004	15.8	12.9	19.3	7.1	6.2	8.0
2005	16.6	12.4	21.6	7.4	5.9	8.9
2004: I	14.3	11.8	17.2	6.6	5.8	7.4
II	17.4	15.3	19.9	7.6	7.1	8.1
III	16.2	12.2	21.0	7.2	5.8	8.6
IV	15.3	12.3	19.0	6.9	5.9	7.8
2005: I	15.3	10.8	20.7	7.1	5.4	9.0
II	17.9	14.7	21.6	7.9	6.9	9.0
III	17.8	13.3	23.1	7.8	6.4	9.2
IV	15.4	10.7	20.9	6.8	5.0	8.6
2006: I	18.2	14.9	21.7	8.5	7.2	9.8
II	18.2	14.2	22.4	8.2	6.6	9.8
III	18.4	14.2	22.8	8.5	6.8	10.1

[1] Annual ratios based on average equity for the year (using four end-of-quarter figures). Quarterly ratios based on equity at end of quarter.
[2] See footnote 3, Table B–93.
[3] See footnote 4, Table B–93.
[4] See footnote 5, Table B–93.

Note.—Based on data in millions of dollars.
See Note, Table B–93.

Source: Department of Commerce, Bureau of the Census.

TABLE B–95.—*Historical stock prices and yields, 1949–2003*

Year	Common stock prices [1]									Common stock yields (S&P) (percent) [5]	
	New York Stock Exchange indexes [2]						Dow Jones industrial average [2]	Standard & Poor's composite index (1941-43=10) [2]	Nasdaq composite index (Feb. 5, 1971=100) [2]	Dividend-price ratio [6]	Earnings-price ratio [7]
	Composite (Dec. 31, 2002=5,000) [3]	December 31, 1965=50									
		Composite	Industrial	Transportation	Utility [4]	Finance					
1949		9.02					179.48	15.23		6.59	15.48
1950		10.87					216.31	18.40		6.57	13.99
1951		13.08					257.64	22.34		6.13	11.82
1952		13.81					270.76	24.50		5.80	9.47
1953		13.67					275.97	24.73		5.80	10.26
1954		16.19					333.94	29.69		4.95	8.57
1955		21.54					442.72	40.49		4.08	7.95
1956		24.40					493.01	46.62		4.09	7.55
1957		23.67					475.71	44.38		4.35	7.89
1958		24.56					491.66	46.24		3.97	6.23
1959		30.73					632.12	57.38		3.23	5.78
1960		30.01					618.04	55.85		3.47	5.90
1961		35.37					691.55	66.27		2.98	4.62
1962		33.49					639.76	62.38		3.37	5.82
1963		37.51					714.81	69.87		3.17	5.50
1964		43.76					834.05	81.37		3.01	5.32
1965		47.39					910.88	88.17		3.00	5.59
1966	487.92	46.15	46.18	50.26	90.81	44.45	873.60	85.26		3.40	6.63
1967	536.84	50.77	51.97	53.51	90.86	49.82	879.12	91.93		3.20	5.73
1968	585.47	55.37	58.00	50.58	88.38	65.85	906.00	98.70		3.07	5.67
1969	578.01	54.67	57.44	46.96	85.60	70.49	876.72	97.84		3.24	6.08
1970	483.39	45.72	48.03	32.14	74.47	60.00	753.19	83.22		3.83	6.45
1971	573.33	54.22	57.92	44.35	79.05	70.38	884.76	98.29	107.44	3.14	5.41
1972	637.52	60.29	65.73	50.17	76.95	78.35	950.71	109.20	128.52	2.84	5.50
1973	607.11	57.42	63.08	37.74	75.38	70.12	923.88	107.43	109.90	3.06	7.12
1974	463.54	43.84	48.08	31.89	59.58	49.67	759.37	82.85	76.29	4.47	11.59
1975	483.55	45.73	50.52	31.10	63.00	47.14	802.49	86.16	77.20	4.31	9.15
1976	575.85	54.46	60.44	39.57	73.94	52.94	974.92	102.01	89.90	3.77	8.90
1977	567.66	53.69	57.86	41.09	81.84	55.25	894.63	98.20	98.71	4.62	10.79
1978	567.81	53.70	58.23	43.50	78.44	56.65	820.23	96.02	117.53	5.28	12.03
1979	616.68	58.32	64.76	47.34	76.41	61.42	844.40	103.01	136.57	5.47	13.46
1980	720.15	68.10	78.70	60.61	74.69	64.25	891.41	118.78	168.61	5.26	12.66
1981	782.62	74.02	85.44	72.61	77.81	73.52	932.92	128.05	203.18	5.20	11.96
1982	728.84	68.93	78.18	60.41	79.49	71.99	884.36	119.71	188.97	5.81	11.60
1983	979.52	92.63	107.45	89.36	93.99	95.34	1,190.34	160.41	285.43	4.40	8.03
1984	977.33	92.46	108.01	85.63	92.89	89.28	1,178.48	160.46	248.88	4.64	10.02
1985	1,142.97	108.09	123.79	104.11	113.49	114.21	1,328.23	186.84	290.19	4.25	8.12
1986	1,438.02	136.00	155.85	119.87	142.72	147.20	1,792.76	236.34	366.96	3.49	6.09
1987	1,709.79	161.70	195.31	140.39	148.59	146.48	2,275.99	286.83	402.57	3.08	5.48
1988	1,585.14	149.91	180.95	134.12	143.53	127.26	2,060.82	265.79	374.43	3.64	8.01
1989	1,903.36	180.02	216.23	175.28	174.87	151.88	2,508.91	322.84	437.81	3.45	7.42
1990	1,939.47	183.46	225.78	158.62	181.20	133.26	2,678.94	334.59	409.17	3.61	6.47
1991	2,181.72	206.33	258.14	173.99	185.32	150.82	2,929.33	376.18	491.69	3.24	4.79
1992	2,421.51	229.01	284.62	201.09	198.91	179.26	3,284.29	415.74	599.26	2.99	4.22
1993	2,638.96	249.58	299.99	242.49	228.90	216.42	3,522.06	451.41	715.16	2.78	4.46
1994	2,687.02	254.12	315.25	247.29	209.06	209.73	3,793.77	460.42	751.65	2.82	5.83
1995	3,078.56	291.15	367.34	269.41	220.30	238.45	4,493.76	541.72	925.19	2.56	6.09
1996	3,787.20	358.17	453.98	327.33	249.77	303.89	5,742.89	670.50	1,164.96	2.19	5.24
1997	4,827.35	456.54	574.52	414.60	283.82	424.48	7,441.15	873.43	1,469.49	1.77	4.57
1998	5,818.26	550.26	681.57	468.69	378.12	516.35	8,625.52	1,085.50	1,794.91	1.49	3.46
1999	6,546.81	619.16	774.78	491.60	473.73	530.86	10,464.88	1,327.33	2,728.15	1.25	3.17
2000	6,805.89	643.66	810.63	413.60	477.65	553.13	10,734.90	1,427.22	3,783.67	1.15	3.63
2001	6,397.85	605.07	748.26	443.59	377.30	595.61	10,189.13	1,194.18	2,035.00	1.32	2.95
2002	5,578.89	527.62	657.37	431.10	260.85	555.27	9,226.43	993.94	1,539.73	1.61	2.92
2003	5,447.46	([3])	633.18	436.51	237.77	565.75	8,993.59	965.23	1,647.17	1.77	3.84

[1] Averages of daily closing prices.

[2] Includes stocks as follows: for NYSE, all stocks listed; for Dow Jones industrial average, 30 stocks; for S&P composite index, 500 stocks; and for Nasdaq composite index, over 5,000.

[3] The NYSE relaunched the composite index on January 9, 2003, incorporating new definitions, methodology, and base value. (The composite index based on December 31, 1965=50 was discontinued.) Subset indexes on financial, energy, and health care were released by the NYSE on January 8, 2004 (see Table B–96). NYSE indexes shown in this table for industrials, utilities, transportation, and finance were discontinued.

[4] Effective April 1993, the NYSE doubled the value of the utility index to facilitate trading of options and futures on the index. Annual indexes prior to 1993 reflect the doubling.

[5] Based on 500 stocks in the S&P composite index.

[6] Aggregate cash dividends (based on latest known annual rate) divided by aggregate market value based on Wednesday closing prices. Monthly data are averages of weekly figures; annual data are averages of monthly figures.

[7] Quarterly data are ratio of earnings (after taxes) for 4 quarters ending with particular quarter to price index for last day of that quarter. Annual data are averages of quarterly ratios.

Sources: New York Stock Exchange (NYSE), Dow Jones & Co., Inc., Standard & Poor's (S&P), and Nasdaq Stock Market.

TABLE B–96.—*Common stock prices and yields, 2000–2006*

Year or month	Common stock prices [1]							Common stock yields (S&P) (percent) [4]	
	New York Stock Exchange indexes [2 3] (December 31, 2002=5,000)				Dow Jones industrial average [2]	Standard & Poor's composite index (1941-43=10) [2]	Nasdaq composite index (Feb. 5, 1971=100) [2]	Dividend-price ratio [5]	Earnings-price ratio [6]
	Composite	Financial	Energy	Health Care					
2000	6,805.89	.....	.....	.....	10,734.90	1,427.22	3,783.67	1.15	3.63
2001	6,397.85	.....	.....	.....	10,189.13	1,194.18	2,035.00	1.32	2.95
2002	5,578.89	.....	.....	.....	9,226.43	993.94	1,539.73	1.61	2.92
2003	5,447.46	5,583.00	5,273.90	5,288.67	8,993.59	965.23	1,647.17	1.77	3.84
2004	6,612.62	6,822.18	6,952.36	5,924.80	10,317.39	1,130.65	1,986.53	1.72	4.89
2005	7,349.00	7,383.70	9,377.84	6,283.96	10,547.67	1,207.23	2,099.32	1.83	5.36
2006	8,357.99	8,654.40	11,206.94	6,685.06	11,408.67	1,310.46	2,263.41	1.87	.....
2002: Jan	6,151.15	.....	.....	.....	9,923.80	1,140.21	1,976.77	1.38	.....
Feb	6,022.23	.....	.....	.....	9,891.05	1,100.67	1,799.72	1.43	.....
Mar	6,352.08	.....	.....	.....	10,500.95	1,153.79	1,863.05	1.37	2.15
Apr	6,212.88	.....	.....	.....	10,165.18	1,112.03	1,758.80	1.42	.....
May	6,087.85	.....	.....	.....	10,080.48	1,079.27	1,660.31	1.47	.....
June	5,755.89	.....	.....	.....	9,492.44	1,014.05	1,505.49	1.58	2.70
July	5,139.94	.....	.....	.....	8,616.52	903.59	1,346.09	1.76	.....
Aug	5,200.62	.....	.....	.....	8,685.48	912.55	1,327.36	1.72	.....
Sept	4,980.65	.....	.....	.....	8,160.78	867.81	1,251.07	1.80	3.68
Oct	4,862.70	.....	.....	.....	8,048.12	854.63	1,241.91	1.86	.....
Nov	5,104.89	.....	.....	.....	8,625.72	909.93	1,409.15	1.73	.....
Dec	5,075.76	.....	.....	.....	8,526.66	899.18	1,387.15	1.77	3.14
2003: Jan	5,055.78	5,092.08	4,900.65	5,043.19	8,474.59	895.84	1,389.56	1.80	.....
Feb	4,738.56	4,723.86	4,802.42	4,788.19	7,916.18	837.62	1,313.26	1.95	.....
Mar	4,724.19	4,685.40	4,855.44	4,854.73	7,977.73	846.62	1,348.50	1.93	3.57
Apr	4,977.45	5,036.82	4,916.44	5,078.71	8,332.09	890.03	1,409.83	1.83	.....
May	5,269.96	5,357.20	5,190.65	5,316.27	8,623.41	935.96	1,524.18	1.75	.....
June	5,583.42	5,690.39	5,522.45	5,557.87	9,098.07	988.00	1,631.75	1.66	3.55
July	5,567.94	5,790.61	5,276.08	5,457.98	9,154.39	992.54	1,716.85	1.71	.....
Aug	5,580.87	5,776.36	5,368.25	5,263.19	9,284.78	989.53	1,724.82	1.78	.....
Sept	5,748.42	5,897.76	5,453.23	5,402.56	9,492.54	1,019.44	1,856.22	1.73	3.87
Oct	5,894.39	6,187.33	5,552.99	5,428.31	9,682.46	1,038.73	1,907.89	1.71	.....
Nov	5,989.42	6,282.53	5,474.84	5,521.85	9,762.20	1,049.90	1,939.25	1.69	.....
Dec	6,239.14	6,475.68	5,973.31	5,751.14	10,124.66	1,080.64	1,956.98	1.67	4.38
2004: Jan	6,569.76	6,827.35	6,323.29	6,000.57	10,540.05	1,132.52	2,098.00	1.62	.....
Feb	6,661.38	6,978.62	6,337.87	6,134.16	10,601.50	1,143.36	2,048.36	1.63	.....
Mar	6,574.75	6,914.60	6,455.53	5,908.76	10,323.73	1,123.98	1,979.48	1.68	4.62
Apr	6,600.77	6,792.05	6,638.65	6,028.53	10,418.40	1,133.08	2,021.32	1.68	.....
May	6,371.44	6,495.19	6,572.79	6,022.12	10,083.81	1,102.78	1,930.09	1.74	.....
June	6,548.06	6,683.10	6,780.86	6,063.65	10,364.90	1,132.76	2,000.98	1.70	4.92
July	6,443.45	6,569.52	6,971.57	5,823.34	10,152.09	1,105.85	1,912.42	1.77	.....
Aug	6,352.83	6,566.19	6,866.75	5,733.68	10,032.80	1,088.94	1,821.54	1.81	.....
Sept	6,551.90	6,773.95	7,270.08	5,890.05	10,204.67	1,117.66	1,884.73	1.78	5.18
Oct	6,608.98	6,792.44	7,593.71	5,668.02	10,001.60	1,118.07	1,938.25	1.79	.....
Nov	6,933.75	7,118.40	7,773.26	5,818.20	10,411.76	1,168.94	2,062.87	1.74	.....
Dec	7,134.42	7,354.73	7,843.99	6,006.46	10,673.38	1,199.21	2,149.53	1.72	4.83
2005: Jan	7,056.85	7,282.65	7,841.24	5,970.34	10,539.51	1,181.41	2,071.87	1.77	.....
Feb	7,241.89	7,377.10	8,646.71	6,052.78	10,723.82	1,199.63	2,065.74	1.76	.....
Mar	7,275.51	7,274.12	9,077.38	6,148.03	10,682.09	1,194.90	2,030.43	1.79	5.11
Apr	7,077.97	7,014.98	8,793.74	6,253.05	10,283.19	1,164.42	1,957.49	1.86	.....
May	7,094.02	7,092.20	8,513.39	6,432.30	10,377.18	1,178.28	2,005.22	1.86	.....
June	7,238.96	7,199.86	9,122.87	6,408.88	10,486.68	1,202.26	2,074.02	1.83	5.32
July	7,389.23	7,373.25	9,607.53	6,342.76	10,545.38	1,222.24	2,145.14	1.82	.....
Aug	7,482.93	7,374.01	10,034.26	6,383.81	10,554.27	1,224.27	2,157.85	1.82	.....
Sept	7,584.49	7,435.85	10,672.51	6,412.24	10,532.54	1,225.91	2,144.61	1.84	5.42
Oct	7,373.23	7,368.60	9,915.63	6,270.83	10,324.31	1,191.96	2,087.09	1.90	.....
Nov	7,585.75	7,800.01	9,998.62	6,297.57	10,695.25	1,237.37	2,202.84	1.85	.....
Dec	7,787.22	8,011.76	10,310.18	6,434.97	10,827.79	1,262.07	2,246.09	1.84	5.60
2006: Jan	8,007.35	8,187.86	10,965.30	6,604.09	10,872.48	1,278.72	2,289.99	1.83	.....
Feb	8,044.86	8,280.82	10,741.43	6,566.87	10,971.19	1,276.65	2,273.67	1.86	.....
Mar	8,174.34	8,459.04	10,702.23	6,653.63	11,144.45	1,293.74	2,300.26	1.85	5.61
Apr	8,351.28	8,572.54	11,467.85	6,519.78	11,234.68	1,302.18	2,338.68	1.85	.....
May	8,353.45	8,608.10	11,380.52	6,488.14	11,333.88	1,290.00	2,245.28	1.90	.....
June	7,985.59	8,225.13	10,690.86	6,395.87	10,997.97	1,253.12	2,137.41	1.96	5.86
July	8,103.97	8,340.25	11,360.86	6,566.19	11,032.53	1,260.24	2,086.21	1.94	.....
Aug	8,294.89	8,574.68	11,610.65	6,763.81	11,257.35	1,287.15	2,117.77	1.92	.....
Sept	8,383.29	8,789.30	10,807.75	6,910.95	11,533.60	1,317.81	2,221.94	1.87	5.88
Oct	8,651.02	9,101.77	11,020.11	6,975.17	11,963.12	1,363.38	2,330.17	1.83	.....
Nov	8,856.30	9,251.53	11,657.36	6,845.16	12,185.15	1,388.63	2,408.70	1.80	.....
Dec	9,089.55	9,461.77	12,078.39	6,931.01	12,377.62	1,416.42	2,431.91	1.79	.....

[1] Averages of daily closing prices.

[2] Includes stocks as follows: for NYSE, all stocks listed (in 2006, over 2,650); for Dow Jones Industrial average, 30 stocks; for S&P composite index, 500 stocks; and for Nasdaq composite index, in 2006, about 3,200.

[3] The NYSE relaunched the composite index on January 9, 2003, incorporating new definitions, methodology, and base value. Subset indexes on financial, energy, and health care were released by the NYSE on January 8, 2004.

[4] Based on 500 stocks in the S&P composite index.

[5] Aggregate cash dividends (based on latest known annual rate) divided by aggregate market value based on Wednesday closing prices. Monthly data are averages of weekly figures, annual data are averages of monthly figures.

[6] Quarterly data are ratio of earnings (after taxes) for 4 quarters ending with particular quarter to price index for last day of that quarter. Annual data are averages of quarterly ratios.

Sources: New York Stock Exchange (NYSE), Dow Jones & Co., Inc., Standard & Poor's (S&P), and Nasdaq Stock Market.

TABLE B–97.—*Farm income, 1945–2006*

[Billions of dollars]

Year	Income of farm operators from farming							
	Gross farm income						Production expenses	Net farm income
	Total[1]	Cash marketing receipts			Value of inventory changes[3]	Direct Government payments[4]		
		Total	Livestock and products	Crops[2]				
1945	25.4	21.7	12.0	9.7	–0.4	0.7	13.1	12.3
1946	29.6	24.8	13.8	11.0	.0	.8	14.5	15.1
1947	32.4	29.6	16.5	13.1	–1.8	.3	17.0	15.4
1948	36.5	30.2	17.1	13.1	1.7	.3	18.8	17.7
1949	30.8	27.8	15.4	12.4	–.9	.2	18.0	12.8
1950	33.1	28.4	16.1	12.4	.8	.3	19.5	13.6
1951	38.3	32.8	19.6	13.2	1.2	.3	22.3	15.9
1952	37.7	32.5	18.2	14.3	.9	.3	22.8	14.9
1953	34.4	31.0	16.9	14.1	–.6	.2	21.5	13.0
1954	34.2	29.8	16.3	13.6	.5	.3	21.8	12.4
1955	33.4	29.5	16.0	13.5	.2	.2	22.2	11.3
1956	33.9	30.4	16.4	14.0	–.5	.6	22.7	11.2
1957	34.8	29.7	17.4	12.3	.6	1.0	23.7	11.1
1958	39.0	33.5	19.2	14.2	.8	1.1	25.8	13.2
1959	37.9	33.6	18.9	14.7	.0	.7	27.2	10.7
1960	38.6	34.0	19.0	15.0	.4	.7	27.4	11.2
1961	40.5	35.2	19.5	15.7	.3	1.5	28.6	12.0
1962	42.3	36.5	20.2	16.3	.6	1.7	30.3	12.1
1963	43.4	37.5	20.0	17.4	.6	1.7	31.6	11.8
1964	42.3	37.3	19.9	17.4	–.8	2.2	31.8	10.5
1965	46.5	39.4	21.9	17.5	1.0	2.5	33.6	12.9
1966	50.5	43.4	25.0	18.4	–.1	3.3	36.5	14.0
1967	50.5	42.8	24.4	18.4	.7	3.1	38.2	12.3
1968	51.8	44.2	25.5	18.7	.1	3.5	39.5	12.3
1969	56.4	48.2	28.6	19.6	.1	3.8	42.1	14.3
1970	58.8	50.5	29.5	21.0	.0	3.7	44.5	14.4
1971	62.1	52.7	30.5	22.3	1.4	3.1	47.1	15.0
1972	71.1	61.1	35.6	25.5	.9	4.0	51.7	19.5
1973	98.9	86.9	45.8	41.1	3.4	2.6	64.6	34.4
1974	98.2	92.4	41.3	51.1	–1.6	.5	71.0	27.3
1975	100.6	88.9	43.1	45.8	3.4	.8	75.0	25.5
1976	102.9	95.4	46.3	49.0	–1.5	.7	82.7	20.2
1977	108.8	96.2	47.6	48.6	1.1	1.8	88.9	19.9
1978	128.4	112.4	59.2	53.2	1.9	3.0	103.2	25.2
1979	150.7	131.5	69.2	62.3	5.0	1.4	123.3	27.4
1980	149.3	139.7	68.0	71.7	–6.3	1.3	133.1	16.1
1981	166.3	141.6	69.2	72.5	6.5	1.9	139.4	26.9
1982	164.1	142.6	70.3	72.3	–1.4	3.5	140.3	23.8
1983	153.9	136.8	69.6	67.2	–10.9	9.3	139.6	14.3
1984	168.0	142.8	72.9	69.9	6.0	8.4	142.0	26.0
1985	161.1	144.0	70.1	73.9	–2.3	7.7	132.6	28.5
1986	156.1	135.4	71.6	63.8	–2.2	11.8	125.0	31.1
1987	168.4	141.8	76.0	65.8	–2.3	16.7	130.4	38.0
1988	177.9	151.3	79.6	71.6	–4.1	14.5	138.3	39.6
1989	191.6	160.5	83.6	76.9	3.8	10.9	145.1	46.5
1990	197.8	169.3	89.1	80.2	3.3	9.3	151.5	46.3
1991	192.0	168.0	85.8	82.2	–.2	8.2	151.8	40.2
1992	200.6	171.5	85.8	85.7	4.2	9.2	150.4	50.2
1993	205.0	178.3	90.5	87.8	–4.2	13.4	158.3	46.7
1994	216.1	181.4	88.3	93.1	8.3	7.9	163.5	52.6
1995	210.8	188.2	87.2	101.0	–5.0	7.3	171.1	39.8
1996	235.8	199.4	92.9	106.5	7.9	7.3	176.9	58.9
1997	238.0	207.8	96.5	111.3	.6	7.5	186.7	51.3
1998	232.6	196.5	94.2	102.2	–.6	12.4	185.5	47.1
1999	234.9	187.8	95.7	92.1	–.2	21.5	187.2	47.7
2000	244.4	192.0	99.6	92.4	1.6	23.2	193.1	51.3
2001	252.7	200.1	106.7	93.4	1.1	22.4	197.1	55.6
2002	233.6	195.0	94.0	101.0	–3.4	12.4	193.4	40.2
2003	260.9	215.5	105.6	109.9	–2.4	16.5	200.4	60.4
2004	296.2	237.9	123.6	114.3	11.6	13.0	210.8	85.4
2005	299.8	238.9	125.0	114.0	.4	24.3	226.0	73.8
2006 *p*	296.1	242.0	120.7	121.2	–.3	16.5	237.2	58.9

[1] Cash marketing receipts, Government payments, value of changes in inventories, other farm related cash income, and nonmoney income produced by farms including imputed rent of operator residences.

[2] Crop receipts include proceeds received from commodities placed under Commodity Credit Corporation loans.

[3] Physical changes in beginning and ending year inventories of crop and livestock commodities valued at weighted average market prices during the year.

[4] Includes only Government payments made directly to farmers.

Note.—Data for 2006 are forecasts.

Source: Department of Agriculture, Economic Research Service.

TABLE B–98.—*Farm business balance sheet, 1950–2005*

[Billions of dollars]

End of year	Assets									Claims			
	Total assets	Physical assets					Financial assets			Total claims	Real estate debt [5]	Non-real estate debt [6]	Proprietors' equity
		Real estate	Nonreal estate				Total [4]	Investments in cooperatives	Other [4]				
			Livestock and poultry [1]	Machinery and motor vehicles	Crops [2]	Purchased inputs [3]							
1950	121.6	75.4	17.1	12.3	7.1	.....	9.7	2.7	7.0	121.6	5.2	5.7	110.7
1951	136.0	83.8	19.5	14.3	8.2	.....	10.2	2.9	7.3	136.0	5.7	6.9	123.4
1952	133.1	85.1	14.8	15.0	7.9	.....	10.3	3.2	7.1	133.1	6.2	7.1	119.8
1953	128.7	84.3	11.7	15.6	6.8	.....	10.3	3.3	7.0	128.7	6.6	6.3	115.8
1954	132.6	87.8	11.2	15.7	7.5	.....	10.4	3.5	6.9	132.6	7.1	6.7	118.8
1955	137.0	93.0	10.6	16.3	6.5	.....	10.6	3.7	6.9	137.0	7.8	7.3	121.9
1956	145.7	100.3	11.0	16.9	6.8	.....	10.7	4.0	6.7	145.7	8.5	7.4	129.8
1957	154.5	106.4	13.9	17.0	6.4	.....	10.8	4.2	6.6	154.5	9.0	8.2	137.3
1958	168.7	114.6	17.7	18.1	6.9	.....	11.4	4.5	6.9	168.7	9.7	9.4	149.6
1959	172.9	121.2	15.2	19.3	6.2	.....	11.0	4.8	6.2	172.9	10.6	10.7	151.6
1960	174.4	123.3	15.6	19.1	6.4	.....	10.0	4.2	5.8	174.4	11.3	11.1	151.9
1961	181.6	129.1	16.4	19.3	6.5	.....	10.4	4.5	5.9	181.6	12.3	11.8	157.5
1962	188.9	134.6	17.3	19.9	6.5	.....	10.5	4.6	5.9	188.9	13.5	13.2	162.2
1963	196.7	142.4	15.9	20.4	7.4	.....	10.7	5.0	5.7	196.7	15.0	14.6	167.1
1964	204.2	150.5	14.5	21.2	7.0	.....	11.0	5.2	5.8	204.2	16.9	15.3	172.1
1965	220.8	161.5	17.6	22.4	7.9	.....	11.4	5.4	6.0	220.8	18.9	16.9	185.0
1966	234.0	171.2	19.0	24.1	8.1	.....	11.6	5.7	6.0	234.0	20.7	18.5	194.8
1967	246.1	180.9	18.8	26.3	8.0	.....	12.0	5.8	6.1	246.1	22.6	19.6	203.9
1968	257.2	189.4	20.2	27.7	7.4	.....	12.4	6.1	6.3	257.2	24.7	19.2	213.2
1969	267.8	195.3	22.8	28.6	8.3	.....	12.8	6.4	6.4	267.8	26.4	20.0	221.4
1970	278.8	202.4	23.7	30.4	8.7	.....	13.7	7.2	6.5	278.8	27.2	21.3	230.3
1971	301.8	217.6	27.3	32.4	10.0	.....	14.5	7.9	6.7	301.8	28.8	24.0	248.9
1972	339.9	243.0	33.7	34.6	12.9	.....	15.7	8.7	6.9	339.9	31.4	26.7	281.8
1973	418.5	298.3	42.4	39.7	21.4	.....	16.8	9.7	7.1	418.5	35.2	31.6	351.7
1974 [7]	449.2	335.6	24.6	48.5	22.5	.....	18.1	11.2	6.9	449.2	39.6	35.1	374.5
1975	510.8	383.6	29.4	57.4	20.5	.....	19.9	13.0	6.9	510.8	43.8	39.8	427.3
1976	590.7	456.5	29.0	63.3	20.6	.....	21.3	14.3	6.9	590.7	48.5	45.7	496.5
1977	651.5	509.3	31.9	69.3	20.4	.....	20.5	13.5	7.0	651.5	55.8	52.6	543.1
1978	777.7	601.8	50.1	78.8	23.8	.....	23.2	16.1	7.1	777.7	63.4	60.4	653.9
1979	914.7	706.1	61.4	91.9	29.9	.....	25.4	18.1	7.3	914.7	75.8	71.7	767.2
1980	1,000.4	782.8	60.6	97.5	32.8	.....	26.7	19.3	7.4	1,000.4	85.3	77.2	838.0
1981	997.9	785.6	53.5	101.1	29.5	.....	28.2	20.6	7.6	997.9	93.9	83.8	820.2
1982	962.5	750.0	53.0	103.9	25.9	.....	29.7	21.9	7.8	962.5	96.8	87.2	778.5
1983	959.3	753.4	49.5	101.7	23.7	.....	30.9	22.8	8.1	959.3	98.1	88.1	773.1
1984	897.8	661.8	49.5	125.8	26.1	2.0	32.6	24.3	8.3	897.8	101.4	87.4	709.0
1985	775.9	586.2	46.3	86.1	22.9	1.2	33.3	24.3	9.0	775.9	94.1	78.1	603.8
1986	722.0	542.4	47.8	79.0	16.3	2.1	34.4	24.4	10.0	722.0	84.1	67.2	570.7
1987	756.5	563.7	58.0	78.7	17.8	3.2	35.2	25.3	9.9	756.5	75.8	62.7	618.0
1988	788.5	582.3	62.2	81.0	23.7	3.5	35.9	25.6	10.4	788.5	70.8	62.3	655.4
1989	813.7	600.1	66.2	84.1	23.9	2.6	36.7	26.3	10.4	813.7	68.8	62.3	682.7
1990	840.6	619.1	70.9	86.3	23.2	2.8	38.3	27.5	10.9	840.6	67.6	63.5	709.5
1991	844.2	624.8	68.1	85.9	22.2	2.6	40.5	28.7	11.8	844.2	67.4	64.4	712.3
1992	867.8	640.8	71.0	84.8	24.2	3.9	43.0	29.4	13.6	867.8	67.9	63.7	736.2
1993	909.2	677.6	72.8	85.4	23.3	3.8	46.3	31.0	15.3	909.2	68.4	65.9	774.9
1994	934.7	704.1	67.9	86.8	23.3	5.0	47.6	32.1	15.5	934.7	69.9	69.0	795.8
1995	965.7	740.5	57.8	87.6	27.4	3.4	49.1	34.1	15.0	965.7	71.7	71.3	822.8
1996	1,002.9	769.5	60.3	88.0	31.7	4.4	49.0	34.9	14.1	1,002.9	74.4	74.2	854.3
1997	1,051.3	808.2	67.1	88.7	32.7	4.9	49.6	35.7	13.9	1,051.3	78.5	78.4	894.4
1998	1,083.4	840.4	63.4	89.8	29.9	5.0	54.7	40.5	14.2	1,083.4	83.1	81.5	918.7
1999	1,138.8	887.0	73.2	89.8	28.3	4.0	56.5	41.9	14.6	1,138.8	87.2	80.5	971.1
2000	1,203.2	946.4	76.8	90.1	27.9	4.9	57.1	43.0	14.1	1,203.2	91.1	86.5	1,025.6
2001	1,255.9	996.2	78.5	92.8	25.2	4.2	58.9	43.6	15.3	1,255.9	96.0	89.7	1,070.2
2002	1,304.0	1,045.7	75.6	93.6	23.1	5.6	60.4	44.7	15.8	1,304.0	103.4	90.0	1,110.7
2003	1,378.8	1,111.8	78.5	95.9	24.4	5.6	62.4	45.6	16.9	1,378.8	108.0	90.0	1,180.8
2004	1,584.8	1,307.6	79.4	102.2	24.4	5.7	65.5	.....	.....	1,584.8	107.4	94.3	1,383.1
2005	1,805.3	1,520.9	81.1	105.0	24.3	6.5	67.5	.....	.....	1,805.3	115.7	99.7	1,589.8

[1] Excludes commercial broilers; excludes horses and mules beginning 1959; excludes turkeys beginning 1986.
[2] Non-Commodity Credit Corporation (CCC) crops held on farms plus value above loan rate for crops held under CCC.
[3] Includes fertilizer, chemicals, fuels, parts, feed, seed, and other supplies.
[4] Beginning in 2004, data available only for total financial assets. Data through 2003 for other financial assets are currency and demand deposits.
[5] Includes CCC storage and drying facilities loans.
[6] Does not include CCC crop loans.
[7] Beginning 1974, data are for farms included in the new farm definition, that is, places with sales of $1,000 or more annually.

Note.—Data exclude operator households.
Beginning 1959, data include Alaska and Hawaii.

Source: Department of Agriculture, Economic Research Service.

TABLE B–99.—*Farm output and productivity indexes, 1948–2004*

[1996=100]

Year	Farm output				Productivity indicators	
		Primary output				
	Total	Livestock and products	Crops	Secondary output	Farm output per unit of total factor input	Farm output per unit of labor input
1948	41	44	42	20	42	13
1949	41	47	40	18	40	13
1950	41	49	38	17	40	13
1951	43	52	40	18	41	15
1952	44	53	41	20	42	15
1953	45	54	42	21	43	16
1954	45	56	41	21	44	17
1955	46	58	42	23	44	18
1956	47	59	42	25	45	19
1957	46	58	41	29	45	20
1958	49	59	46	35	47	22
1959	51	62	46	53	48	24
1960	53	62	49	57	50	26
1961	53	65	48	56	51	27
1962	54	65	49	55	51	27
1963	56	67	51	56	52	29
1964	55	69	49	51	53	31
1965	57	67	52	51	54	32
1966	56	68	51	50	53	34
1967	58	70	53	52	56	38
1968	59	70	55	48	56	39
1969	60	70	57	46	56	40
1970	60	73	54	40	56	41
1971	64	74	61	40	60	45
1972	64	75	61	39	60	45
1973	67	76	65	42	62	48
1974	63	75	59	40	58	45
1975	66	70	67	41	64	48
1976	67	74	67	41	63	50
1977	71	75	72	40	67	54
1978	73	75	75	45	65	56
1979	78	77	82	44	67	59
1980	75	80	75	39	64	58
1981	81	82	86	32	72	63
1982	82	81	87	51	74	69
1983	71	83	67	53	65	61
1984	81	82	85	51	77	72
1985	85	84	89	60	82	82
1986	82	84	83	58	80	78
1987	84	86	84	68	83	78
1988	80	88	74	84	80	73
1989	86	88	84	91	87	82
1990	90	89	90	92	91	91
1991	90	92	89	97	90	91
1992	96	94	97	95	98	99
1993	91	95	88	100	92	99
1994	101	99	104	98	98	94
1995	96	101	92	108	92	89
1996	100	100	100	100	100	100
1997	104	101	105	111	101	105
1998	105	104	104	126	101	112
1999	108	107	105	133	102	115
2000	108	108	107	120	107	122
2001	108	107	106	126	107	124
2002	107	110	102	126	107	122
2003	108	110	105	122	111	131
2004	112	110	114	116	117	144

Note.—Farm output includes primary agricultural activities and certain secondary activities that are closely linked to agricultural production for which information on production and input use cannot be separately observed.

See Table B–100 for farm inputs.

Source: Department of Agriculture, Economic Research Service.

TABLE B–100.—*Farm input use, selected inputs, 1948–2006*

Year	Farm employment (thousands)[1]			Crops harvested (millions of acres)[3]	Selected indexes of input use (1996=100)										
						Capital input		Labor input			Materials input				
	Total	Self-employed and unpaid family workers[2]	Hired workers		Total farm input	Total	Durable equipment	Total	Hired labor	Self-employed	Total	Feed and seed	Energy	Agricultural chemicals	Purchased services
1948	9,759	7,433	2,326	356	97	108	66	326	279	349	48	60	77	20	43
1949	9,633	7,392	2,241	360	101	109	78	318	259	347	54	62	86	21	41
1950	9,283	6,965	2,318	345	102	112	90	306	270	324	55	62	88	25	43
1951	8,653	6,464	2,189	344	103	115	100	294	261	311	57	65	88	25	47
1952	8,441	6,301	2,140	349	104	117	109	287	255	304	58	64	93	26	51
1953	7,904	5,817	2,087	348	104	119	114	275	248	289	58	66	94	26	48
1954	7,893	5,782	2,111	346	102	120	120	270	234	288	56	61	97	27	47
1955	7,719	5,675	2,044	340	105	120	122	264	230	281	60	69	101	28	49
1956	7,367	5,451	1,916	324	105	120	124	247	210	267	63	71	101	30	51
1957	6,966	5,046	1,920	324	104	119	122	229	201	244	64	75	99	29	52
1958	6,667	4,705	1,962	324	105	118	121	219	203	227	68	79	105	30	54
1959	6,565	4,621	1,944	324	107	118	121	217	198	227	71	80	106	34	74
1960	6,155	4,260	1,895	324	106	118	123	205	198	208	71	80	109	34	72
1961	5,994	4,135	1,859	302	104	118	121	200	197	201	70	77	112	37	70
1962	5,841	3,997	1,844	295	106	118	119	201	197	202	72	80	113	41	71
1963	5,500	3,700	1,800	298	106	118	119	192	196	190	74	83	116	45	70
1964	5,206	3,585	1,621	298	105	119	121	181	177	182	74	81	123	49	68
1965	4,964	3,465	1,499	298	104	119	123	176	167	181	74	80	121	50	69
1966	4,574	3,224	1,350	294	105	119	126	164	150	170	78	86	120	55	69
1967	4,303	3,036	1,267	306	105	120	131	154	139	161	80	87	119	62	72
1968	4,207	2,974	1,233	300	106	121	137	153	135	162	81	88	123	66	71
1969	4,050	2,843	1,207	290	107	121	139	151	136	158	85	92	126	74	68
1970	3,951	2,727	1,224	293	107	120	140	144	137	147	86	95	126	79	65
1971	3,868	2,665	1,203	305	106	120	142	142	136	145	86	92	122	86	65
1972	3,870	2,664	1,206	294	107	119	142	141	135	144	88	95	118	94	64
1973	3,947	2,702	1,245	321	108	119	145	140	137	141	91	96	111	110	69
1974	3,919	2,588	1,331	328	108	120	153	140	146	136	90	96	97	115	69
1975	3,818	2,481	1,337	336	104	121	159	137	148	131	83	91	102	79	70
1976	3,741	2,369	1,372	337	107	123	164	135	150	128	88	95	111	89	74
1977	3,660	2,347	1,313	345	106	124	170	131	146	124	86	91	112	88	75
1978	3,682	2,410	1,272	338	113	126	175	129	137	125	97	104	119	92	88
1979	3,549	2,320	1,229	348	116	127	182	131	143	126	102	110	107	100	93
1980	3,512	2,302	1,210	352	116	130	189	128	141	121	102	116	98	100	83
1981	3,325	2,238	1,087	366	112	128	190	128	141	121	96	111	91	94	79
1982	3,260	2,135	1,125	362	111	127	187	119	126	114	96	113	88	83	88
1983	3,073	1,982	1,091	306	110	125	178	117	139	106	97	114	88	77	86
1984	2,932	1,919	1,013	348	106	120	170	114	130	105	93	103	92	90	83
1985	2,712	1,742	970	342	103	119	161	103	113	98	92	104	85	83	85
1986	2,678	1,732	946	325	102	115	150	105	109	103	91	104	101	81	78
1987	2,674	1,710	964	302	100	111	139	107	112	105	90	101	96	78	81
1988	2,679	1,719	960	297	100	109	131	109	117	105	91	99	102	78	81
1989	2,623	1,705	918	318	98	107	125	105	108	103	90	95	95	84	87
1990	2,538	1,646	892	322	99	105	121	99	109	93	94	102	92	88	84
1991	2,547	1,681	866	318	100	105	118	100	110	94	96	103	95	93	88
1992	2,510	1,644	866	319	98	103	114	97	103	94	95	102	94	93	85
1993	2,375	1,518	857	308	99	103	110	92	101	88	100	105	97	95	96
1994	2,623	1,783	840	321	103	101	106	107	101	111	102	106	100	94	100
1995	2,609	1,741	868	314	105	101	103	107	103	110	106	111	104	94	104
1996	2,447	1,615	832	326	100	100	100	100	100	100	100	100	100	100	100
1997	2,446	1,569	877	333	103	100	98	99	105	96	106	107	104	103	106
1998	2,299	1,419	880	326	104	99	98	94	106	87	113	116	115	105	112
1999	2,270	1,341	929	327	105	99	98	93	112	84	115	122	104	104	115
2000	2,150	1,260	890	325	102	98	98	89	106	79	110	120	94	103	108
2001	2,100	1,227	873	321	101	98	98	87	104	78	110	116	99	100	111
2002	2,148	1,262	886	316	100	98	99	88	105	79	108	114	106	99	104
2003	2,017	1,181	836	324	97	97	100	83	96	76	105	116	85	93	100
2004	2,012	1,187	825	321	96	97	102	78	85	75	104	117	82	94	101
2005	1,988	1,208	780	321	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2006 *p*	.....	.....	752	312	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

[1] Persons involved in farmwork. Total farm employment is the sum of self-employed and unpaid family workers and hired workers shown here.

[2] Data from *Current Population Survey* (CPS), Department of Commerce (Census Bureau) and Department of Labor (Bureau of Labor Statistics).

[3] Acreage harvested plus acreages in fruits, tree nuts, and vegetables and minor crops. Includes double-cropping.

Source: Department of Agriculture, Economic Research Service.

TABLE B–101.—*Agricultural price indexes and farm real estate value, 1975–2006*

[1990-92=100, except as noted]

Year or month	Prices received by farmers			Prices paid by farmers												Addendum: Average farm real estate value per acre (dollars)[3]
				All commodities, services, interest, taxes, and wage rates[1]	Production items										Wage rates	
	All farm products	Crops	Livestock and products		Total[2]	Feed	Livestock and poultry	Fertilizer	Agricultural chemicals	Fuels	Farm machinery	Farm services		Rent		
1975	73	88	62	47	55	83	39	87	72	40	38	48			44	340
1976	75	87	64	50	59	83	47	74	78	43	43	52			48	397
1977	73	83	64	53	61	82	48	72	71	46	47	57			51	474
1978	83	89	78	58	67	80	65	72	66	48	51	60			55	531
1979	94	98	90	66	76	89	88	77	67	61	56	66			60	628
1980	98	107	89	75	85	98	85	96	71	86	63	81			65	737
1981	100	111	89	82	92	110	80	104	77	98	70	89			70	819
1982	94	98	90	86	94	99	78	105	83	97	76	96			74	823
1983	98	108	88	86	92	107	76	100	87	94	81	82			76	788
1984	101	111	91	89	94	112	73	103	90	93	85	86			77	801
1985	91	98	86	86	91	95	74	98	90	93	85	85			78	713
1986	87	87	88	85	86	88	73	90	89	76	83	83			81	640
1987	89	86	91	87	87	83	85	86	87	76	85	84			85	599
1988	99	104	93	91	90	104	91	94	89	77	89	85			87	632
1989	104	109	100	96	95	110	93	99	93	83	94	91			95	668
1990	104	103	105	99	99	103	102	97	95	100	96	96		96	96	683
1991	100	101	99	100	100	98	102	103	101	104	100	98		100	100	703
1992	98	101	97	101	101	99	96	100	103	96	104	103		104	105	713
1993	101	102	100	104	104	102	104	96	109	93	107	110		100	108	736
1994	100	105	95	106	106	106	94	105	112	89	113	110		108	111	798
1995	102	112	92	109	108	103	82	121	116	89	120	115		117	114	844
1996	112	127	99	115	115	129	75	125	119	102	125	116		128	117	887
1997	107	115	98	118	119	125	94	121	121	106	128	116		136	123	926
1998	102	107	97	115	113	111	88	112	122	84	132	115		120	129	974
1999	96	97	95	115	111	100	95	105	121	93	135	116		113	135	1,030
2000	96	96	97	120	116	102	110	110	120	134	139	119		110	140	1,090
2001	102	99	106	123	120	108	111	123	121	118	143	121		117	146	1,150
2002	98	105	90	123	118	112	102	108	119	112	148	118		119	153	1,210
2003	107	111	103	127	123	114	109	124	121	140	151	120		120	157	1,270
2004	119	117	122	133	131	121	128	140	121	162	162	121		120	160	1,360
2005	116	112	120	140	139	117	138	164	123	218	173	126		125	165	1,650
2006	116	120	112	146	145	123	135	176	129	233	180	131		131	170	1,900
2005: Jan	111	102	121	136	133	112	133	153	122	170	169	124		125	169	1,650
Feb	114	107	119	136	133	110	133	154	120	180	171	124		125	169	.....
Mar	118	115	121	138	136	115	137	154	121	206	171	124		125	169	.....
Apr	121	120	122	139	139	116	142	158	121	210	171	125		125	161	.....
May	119	115	121	139	138	118	140	160	121	202	171	125		125	161	.....
June	118	119	117	140	139	121	137	161	122	212	172	127		125	161	.....
July	116	115	117	140	139	122	132	160	123	220	173	127		125	162	.....
Aug	116	115	117	141	140	122	133	161	124	232	173	127		125	162	.....
Sept	116	111	122	142	141	119	137	166	126	251	174	128		125	162	.....
Oct	111	103	122	144	143	117	142	175	127	284	174	127		125	166	.....
Nov	112	105	121	142	141	115	143	180	127	223	175	127		125	166	.....
Dec	115	111	120	143	142	118	143	185	126	221	176	127		125	166	.....
2006: Jan	113	108	118	146	144	122	142	189	127	218	178	129		131	174	1,900
Feb	113	113	114	145	143	121	138	183	127	207	178	129		131	174	.....
Mar	113	117	110	145	143	123	133	181	126	219	179	129		131	174	.....
Apr	112	122	105	146	145	123	130	180	126	244	180	129		131	169	.....
May	115	127	104	146	145	124	129	177	129	253	181	130		131	169	.....
June	117	126	110	147	146	123	134	174	129	260	182	132		131	169	.....
July	117	123	110	147	146	124	133	171	130	259	181	132		131	168	.....
Aug	120	126	115	147	146	122	135	166	129	267	182	132		131	168	.....
Sept	119	122	117	146	145	122	138	169	131	215	181	132		131	168	.....
Oct	116	115	117	146	144	128	132	166	129	205	181	130		131	172	.....
Nov	120	123	116	146	145	140	123	166	130	205	183	130		131	172	.....
Dec	121	129	113	148	147	151	123	165	130	209	184	130		131	172	.....

[1] Includes items used for family living, not shown separately.

[2] Includes other production items not shown separately.

[3] Average for 48 States. Annual data are: March 1 for 1975, February 1 for 1976-81, April 1 for 1982-85, February 1 for 1986-89, and January 1 for 1990-2006.

Note.—Data on a 1990-92 base prior to 1975 have not been calculated by Department of Agriculture.

Source: Department of Agriculture, National Agricultural Statistics Service.

TABLE B–102.—*U.S. exports and imports of agricultural commodities, 1950–2006*

[Billions of dollars]

Year	Exports							Imports					Agricultural trade balance
	Total[1]	Feed grains	Food grains[2]	Oilseeds and products	Cotton	Tobacco	Animals and products	Total[1]	Fruits, nuts, and vegetables[3]	Animals and products	Coffee	Cocoa beans and products	
1950	2.9	0.2	0.6	0.2	1.0	0.3	0.3	4.0	0.2	0.7	1.1	0.2	–1.1
1951	4.0	.3	1.1	.3	1.1	.3	.5	5.2	.2	1.1	1.4	.2	–1.1
1952	3.4	.3	1.1	.2	.9	.2	.3	4.5	.2	.7	1.4	.2	–1.1
1953	2.8	.3	.7	.2	.5	.3	.4	4.2	.2	.6	1.5	.2	–1.3
1954	3.1	.2	.5	.3	.8	.3	.5	4.0	.2	.5	1.5	.3	–.9
1955	3.2	.3	.6	.4	.5	.4	.6	4.0	.2	.5	1.4	.2	–.8
1956	4.2	.4	1.0	.5	.7	.3	.7	4.0	.2	.4	1.4	.2	.2
1957	4.5	.3	1.0	.5	1.0	.4	.7	4.0	.2	.5	1.4	.2	.6
1958	3.9	.5	.8	.4	.7	.4	.5	3.9	.2	.7	1.2	.2	([4])
1959	4.0	.6	.9	.6	.4	.3	.6	4.1	.2	.8	1.1	.2	–.1
1960	4.8	.5	1.2	.6	1.0	.4	.6	3.8	.2	.6	1.0	.2	1.0
1961	5.0	.5	1.4	.6	.9	.4	.6	3.7	.2	.7	1.0	.2	1.3
1962	5.0	.8	1.3	.7	.5	.4	.6	3.9	.2	.9	1.0	.2	1.2
1963	5.6	.8	1.5	.8	.6	.4	.7	4.0	.3	.9	1.0	.2	1.6
1964	6.3	.9	1.7	1.0	.7	.4	.8	4.1	.3	.8	1.2	.2	2.3
1965	6.2	1.1	1.4	1.2	.5	.4	.8	4.1	.3	.9	1.1	.1	2.1
1966	6.9	1.3	1.8	1.2	.4	.5	.7	4.5	.4	1.2	1.1	.1	2.4
1967	6.4	1.1	1.5	1.3	.5	.5	.7	4.5	.4	1.1	1.0	.2	1.9
1968	6.3	.9	1.4	1.3	.5	.5	.7	5.0	.5	1.3	1.2	.2	1.3
1969	6.0	.9	1.2	1.3	.3	.6	.8	5.0	.5	1.4	.9	.2	1.1
1970	7.3	1.1	1.4	1.9	.4	.5	.9	5.8	.5	1.6	1.2	.3	1.5
1971	7.7	1.0	1.3	2.2	.6	.5	1.0	5.8	.6	1.5	1.2	.2	1.9
1972	9.4	1.5	1.8	2.4	.5	.7	1.1	6.5	.7	1.8	1.3	.2	2.9
1973	17.7	3.5	4.7	4.3	.9	.7	1.6	8.4	.8	2.6	1.7	.3	9.3
1974	21.9	4.6	5.4	5.7	1.3	.8	1.8	10.2	.8	2.2	1.6	.5	11.7
1975	21.9	5.2	6.2	4.5	1.0	.9	1.7	9.3	.8	1.8	1.7	.5	12.6
1976	23.0	6.0	4.7	5.1	1.0	.9	2.4	11.0	.9	2.3	2.9	.6	12.0
1977	23.6	4.9	3.6	6.6	1.5	1.1	2.7	13.4	1.2	2.3	4.2	1.0	10.2
1978	29.4	5.9	5.5	8.2	1.7	1.4	3.0	14.8	1.5	3.1	4.0	1.4	14.6
1979	34.7	7.7	6.3	8.9	2.2	1.2	3.8	16.7	1.7	3.9	4.2	1.2	18.0
1980	41.2	9.8	7.9	9.4	2.9	1.3	3.8	17.4	1.7	3.8	4.2	.9	23.8
1981	43.3	9.4	9.6	9.6	2.3	1.5	4.2	16.9	2.0	3.5	2.9	.9	26.4
1982	36.6	6.4	7.9	9.1	2.0	1.5	3.9	15.3	2.3	3.7	2.9	.7	21.3
1983	36.1	7.3	7.4	8.7	1.8	1.5	3.8	16.5	2.3	3.8	2.8	.8	19.6
1984	37.8	8.1	7.5	8.4	2.4	1.5	4.2	19.3	3.1	4.1	3.3	1.1	18.5
1985	29.0	6.0	4.5	5.8	1.6	1.5	4.1	20.0	3.5	4.2	3.3	1.4	9.1
1986	26.2	3.1	3.8	6.5	.8	1.2	4.5	21.5	3.6	4.5	4.6	1.1	4.7
1987	28.7	3.8	3.8	6.4	1.6	1.1	5.2	20.4	3.6	4.9	2.9	1.2	8.3
1988	37.1	5.9	5.9	7.7	2.0	1.3	6.4	21.0	3.8	5.2	2.5	1.0	16.1
1989	40.1	7.7	7.1	6.4	2.2	1.3	6.4	21.9	4.4	5.0	2.4	1.0	18.2
1990	39.5	7.0	4.8	5.7	2.8	1.4	6.6	22.9	4.6	5.6	1.9	1.1	16.6
1991	39.3	5.7	4.2	6.4	2.5	1.4	7.1	22.9	4.6	5.5	1.9	1.1	16.5
1992	43.1	5.7	5.4	7.2	2.0	1.7	8.0	24.8	4.7	5.7	1.7	1.1	18.3
1993	42.9	5.0	5.6	7.3	1.5	1.3	8.0	25.1	5.0	5.9	1.5	1.0	17.7
1994	46.2	4.7	5.3	7.2	2.7	1.3	9.2	27.0	5.3	5.7	2.5	1.0	19.2
1995	56.3	8.2	6.7	9.0	3.7	1.4	10.9	30.3	5.9	6.0	3.3	1.1	26.0
1996	60.3	9.4	7.4	10.8	2.7	1.4	11.1	33.5	6.6	6.1	2.8	1.4	26.8
1997	57.2	6.0	5.2	12.1	2.7	1.6	11.3	36.1	6.9	6.5	3.9	1.5	21.0
1998	51.8	5.0	5.0	9.5	2.5	1.5	10.6	36.9	7.7	6.9	3.4	1.7	14.9
1999	48.4	5.5	4.7	8.1	1.0	1.3	10.4	37.7	8.5	7.3	2.9	1.5	10.7
2000	51.2	5.2	4.3	8.6	1.9	1.2	11.6	39.0	8.6	8.3	2.7	1.4	12.3
2001	53.7	5.2	4.2	9.2	2.2	1.3	12.4	39.4	9.0	9.1	1.7	1.5	14.3
2002	53.1	5.5	4.5	9.6	2.0	1.0	11.1	41.9	9.7	9.0	1.7	1.8	11.2
2003	59.4	5.4	5.0	11.7	3.4	1.0	12.2	47.4	10.8	8.9	2.0	2.4	12.0
2004	61.4	6.4	6.3	10.4	4.2	1.0	10.4	54.0	12.2	10.6	2.3	2.5	7.4
2005	63.2	5.4	5.7	10.2	4.3	1.0	12.2	59.3	13.4	11.5	3.0	2.8	7.4
Jan-Nov:													
2005	57.5	4.9	5.1	9.3	3.6	.9	11.2	54.0	12.1	10.3	2.7	2.5	3.5
2006	64.4	6.8	5.0	10.0	4.3	1.0	12.3	59.8	13.3	10.5	3.0	2.4	4.7

[1] Total includes items not shown separately.

[2] Rice, wheat, and wheat flour.

[3] Includes fruit, nut, and vegetable preparations. Beginning in 1989, includes bananas, but excludes yeasts, starches, and other minor horticultural products.

[4] Less than $50 million.

Note.—Data derived from official estimates released by the Bureau of the Census, Department of Commerce. Agricultural commodities are defined as (1) nonmarine food products and (2) other products of agriculture which have not passed through complex processes of manufacture. Export value, at U.S. port of exportation, is based on the selling price and includes inland freight, insurance, and other charges to the port. Import value, defined generally as the market value in the foreign country, excludes import duties, ocean freight, and marine insurance.

Source: Department of Agriculture, Economic Research Service.

TABLE B–103.—*U.S. international transactions, 1946–2006*

[Millions of dollars; quarterly data seasonally adjusted. Credits (+), debits (–)]

Year or quarter	Goods[1]			Services			Balance on goods and services	Income receipts and payments			Unilateral current transfers, net[2]	Balance on current account
	Exports	Imports	Balance on goods	Net military transactions[2]	Net travel and transportation	Other services, net		Receipts	Payments	Balance on income		
1946	11,764	–5,067	6,697	–424	733	310	7,316	772	–212	560	–2,991	4,885
1947	16,097	–5,973	10,124	–358	946	145	10,857	1,102	–245	857	–2,722	8,992
1948	13,265	–7,557	5,708	–351	374	175	5,906	1,921	–437	1,484	–4,973	2,417
1949	12,213	–6,874	5,339	–410	230	208	5,367	1,831	–476	1,355	–5,849	873
1950	10,203	–9,081	1,122	–56	–120	242	1,188	2,068	–559	1,509	–4,537	–1,840
1951	14,243	–11,176	3,067	169	298	254	3,788	2,633	–583	2,050	–4,954	884
1952	13,449	–10,838	2,611	528	83	309	3,531	2,751	–555	2,196	–5,113	614
1953	12,412	–10,975	1,437	1,753	–238	307	3,259	2,736	–624	2,112	–6,657	–1,286
1954	12,929	–10,353	2,576	902	–269	305	3,514	2,929	–582	2,347	–5,642	219
1955	14,424	–11,527	2,897	–113	–297	299	2,786	3,406	–676	2,730	–5,086	430
1956	17,556	–12,803	4,753	–221	–361	447	4,618	3,837	–735	3,102	–4,990	2,730
1957	19,562	–13,291	6,271	–423	–189	482	6,141	4,180	–796	3,384	–4,763	4,762
1958	16,414	–12,952	3,462	–849	–633	486	2,466	3,790	–825	2,965	–4,647	784
1959	16,458	–15,310	1,148	–831	–821	573	69	4,132	–1,061	3,071	–4,422	–1,282
1960	19,650	–14,758	4,892	–1,057	–964	639	3,508	4,616	–1,238	3,379	–4,062	2,824
1961	20,108	–14,537	5,571	–1,131	–978	732	4,195	4,999	–1,245	3,755	–4,127	3,822
1962	20,781	–16,260	4,521	–912	–1,152	912	3,370	5,618	–1,324	4,294	–4,277	3,387
1963	22,272	–17,048	5,224	–742	–1,309	1,036	4,210	6,157	–1,560	4,596	–4,392	4,414
1964	25,501	–18,700	6,801	–794	–1,146	1,161	6,022	6,824	–1,783	5,041	–4,240	6,823
1965	26,461	–21,510	4,951	–487	–1,280	1,480	4,664	7,437	–2,088	5,350	–4,583	5,431
1966	29,310	–25,493	3,817	–1,043	–1,331	1,497	2,940	7,528	–2,481	5,047	–4,955	3,031
1967	30,666	–26,866	3,800	–1,187	–1,750	1,742	2,604	8,021	–2,747	5,274	–5,294	2,583
1968	33,626	–32,991	635	–596	–1,548	1,759	250	9,367	–3,378	5,990	–5,629	611
1969	36,414	–35,807	607	–718	–1,763	1,964	91	10,913	–4,869	6,044	–5,735	399
1970	42,469	–39,866	2,603	–641	–2,038	2,330	2,254	11,748	–5,515	6,233	–6,156	2,331
1971	43,319	–45,579	–2,260	653	–2,345	2,649	–1,303	12,707	–5,435	7,272	–7,402	–1,433
1972	49,381	–55,797	–6,416	1,072	–3,063	2,965	–5,443	14,765	–6,572	8,192	–8,544	–5,795
1973	71,410	–70,499	911	740	–3,158	3,406	1,900	21,808	–9,655	12,153	–6,913	7,140
1974	98,306	–103,811	–5,505	165	–3,184	4,231	–4,292	27,587	–12,084	15,503	–9,249	1,962
1975	107,088	–98,185	8,903	1,461	–2,812	4,854	12,404	25,351	–12,564	12,787	–7,075	18,116
1976	114,745	–124,228	–9,483	931	–2,558	5,027	–6,082	29,375	–13,311	16,063	–5,686	4,295
1977	120,816	–151,907	–31,091	1,731	–3,565	5,680	–27,246	32,354	–14,217	18,137	–5,226	–14,335
1978	142,075	–176,002	–33,927	857	–3,573	6,879	–29,763	42,088	–21,680	20,408	–5,788	–15,143
1979	184,439	–212,007	–27,568	–1,313	–2,935	7,251	–24,565	63,834	–32,961	30,873	–6,593	–285
1980	224,250	–249,750	–25,500	–1,822	–997	8,912	–19,407	72,606	–42,532	30,073	–8,349	2,317
1981	237,044	–265,067	–28,023	–844	144	12,552	–16,172	86,529	–53,626	32,903	–11,702	5,030
1982	211,157	–247,642	–36,485	112	–992	13,209	–24,156	91,747	–56,583	35,164	–16,544	–5,536
1983	201,799	–268,901	–67,102	–563	–4,227	14,124	–57,767	90,000	–53,614	36,386	–17,310	–38,691
1984	219,926	–332,418	–112,492	–2,547	–8,438	14,404	–109,073	108,819	–73,756	35,063	–20,335	–94,344
1985	215,915	–338,088	–122,173	–4,390	–9,798	14,483	–121,880	98,542	–72,819	25,723	–21,998	–118,155
1986	223,344	–368,425	–145,081	–5,181	–8,779	20,502	–138,538	97,064	–81,571	15,494	–24,132	–147,177
1987	250,208	–409,765	–159,557	–3,844	–8,010	19,728	–151,684	108,184	–93,891	14,293	–23,265	–160,655
1988	320,230	–447,189	–126,959	–6,320	–3,013	21,725	–114,566	136,713	–118,026	18,687	–25,274	–121,153
1989	359,916	–477,665	–117,749	–6,749	3,551	27,805	–93,142	161,287	–141,463	19,824	–26,169	–99,486
1990	387,401	–498,438	–111,037	–7,599	7,501	30,270	–80,864	171,742	–143,192	28,550	–26,654	–78,968
1991	414,083	–491,020	–76,937	–5,275	16,560	34,516	–31,136	149,214	–125,085	24,131	9,904	2,897
1992	439,631	–536,528	–96,897	–1,448	19,969	39,163	–39,212	133,767	–109,532	24,235	–35,100	–50,078
1993	456,943	–589,394	–132,451	1,383	19,714	41,040	–70,311	136,057	–110,741	25,316	–39,811	–84,805
1994	502,859	–668,690	–165,831	2,570	16,305	48,463	–98,493	166,521	–149,375	17,146	–40,265	–121,612
1995	575,204	–749,374	–174,170	4,600	21,772	51,414	–96,384	210,244	–189,353	20,891	–38,074	–113,567
1996	612,113	–803,113	–191,000	5,385	25,015	56,535	–104,065	226,129	–203,811	22,318	–43,017	–124,764
1997	678,366	–876,470	–198,104	4,968	22,152	63,035	–107,949	256,804	–244,195	12,609	–45,062	–140,402
1998	670,416	–917,103	–246,687	5,220	10,210	66,651	–164,606	261,819	–257,554	4,265	–53,187	–213,528
1999	683,965	–1,029,980	–346,015	2,593	7,085	73,051	–263,286	293,925	–280,037	13,888	–50,428	–299,826
2000	771,994	–1,224,408	–452,414	317	2,486	72,052	–377,559	350,918	–329,864	21,054	–58,645	–415,150
2001	718,712	–1,145,900	–427,188	–2,296	–3,254	69,943	–362,795	288,251	–263,120	25,131	–51,295	–388,959
2002	682,422	–1,164,720	–482,298	–7,158	–4,245	72,633	–421,068	270,652	–258,443	12,209	–63,587	–472,446
2003	713,415	–1,260,717	–547,302	–12,527	–11,553	76,485	–494,897	303,062	–266,469	36,593	–69,210	–527,514
2004	807,516	–1,472,926	–665,410	–13,832	–12,800	80,746	–611,296	374,913	–347,321	27,592	–81,582	–665,286
2005	894,631	–1,677,371	–782,740	–11,024	–12,492	89,526	–716,730	474,647	–463,353	11,293	–86,072	–791,508
2005: I	214,189	–397,457	–183,268	–2,863	–4,124	22,147	–168,108	108,697	–105,076	3,621	–27,237	–191,724
II	222,591	–410,811	–188,220	–2,803	–2,831	21,796	–172,058	112,681	–110,687	1,994	–23,194	–193,258
III	224,947	–423,693	–198,746	–2,300	–2,598	21,853	–181,792	122,081	–114,240	7,841	–9,464	–183,415
IV	232,904	–445,410	–212,506	–3,057	–2,940	23,729	–194,774	131,192	–133,351	–2,159	–26,176	–223,109
2006: I	244,512	–452,481	–207,969	–3,239	–2,740	22,808	–191,140	139,966	–142,482	–2,516	–19,542	–213,198
II	252,843	–463,441	–210,598	–3,514	–3,044	24,042	–193,114	156,038	–158,195	–2,157	–21,856	–217,127
III *p*	262,069	–480,681	–218,612	–3,798	–2,328	24,420	–200,318	160,791	–164,573	–3,782	–21,450	–225,550

[1] Adjusted from Census data for differences in valuation, coverage, and timing; excludes military.
[2] Includes transfers of goods and services under U.S. military grant programs.

See next page for continuation of table.

TABLE B–103.—*U.S. international transactions, 1946–2006*—Continued

[Millions of dollars; quarterly data seasonally adjusted. Credits (+), debits (–)]

Year or quarter	Capital account transactions, net	Financial account							Statistical discrepancy	
		U.S.-owned assets abroad, net [increase/financial outflow (–)]				Foreign-owned assets in the U.S., net [increase/financial inflow (+)]				
		Total	U.S. official reserve assets[3]	Other U.S. Government assets	U.S. private assets	Total	Foreign official assets	Other foreign assets	Total (sum of the items with sign reversed)	Of which: Seasonal adjustment discrepancy
1946			–623							
1947			–3,315							
1948			–1,736							
1949			–266							
1950			1,758							
1951			–33							
1952			–415							
1953			1,256							
1954			480							
1955			182							
1956			–869							
1957			–1,165							
1958			2,292							
1959			1,035							
1960		–4,099	2,145	–1,100	–5,144	2,294	1,473	821	–1,019	
1961		–5,538	607	–910	–5,235	2,705	765	1,939	–989	
1962		–4,174	1,535	–1,085	–4,623	1,911	1,270	641	–1,124	
1963		–7,270	378	–1,662	–5,986	3,217	1,986	1,231	–360	
1964		–9,560	171	–1,680	–8,050	3,643	1,660	1,983	–907	
1965		–5,716	1,225	–1,605	–5,336	742	134	607	–457	
1966		–7,321	570	–1,543	–6,347	3,661	–672	4,333	629	
1967		–9,757	53	–2,423	–7,386	7,379	3,451	3,928	–205	
1968		–10,977	–870	–2,274	–7,833	9,928	–774	10,703	438	
1969		–11,585	–1,179	–2,200	–8,206	12,702	–1,301	14,002	–1,516	
1970		–8,470	3,348	–1,589	–10,229	6,359	6,908	–550	–219	
1971		–11,758	3,066	–1,884	–12,940	22,970	26,879	–3,909	–9,779	
1972		–13,787	706	–1,568	–12,925	21,461	10,475	10,986	–1,879	
1973		–22,874	158	–2,644	–20,388	18,388	6,026	12,362	–2,654	
1974		–34,745	–1,467	366	–33,643	35,341	10,546	24,796	–2,558	
1975		–39,703	–849	–3,474	–35,380	17,170	7,027	10,143	4,417	
1976		–51,269	–2,558	–4,214	–44,498	38,018	17,693	20,326	8,955	
1977		–34,785	–375	–3,693	–30,717	53,219	36,816	16,403	–4,099	
1978		–61,130	732	–4,660	–57,202	67,036	33,678	33,358	9,236	
1979		–64,915	6	–3,746	–61,176	40,852	–13,665	54,516	24,349	
1980		–85,815	–7,003	–5,162	–73,651	62,612	15,497	47,115	20,886	
1981		–113,054	–4,082	–5,097	–103,875	86,232	4,960	81,272	21,792	
1982	199	–127,882	–4,965	–6,131	–116,786	96,589	3,593	92,997	36,630	
1983	209	–66,373	–1,196	–5,006	–60,172	88,694	5,845	82,849	16,162	
1984	235	–40,376	–3,131	–5,489	–31,757	117,752	3,140	114,612	16,733	
1985	315	–44,752	–3,858	–2,821	–38,074	146,115	–1,119	147,233	16,478	
1986	301	–111,723	312	–2,022	–110,014	230,009	35,648	194,360	28,590	
1987	365	–79,296	9,149	1,006	–89,450	248,634	45,387	203,247	–9,048	
1988	493	–106,573	–3,912	2,967	–105,628	246,522	39,758	206,764	–19,289	
1989	336	–175,383	–25,293	1,233	–151,323	224,928	8,503	216,425	49,605	
1990	–6,579	–81,234	–2,158	2,317	–81,393	141,571	33,910	107,661	25,211	
1991	–4,479	–64,389	5,763	2,923	–73,075	110,809	17,388	93,421	–44,840	
1992	–557	–74,410	3,901	–1,667	–76,644	170,663	40,476	130,185	–45,617	
1993	–1,299	–200,551	–1,379	–351	–198,823	282,041	71,753	210,288	4,617	
1994	–1,723	–178,937	5,346	–390	–183,893	305,989	39,583	266,406	–3,717	
1995	–927	–352,264	–9,742	–984	–341,538	438,562	109,880	328,682	28,196	
1996	–735	–413,409	6,668	–989	–419,088	551,096	126,724	424,372	–12,188	
1997	–1,027	–485,475	–1,010	68	–484,533	706,809	19,036	687,773	–79,905	
1998	–766	–353,829	–6,783	–422	–346,624	423,569	–19,903	443,472	144,554	
1999	–4,939	–504,062	8,747	2,750	–515,559	740,210	43,543	696,667	68,617	
2000	–1,010	–560,523	–290	–941	–559,292	1,046,896	42,758	1,004,138	–70,213	
2001	–1,270	–382,616	–4,911	–486	–377,219	782,859	28,059	754,800	–10,014	
2002	–1,470	–294,646	–3,681	345	–291,310	797,813	115,945	681,868	–29,251	
2003	–3,321	–326,424	1,523	537	–328,484	864,769	278,275	586,494	–7,510	
2004	–2,261	–867,802	2,805	1,710	–872,317	1,450,221	387,809	1,062,412	85,128	
2005	–4,351	–426,801	14,096	5,539	–446,436	1,212,250	199,495	1,012,755	10,410	
2005: I	–2,691	–87,391	5,331	2,591	–95,313	224,128	18,965	205,163	57,678	13,192
II	–589	–196,376	–797	989	–196,568	346,179	74,613	271,566	44,044	–4,862
III	–557	–132,380	4,766	1,501	–138,647	388,592	33,983	354,609	–72,240	–17,549
IV	–514	–10,656	4,796	459	–15,911	253,350	71,934	181,416	–19,071	9,219
2006: I	–1,756	–355,978	513	1,049	–357,540	527,498	75,697	451,801	43,434	10,437
II	–1,003	–211,375	–560	1,765	–212,580	364,576	75,869	288,707	64,929	–3,040
III *p*	–551	–223,769	1,006	287	–225,062	400,161	80,775	319,386	49,709	–14,324

[3] Consists of gold, special drawing rights, foreign currencies, and the U.S. reserve position in the International Monetary Fund (IMF).

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–104.—*U.S. international trade in goods by principal end-use category, 1965–2006*

[Billions of dollars; quarterly data seasonally adjusted]

Year or quarter	Exports							Imports						
			Nonagricultural products							Nonpetroleum products				
	Total	Agricultural products	Total	Industrial supplies and materials	Capital goods except automotive	Automotive	Other	Total	Petroleum and products	Total	Industrial supplies and materials	Capital goods except automotive	Automotive	Other
1965	26.5	6.3	20.2	7.6	8.1	1.9	2.6	21.5	2.0	19.5	9.1	1.5	0.9	8.0
1966	29.3	6.9	22.4	8.2	8.9	2.4	2.9	25.5	2.1	23.4	10.2	2.2	1.8	9.2
1967	30.7	6.5	24.2	8.5	9.9	2.8	3.0	26.9	2.1	24.8	10.0	2.5	2.4	9.9
1968	33.6	6.3	27.3	9.6	11.1	3.5	3.2	33.0	2.4	30.6	12.0	2.8	4.0	11.8
1969	36.4	6.1	30.3	10.3	12.4	3.9	3.7	35.8	2.6	33.2	11.8	3.4	4.9	13.0
1970	42.5	7.4	35.1	12.3	14.7	3.9	4.3	39.9	2.9	36.9	12.4	4.0	5.5	15.0
1971	43.3	7.8	35.5	10.9	15.4	4.7	4.5	45.6	3.7	41.9	13.8	4.3	7.4	16.4
1972	49.4	9.5	39.9	11.9	16.9	5.5	5.6	55.8	4.7	51.1	16.3	5.9	8.7	20.2
1973	71.4	18.0	53.4	17.0	22.0	6.9	7.6	70.5	8.4	62.1	19.6	8.3	10.3	23.9
1974	98.3	22.4	75.9	26.3	30.9	8.6	10.0	103.8	26.6	77.2	27.8	9.8	12.0	27.5
1975	107.1	22.2	84.8	26.8	36.6	10.6	10.8	98.2	27.0	71.2	24.0	10.2	11.7	25.3
1976	114.7	23.4	91.4	28.4	39.1	12.1	11.7	124.2	34.6	89.7	29.8	12.3	16.2	31.4
1977	120.8	24.3	96.5	29.8	39.8	13.4	13.5	151.9	45.0	106.9	35.7	14.0	18.6	38.6
1978[1]	142.1	29.9	112.2	34.2	47.5	15.2	15.3	176.0	42.6	133.4	40.7	19.3	25.0	48.4
1979	184.4	35.5	149.0	52.2	60.2	17.9	18.7	212.0	60.4	151.6	47.5	24.6	26.6	52.8
1980	224.3	42.0	182.2	65.1	76.3	17.4	23.4	249.8	79.5	170.2	53.0	31.6	28.3	57.4
1981	237.0	44.1	193.0	63.6	84.2	19.7	25.5	265.1	78.4	186.7	56.1	37.1	31.0	62.4
1982	211.2	37.3	173.9	57.7	76.5	17.2	22.4	247.6	62.0	185.7	48.6	38.4	34.3	64.3
1983	201.8	37.1	164.7	52.7	71.7	18.5	21.8	268.9	55.1	213.8	53.7	43.7	43.0	73.3
1984	219.9	38.4	181.5	56.8	77.0	22.4	25.3	332.4	58.1	274.4	66.1	60.4	56.5	91.4
1985	215.9	29.6	186.3	54.8	79.3	24.9	27.2	338.1	51.4	286.7	62.6	61.3	64.9	97.9
1986	223.3	27.2	196.2	59.4	82.8	25.1	28.9	368.4	34.3	334.1	69.9	72.0	78.1	114.2
1987	250.2	29.8	220.4	63.7	92.7	27.6	36.4	409.8	42.9	366.8	70.8	85.1	85.2	125.7
1988	320.2	38.8	281.4	82.6	119.1	33.4	46.3	447.2	39.6	407.6	83.1	102.2	87.9	134.4
1989[1]	359.9	41.1	318.8	90.5	136.9	35.1	56.3	477.7	50.9	426.8	84.6	112.3	87.4	142.5
1990	387.4	40.2	347.2	97.0	153.0	36.2	61.0	498.4	62.3	436.1	83.0	116.4	88.2	148.5
1991	414.1	40.1	374.0	101.6	166.6	39.9	65.9	491.0	51.7	439.3	81.3	121.1	85.5	151.4
1992	439.6	44.1	395.6	101.7	176.4	46.9	70.6	536.5	51.6	484.9	89.1	134.8	91.5	169.6
1993	456.9	43.6	413.3	105.1	182.7	51.6	74.0	589.4	51.5	537.9	100.8	153.2	102.1	182.0
1994	502.9	47.1	455.8	112.7	205.7	57.5	79.9	668.7	51.3	617.4	113.6	185.0	118.1	200.6
1995	575.2	57.2	518.0	135.6	234.4	61.4	86.5	749.4	56.0	693.3	128.5	222.1	123.7	219.0
1996	612.1	61.5	550.6	138.7	254.0	64.4	93.6	803.1	72.7	730.4	136.1	228.4	128.7	237.1
1997	678.4	58.5	619.9	148.6	295.8	73.4	102.0	876.5	71.7	804.7	144.9	253.6	139.4	266.8
1998	670.4	53.2	617.3	139.4	299.8	72.5	105.5	917.1	50.6	866.5	151.6	269.8	148.6	296.4
1999	684.0	49.7	634.3	140.3	311.2	75.3	107.5	1,030.0	67.8	962.2	156.3	295.7	179.0	331.2
2000	772.0	52.8	719.2	163.9	357.0	80.4	117.9	1,224.4	120.2	1,104.2	181.9	347.0	195.9	379.4
2001	718.7	54.9	663.8	150.5	321.7	75.4	116.2	1,145.9	103.6	1,042.3	172.5	298.0	189.8	382.0
2002	682.4	54.5	627.9	147.6	290.4	78.9	110.9	1,164.7	103.5	1,061.2	164.6	283.3	203.7	409.6
2003	713.4	60.9	652.5	162.5	293.7	80.6	115.7	1,260.7	133.1	1,127.6	181.4	295.9	210.1	440.2
2004	807.5	62.9	744.6	192.3	331.6	89.2	131.5	1,472.9	180.5	1,292.5	232.5	343.5	228.2	488.3
2005	894.6	64.9	829.7	221.5	362.7	98.6	147.0	1,677.4	251.9	1,425.5	272.8	379.2	239.5	534.0
2004: I	194.1	16.0	178.0	44.9	80.9	20.9	31.4	344.0	40.0	304.0	50.7	80.9	55.5	116.8
II	199.6	15.8	183.8	46.9	82.2	21.9	32.9	364.7	42.0	322.7	57.1	85.2	57.6	122.9
III	204.3	15.2	189.1	49.1	83.8	23.2	33.1	373.1	44.9	328.2	61.5	87.7	57.4	121.7
IV	209.5	15.9	193.6	51.5	84.7	23.2	34.1	391.1	53.5	337.5	63.3	89.7	57.7	126.9
2005: I	214.2	15.6	198.6	53.6	85.9	23.6	35.5	397.5	53.2	344.3	64.3	90.7	57.9	131.3
II	222.6	16.5	206.1	56.1	90.1	23.7	36.2	410.8	58.3	352.6	65.4	95.3	58.7	133.2
III	224.9	16.3	208.7	55.8	90.6	25.2	37.1	423.7	67.3	356.4	67.4	95.8	60.3	132.9
IV	232.9	16.5	216.4	56.0	96.1	26.1	38.2	445.4	73.2	372.3	75.7	97.5	62.6	136.5
2006: I	244.5	17.4	227.1	60.6	100.1	26.4	40.0	452.5	72.1	380.4	74.3	101.1	64.6	140.4
II	252.8	18.3	234.6	65.5	102.3	26.2	40.5	463.4	79.3	384.1	74.6	103.9	64.6	141.1
III *p*	262.1	18.9	243.1	68.5	104.2	27.9	42.5	480.7	84.2	396.5	78.4	107.5	63.4	147.3

[1] End-use commodity classifications beginning 1978 and 1989 are not strictly comparable with data for earlier periods. See *Survey of Current Business,* June 1988 and July 2001.

Note.—Data are on a balance of payments basis and exclude military.

In June 1990, end-use categories for goods exports were redefined to include reexports; beginning with data for 1978, reexports (exports of foreign goods) are assigned to detailed end-use categories in the same manner as exports of domestic goods.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–105.—*U.S. international trade in goods by area, 1999–2006*

[Millions of dollars]

Item	1999	2000	2001	2002	2003	2004	2005	2006 first 3 quarters at annual rate[1]
EXPORTS	683,965	771,994	718,712	682,422	713,415	807,516	894,631	1,012,565
Industrial countries	401,525	438,292	406,148	381,132	398,761	441,552	484,272	538,484
Euro area[2]	105,474	115,826	111,049	103,860	109,957	124,793	135,712	151,012
Canada	166,713	178,877	163,259	160,916	169,930	189,982	212,192	231,475
Japan	56,073	63,473	55,879	49,670	50,252	52,288	53,264	57,677
United Kingdom	37,657	40,725	39,701	32,085	32,871	35,124	37,570	44,512
Other[3]	35,608	39,391	36,260	34,601	35,751	39,365	45,534	53,808
Other countries	282,440	333,701	312,564	301,290	314,654	365,964	410,359	474,081
OPEC[4]	18,315	17,625	19,503	17,808	16,554	21,584	31,308	38,771
Other[5]	264,125	316,076	293,061	283,482	298,100	344,380	379,051	435,311
Of which:								
China	13,047	16,141	19,108	22,040	28,287	34,638	41,799	53,751
Mexico	86,758	111,172	101,181	97,242	97,224	110,698	120,264	134,041
International organizations and unallocated	.....	1	.....	.....	.....	.....	.....	.....
IMPORTS	1,029,980	1,224,408	1,145,900	1,164,720	1,260,717	1,472,926	1,677,371	1,862,137
Industrial countries	557,249	636,311	599,330	591,844	622,073	702,263	772,416	823,709
Euro area[2]	144,928	164,002	166,190	172,474	187,608	209,393	228,524	246,487
Canada	201,287	233,676	218,726	211,756	224,248	259,035	293,314	311,044
Japan	130,873	146,492	126,478	121,426	118,033	129,807	138,008	146,564
United Kingdom	38,789	43,388	40,982	40,464	42,574	46,032	50,536	53,173
Other[3]	41,372	48,753	46,954	45,724	49,610	57,996	62,034	66,441
Other countries	472,731	588,097	546,570	572,876	638,644	770,663	904,955	1,038,428
OPEC[4]	41,952	66,995	59,752	53,246	68,346	94,105	124,939	150,279
Other[5]	430,779	521,102	486,818	519,630	570,298	676,558	780,016	888,149
Of which:								
China	81,789	100,021	102,279	125,189	152,426	196,674	243,472	277,367
Mexico	110,550	136,811	132,205	135,496	139,036	157,105	172,110	201,324
International organizations and unallocated	.....	.....	.....	.....	.....	.....	.....	.....
BALANCE (excess of exports +)	–346,015	–452,414	–427,188	–482,298	–547,302	–665,410	–782,740	–849,572
Industrial countries	–155,724	–198,019	–193,182	–210,712	–223,312	–260,711	–288,144	–285,225
Euro area[2]	–39,454	–48,176	–55,141	–68,614	–77,651	–84,600	–92,812	–95,475
Canada	–34,574	–54,799	–55,467	–50,840	–54,318	–69,053	–81,122	–79,569
Japan	–74,800	–83,019	–70,599	–71,756	–67,781	–77,519	–84,744	–88,887
United Kingdom	–1,132	–2,663	–1,281	–8,379	–9,703	–10,908	–12,966	–8,661
Other[3]	–5,764	–9,362	–10,694	–11,123	–13,859	–18,631	–16,500	–12,633
Other countries	–190,291	–254,396	–234,006	–271,586	–323,990	–404,699	–494,596	–564,347
OPEC[4]	–23,637	–49,370	–40,249	–35,438	–51,792	–72,521	–93,631	–111,508
Other[5]	–166,654	–205,026	–193,757	–236,148	–272,198	–332,178	–400,965	–452,839
Of which:								
China	–68,742	–83,880	–83,171	–103,149	–124,139	–162,036	–201,673	–223,616
Mexico	–23,792	–25,639	–31,024	–38,254	–41,812	–46,407	–51,846	–67,283
International organizations and unallocated	.....	1	.....	.....	.....	.....	.....	.....

[1] Preliminary; seasonally adjusted.
[2] Euro area includes: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and beginning 2001, Greece.
[3] Australia, New Zealand, and South Africa and other western Europe.
[4] Organization of Petroleum Exporting Countries, consisting of Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela. Previously included Ecuador (through 1992) and Gabon (through 1994).
[5] Includes mainly Latin America and Other Western Hemisphere and other countries in Asia and Africa, less members of OPEC.

Note.—Data are on a balance of payments basis and exclude military.
For further details, and additional data by country, see *Survey of Current Business,* July 2006.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–106.—*U.S. international trade in goods on balance of payments (BOP) and Census basis, and trade in services on BOP basis, 1981–2006*

[Billions of dollars; monthly data seasonally adjusted]

Year or month	Goods: Exports (f.a.s. value) [1] [2]							Goods: Imports (customs value) [5]							Services (BOP basis)	
		Census basis (by end-use category)							Census basis (by end-use category)							
	Total, BOP basis [3]	Total, Census basis [3] [4]	Foods, feeds, and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles, parts, and engines	Consumer goods (nonfood) except automotive	Total, BOP basis	Total, Census basis [4]	Foods, feeds, and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles, parts, and engines	Consumer goods (nonfood) except automotive	Exports	Imports
	F.a.s. value [2]							Customs value								
1981	237.0	238.7	.....	.....	.....	.....	.....	265.1	261.0	.....	.....	.....	.....	.....	57.4	45.5
1982	211.2	216.4	31.3	61.7	72.7	15.7	14.3	247.6	244.0	17.1	112.0	35.4	33.3	39.7	64.1	51.7
1983	201.8	205.6	30.9	56.7	67.2	16.8	13.4	268.9	258.0	18.2	107.0	40.9	40.8	44.9	64.3	55.0
1984	219.9	224.0	31.5	61.7	72.0	20.6	13.3	332.4	[6] 330.7	21.0	123.7	59.8	53.5	60.0	71.2	67.7
1985	215.9	[7] 218.8	24.0	58.5	73.9	22.9	12.6	338.1	[6] 336.5	21.9	113.9	65.1	66.8	68.3	73.2	72.9
1986	223.3	[7] 227.2	22.3	57.3	75.8	21.7	14.2	368.4	365.4	24.4	101.3	71.8	78.2	79.4	86.7	80.1
1987	250.2	254.1	24.3	66.7	86.2	24.6	17.7	409.8	406.2	24.8	111.0	84.5	85.2	88.7	98.7	90.8
1988	320.2	322.4	32.3	85.1	109.2	29.3	23.1	447.2	441.0	24.8	118.3	101.4	87.7	95.9	110.9	98.5
1989	359.9	363.8	37.2	99.3	138.8	34.8	36.4	477.7	473.2	25.1	132.3	113.3	86.1	102.9	127.1	102.5
1990	387.4	393.6	35.1	104.4	152.7	37.4	43.3	498.4	495.3	26.6	143.2	116.4	87.3	105.7	147.8	117.7
1991	414.1	421.7	35.7	109.7	166.7	40.0	45.9	491.0	488.5	26.5	131.6	120.7	85.7	108.0	164.3	118.5
1992	439.6	448.2	40.3	109.1	175.9	47.0	51.4	536.5	532.7	27.6	138.6	134.3	91.8	122.7	177.3	119.6
1993	456.9	465.1	40.6	111.8	181.7	52.4	54.7	589.4	580.7	27.9	145.6	152.4	102.4	134.0	185.9	123.8
1994	502.9	512.6	42.0	121.4	205.0	57.8	60.0	668.7	663.3	31.0	162.1	184.4	118.3	146.3	200.4	133.1
1995	575.2	584.7	50.5	146.2	233.0	61.8	64.4	749.4	743.5	33.2	181.8	221.4	123.8	159.9	219.2	141.4
1996	612.1	625.1	55.5	147.7	253.0	65.0	70.1	803.1	795.3	35.7	204.5	228.1	128.9	172.0	239.5	152.6
1997	678.4	689.2	51.5	158.2	294.5	74.0	77.4	876.5	869.7	39.7	213.8	253.3	139.8	193.8	256.1	165.9
1998	670.4	682.1	46.4	148.3	299.4	72.4	80.3	917.1	911.9	41.2	200.1	269.5	148.7	217.0	262.8	180.7
1999	684.0	695.8	46.0	147.5	310.8	75.3	80.9	1,030.0	1,024.6	43.6	221.4	295.7	179.0	241.9	281.9	199.2
2000	772.0	781.9	47.9	172.6	356.9	80.4	89.4	1,224.4	1,218.0	46.0	299.0	347.0	195.9	281.8	298.6	223.7
2001	718.7	729.1	49.4	160.1	321.7	75.4	88.3	1,145.9	1,141.0	46.6	273.9	298.0	189.8	284.3	286.2	221.8
2002	682.4	693.1	49.6	156.8	290.4	78.9	84.4	1,164.7	1,161.4	49.7	267.7	283.3	203.7	307.8	292.3	231.1
2003	713.4	724.8	55.0	173.0	293.7	80.6	89.9	1,260.7	1,257.1	55.8	313.8	295.9	210.1	333.9	302.7	250.3
2004	807.5	818.8	56.6	204.0	331.6	89.2	103.1	1,472.9	1,469.7	62.1	412.8	343.5	228.2	372.9	344.4	290.3
2005	894.6	906.0	59.0	233.1	362.7	98.6	115.7	1,677.4	1,673.5	68.1	523.9	379.2	239.5	407.2	380.6	314.6
2005: Jan	71.4	72.2	4.7	18.6	28.7	8.0	9.3	132.7	132.4	5.5	38.4	30.9	19.6	33.5	30.5	25.8
Feb	71.0	71.8	4.7	18.9	28.3	7.8	9.4	133.6	133.3	5.4	39.4	29.9	19.5	34.7	30.7	25.7
Mar	71.8	72.7	4.8	18.9	29.0	7.7	9.4	131.2	130.9	5.5	39.6	29.9	18.8	32.5	31.2	25.7
Apr	74.2	75.2	4.9	19.6	30.3	8.0	9.3	136.5	136.1	5.5	41.4	31.7	19.1	33.6	31.1	25.9
May	74.0	75.0	5.2	19.7	29.6	7.8	9.6	136.1	135.8	5.6	40.4	31.3	19.8	34.0	31.4	25.9
June	74.4	75.4	5.0	19.6	30.3	7.9	9.5	138.3	138.0	5.6	41.6	32.3	19.8	34.1	31.6	26.1
July	74.8	75.6	4.9	19.6	30.3	8.3	9.6	138.4	138.1	5.6	42.8	31.7	19.8	33.4	31.7	26.2
Aug	76.2	77.3	4.9	20.0	31.1	8.4	9.6	140.6	140.3	5.7	44.5	31.8	20.3	33.4	31.8	26.2
Sept	73.9	74.9	4.9	19.2	29.2	8.5	9.9	144.7	144.3	5.9	47.1	32.2	20.2	34.1	32.4	26.6
Oct	76.0	76.9	5.0	19.3	31.2	8.5	9.5	148.5	148.2	5.8	50.2	32.2	20.7	34.5	32.6	26.7
Nov	77.5	78.5	4.9	19.5	32.2	8.7	10.0	147.2	146.9	5.9	49.1	32.3	20.7	34.0	32.5	26.8
Dec	79.4	80.6	5.0	20.1	32.7	8.9	10.5	149.6	149.3	6.0	49.3	33.0	21.1	35.2	33.1	27.1
2006: Jan	81.4	82.2	5.3	21.1	33.3	8.8	10.4	153.6	153.2	6.2	50.2	34.1	22.3	35.2	33.3	27.4
Feb	80.8	81.7	5.0	20.7	33.4	9.0	10.3	148.8	148.4	6.0	49.6	32.5	21.3	34.4	33.0	27.7
Mar	82.4	83.3	5.2	22.2	33.4	8.6	10.5	150.1	149.7	6.4	46.4	34.4	21.0	36.6	33.6	27.9
Apr	81.8	82.8	5.2	22.2	33.3	8.7	10.1	151.4	151.0	6.2	48.9	34.5	21.4	35.4	34.2	28.1
May	84.1	85.1	5.5	23.0	34.1	8.5	10.6	155.1	154.7	6.1	52.7	34.7	20.9	35.6	34.5	28.7
June	87.0	87.9	5.7	23.7	35.0	9.0	10.8	157.0	156.6	6.0	52.1	34.7	22.2	36.7	34.3	28.9
July	85.5	86.5	5.7	23.1	33.7	9.6	10.9	158.9	158.5	6.3	54.2	35.4	20.9	36.8	34.5	28.6
Aug	88.0	89.2	6.0	23.6	34.9	9.5	11.2	162.9	162.5	6.5	55.9	36.3	21.4	37.4	34.7	28.4
Sept	88.6	89.9	5.8	24.6	35.6	8.8	10.8	158.9	158.5	6.4	52.3	35.8	21.1	38.0	34.8	28.7
Oct	88.5	89.8	5.8	24.2	35.7	8.7	11.2	153.5	153.1	6.5	46.9	35.5	20.8	38.2	35.2	28.9
Nov *p*	89.1	90.7	5.6	23.9	36.4	9.1	11.4	153.8	153.5	6.4	45.9	35.8	21.1	39.1	35.7	29.2

[1] Department of Defense shipments of grant-aid military supplies and equipment under the Military Assistance Program are excluded from total exports through 1985 and included beginning 1986.

[2] F.a.s. (free alongside ship) value basis at U.S. port of exportation for exports.

[3] Beginning 1989, exports have been adjusted for undocumented exports to Canada and are included in the appropriate end-use categories. For prior years, only total exports include this adjustment.

[4] Total includes "other" exports or imports, not shown separately.

[5] Total arrivals of imported goods other than intransit shipments.

[6] Total includes revisions not reflected in detail.

[7] Total exports are on a revised statistical month basis; end-use categories are on a statistical month basis.

Note.—Goods on a Census basis are adjusted to a BOP basis by the Bureau of Economic Analysis, in line with concepts and definitions used to prepare international and national accounts. The adjustments are necessary to supplement coverage of Census data, to eliminate duplication of transactions recorded elsewhere in international accounts, and to value transactions according to a standard definition.

Data include international trade of the U.S. Virgin Islands, Puerto Rico, and U.S. Foreign Trade Zones.

Source: Department of Commerce (Bureau of the Census and Bureau of Economic Analysis).

TABLE B–107.—*International investment position of the United States at year-end, 1998–2005*

[Billions of dollars]

Type of investment	1998	1999	2000	2001	2002	2003	2004	2005 *p*
NET INTERNATIONAL INVESTMENT POSITION OF THE UNITED STATES:								
With direct investment at current cost	–895.4	–766.2	–1,381.2	–1,919.4	–2,088.0	–2,131.2	–2,360.8	–2,693.8
With direct investment at market value	–1,070.8	–1,037.4	–1,581.0	–2,339.4	–2,454.3	–2,339.8	–2,448.7	–2,546.2
U.S.-OWNED ASSETS ABROAD:								
With direct investment at current cost	5,095.5	5,974.4	6,238.8	6,308.7	6,652.2	7,648.9	9,186.7	10,008.7
With direct investment at market value	6,179.1	7,399.7	7,401.2	6,930.5	6,807.8	8,318.2	10,075.3	11,079.2
U.S. official reserve assets	146.0	136.4	128.4	130.0	158.6	183.6	189.6	188.0
Gold [1]	75.3	76.0	71.8	72.3	90.8	108.9	113.9	134.2
Special drawing rights	10.6	10.3	10.5	10.8	12.2	12.6	13.6	8.2
Reserve position in the International Monetary Fund	24.1	18.0	14.8	17.9	22.0	22.5	19.5	8.0
Foreign currencies	36.0	32.2	31.2	29.0	33.7	39.5	42.5	37.6
U.S. Government assets, other than official reserve assets	86.8	84.2	85.2	85.7	85.3	84.8	83.1	77.5
U.S. credits and other long-term assets	84.9	81.7	82.6	83.1	82.7	82.0	80.3	77.0
Repayable in dollars	84.5	81.4	82.3	82.9	82.4	81.7	80.0	76.7
Other	.3	.3	.3	.3	.3	.3	.3	.3
U.S. foreign currency holdings and U.S. short-term assets	1.9	2.6	2.6	2.5	2.6	2.8	2.8	.6
U.S. private assets:								
With direct investment at current cost	4,862.8	5,753.7	6,025.2	6,093.1	6,408.3	7,380.5	8,914.0	9,743.1
With direct investment at market value	5,946.4	7,179.0	7,187.6	6,714.9	6,563.9	8,049.8	9,802.7	10,813.6
Direct investment abroad:								
At current cost	1,196.0	1,414.4	1,531.6	1,693.1	1,867.0	2,059.9	2,399.2	2,453.9
At market value	2,279.6	2,839.6	2,694.0	2,314.9	2,022.6	2,729.1	3,287.9	3,524.5
Foreign securities	2,069.4	2,551.9	2,425.5	2,169.7	2,079.9	2,953.8	3,553.4	4,074.0
Bonds	594.4	548.2	572.7	557.1	705.2	874.4	993.0	987.5
Corporate stocks	1,475.0	2,003.7	1,852.8	1,612.7	1,374.7	2,079.4	2,560.4	3,086.5
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	588.3	704.5	836.6	839.3	901.9	594.0	733.5	784.5
U.S. claims reported by U.S. banks, not included elsewhere	1,009.0	1,082.9	1,231.5	1,390.9	1,559.5	1,772.9	2,227.9	2,430.7
FOREIGN-OWNED ASSETS IN THE UNITED STATES:								
With direct investment at current cost	5,990.9	6,740.6	7,620.0	8,228.1	8,740.3	9,780.1	11,547.4	12,702.5
With direct investment at market value	7,249.9	8,437.1	8,982.2	9,269.9	9,262.1	10,657.9	12,524.1	13,625.4
Foreign official assets in the United States	896.2	951.1	1,030.7	1,109.1	1,251.0	1,562.8	2,001.4	2,216.1
U.S. Government securities	669.8	693.8	756.2	847.0	970.4	1,186.5	1,499.3	1,649.4
U.S. Treasury securities	622.9	617.7	639.8	720.1	812.0	986.3	1,241.3	1,288.9
Other	46.8	76.1	116.4	126.9	158.4	200.2	258.0	360.5
Other U.S. Government liabilities	18.4	21.1	19.3	17.0	17.1	16.6	16.5	16.0
U.S. liabilities reported by U.S. banks, not included elsewhere	125.9	138.8	153.4	134.7	155.9	201.1	270.4	294.7
Other foreign official assets	82.1	97.3	101.8	110.4	107.6	158.6	215.2	256.1
Other foreign assets:								
With direct investment at current cost	5,094.7	5,789.5	6,589.3	7,119.0	7,489.3	8,217.3	9,546.0	10,486.4
With direct investment at market value	6,353.7	7,486.0	7,951.5	8,160.9	8,011.1	9,095.2	10,522.7	11,409.3
Direct investment in the United States:								
At current cost	920.0	1,101.7	1,421.0	1,518.5	1,500.0	1,577.0	1,727.1	1,874.3
At market value	2,179.0	2,798.2	2,783.2	2,560.3	2,021.8	2,454.9	2,703.7	2,797.2
U.S. Treasury securities	543.3	440.7	381.6	375.1	473.5	527.2	562.3	704.9
U.S. securities other than U.S. Treasury securities	1,903.4	2,351.3	2,623.0	2,821.4	2,779.1	3,422.9	3,995.5	4,390.7
Corporate and other bonds	724.6	825.2	1,068.6	1,343.1	1,531.0	1,710.8	2,035.1	2,275.2
Corporate stocks	1,178.8	1,526.1	1,554.4	1,478.3	1,248.1	1,712.1	1,960.4	2,115.5
U.S. currency	228.3	250.7	256.0	279.8	301.3	317.9	332.7	352.2
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	485.7	578.0	738.9	798.3	897.3	450.9	507.7	563.7
U.S. liabilities reported by U.S. banks, not included elsewhere	1,014.0	1,067.2	1,168.7	1,326.1	1,538.2	1,921.4	2,420.8	2,600.6

[1] Valued at market price.

Note.—For details regarding these data, see *Survey of Current Business*, July 2006.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–108.—*Industrial production and consumer prices, major industrial countries, 1980–2006*

Year or quarter	United States [1]	Canada	Japan	France	Germany [2]	Italy	United Kingdom
	Industrial production (Index, 2002=100) [3]						
1980	55.1	57.3	72.2	75.9	75.9	78.7	74.0
1981	55.9	57.6	72.9	75.1	74.5	76.9	71.7
1982	53.1	53.2	73.1	74.5	72.1	74.5	73.0
1983	54.5	56.1	75.5	74.5	72.6	72.8	75.7
1984	59.5	63.1	82.5	75.8	74.7	75.2	75.7
1985	60.3	66.3	85.5	76.3	78.3	75.3	79.9
1986	61.0	65.8	85.4	78.2	79.8	78.4	81.9
1987	64.1	68.5	88.3	79.6	80.1	80.4	85.1
1988	67.4	73.1	96.5	82.4	83.0	86.0	89.2
1989	68.1	72.9	102.1	85.3	87.0	89.3	91.1
1990	68.7	70.9	106.4	86.6	91.5	88.7	90.8
1991	67.7	68.3	108.4	86.4	94.1	87.9	87.7
1992	69.7	69.2	102.2	85.3	92.0	86.9	88.0
1993	72.0	72.5	98.6	81.9	85.1	84.9	90.0
1994	76.0	77.1	99.8	85.3	87.5	90.1	94.8
1995	79.8	80.6	103.1	87.0	88.1	95.4	96.5
1996	83.2	81.6	105.5	86.7	88.2	93.8	97.8
1997	89.2	86.2	109.3	90.4	91.0	97.5	99.2
1998	94.6	89.2	102.1	93.9	94.4	98.6	100.2
1999	99.1	94.4	102.4	96.1	95.5	98.5	101.6
2000	103.6	102.6	108.0	100.0	100.8	102.7	103.5
2001	100.0	98.4	101.2	101.3	101.1	101.6	102.0
2002	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2003	101.1	100.7	103.0	99.6	100.4	99.5	99.7
2004	103.6	102.7	108.5	102.1	103.5	98.9	100.5
2005	106.9	104.0	109.8	102.3	106.9	98.1	98.6
2006 *P*	111.2	.....	114.6	.....	.....	.....	.....
2005: I	106.0	102.9	109.6	102.1	104.9	97.3	99.4
II	106.7	103.4	109.5	101.5	106.0	98.5	99.1
III	106.9	104.4	109.0	102.1	107.5	99.3	98.3
IV	108.1	105.1	112.1	102.0	109.3	98.8	97.8
2006: I	109.5	104.7	112.6	102.6	109.9	100.0	98.4
II	111.2	103.7	113.5	103.2	112.2	100.1	98.5
III	112.3	103.4	114.5	102.7	114.2	100.8	98.7
IV *P*	112.2	.....	117.4	.....	.....	.....	.....
	Consumer prices (Index, 1982-84=100)						
1980	82.4	76.1	91.0	72.2	86.7	63.9	78.5
1981	90.9	85.6	95.3	81.8	92.2	75.5	87.9
1982	96.5	94.9	98.1	91.7	97.0	87.8	95.4
1983	99.6	100.4	99.8	100.3	100.3	100.8	99.8
1984	103.9	104.7	102.1	108.0	102.7	111.4	104.8
1985	107.6	109.0	104.2	114.3	104.8	121.7	111.1
1986	109.6	113.5	104.9	117.2	104.6	128.9	114.9
1987	113.6	118.4	104.9	121.1	104.9	135.1	119.7
1988	118.3	123.2	105.6	124.3	106.3	141.9	125.6
1989	124.0	129.3	108.0	128.7	109.2	150.7	135.4
1990	130.7	135.5	111.4	132.9	112.2	160.4	148.2
1991	136.2	143.1	115.0	137.2	116.3	170.5	156.9
1992	140.3	145.3	117.0	140.4	122.2	179.5	162.7
1993	144.5	147.9	118.5	143.4	127.6	187.7	165.3
1994	148.2	148.2	119.3	145.8	131.1	195.3	169.3
1995	152.4	151.4	119.2	148.4	133.3	205.6	175.2
1996	156.9	153.8	119.3	151.4	135.3	213.8	179.4
1997	160.5	156.3	121.5	153.2	137.8	218.2	185.1
1998	163.0	157.8	122.2	154.2	139.1	222.5	191.4
1999	166.6	160.5	121.8	155.0	140.0	226.2	194.3
2000	172.2	164.9	121.0	157.6	142.0	231.9	200.1
2001	177.1	169.1	120.1	160.2	144.8	238.3	203.6
2002	179.9	172.9	119.0	163.3	146.7	244.3	207.0
2003	184.0	177.7	118.7	166.7	148.3	250.8	213.0
2004	188.9	181.0	118.7	170.3	150.8	256.3	219.4
2005	195.3	184.9	118.3	173.2	153.7	261.3	225.6
2006 *P*	201.6	188.7	118.7	176.2	156.3	266.9	232.8
2005: I	191.9	182.9	118.3	171.7	152.3	259.1	222.8
II	194.5	184.6	118.5	173.2	153.2	260.9	225.5
III	196.9	186.2	118.3	173.8	154.4	262.4	226.3
IV	197.9	186.3	118.3	174.2	154.9	263.3	227.5
2006: I	198.9	187.3	118.1	174.8	155.3	264.6	228.2
II	202.3	189.3	118.7	176.5	156.3	266.7	232.1
III	203.4	189.4	119.0	176.8	156.9	268.1	234.1
IV *P*	201.7	188.8	118.7	176.6	156.9	268.1	236.6

[1] See Note, Table B–51 for information on U.S. industrial production series.
[2] Prior to 1991 data are for West Germany only.
[3] All data exclude construction. Quarterly data are seasonally adjusted.

Note.—National sources data have been rebased for industrial production and consumer prices.

Sources: National sources as reported by each country; Department of Labor (Bureau of Labor Statistics), and Board of Governors of the Federal Reserve System.

TABLE B–109.—*Civilian unemployment rate, and hourly compensation, major industrial countries, 1980–2006*

[Quarterly data seasonally adjusted]

Year or quarter	United States	Canada	Japan	France	Germany [1]	Italy	United Kingdom
	Civilian unemployment rate (Percent) [2]						
1980	7.1	7.3	2.0	6.5	2.8	4.4	6.9
1981	7.6	7.3	2.2	7.6	4.0	4.9	9.7
1982	9.7	10.7	2.4	[3] 8.3	5.6	5.4	10.8
1983	9.6	11.6	2.7	8.6	[3] 6.9	5.9	11.5
1984	7.5	10.9	2.8	10.0	7.1	5.9	11.8
1985	7.2	10.2	2.7	10.5	7.2	6.0	11.4
1986	7.0	9.3	2.8	10.6	6.6	[3] 7.5	11.4
1987	6.2	8.4	2.9	10.8	6.3	7.9	10.5
1988	5.5	7.4	2.5	10.3	6.3	7.9	8.6
1989	5.3	7.1	2.3	9.6	5.7	7.8	7.3
1990	[3] 5.6	7.7	2.1	[3] 8.6	5.0	7.0	7.1
1991	6.8	9.8	2.1	9.1	[3] 5.6	[3] 6.9	8.9
1992	7.5	10.6	2.2	10.0	6.7	7.3	10.0
1993	6.9	10.8	2.5	11.3	8.0	[3] 9.8	10.4
1994	[3] 6.1	9.6	2.9	11.9	8.5	10.7	8.7
1995	5.6	8.6	3.2	11.3	8.2	11.3	8.7
1996	5.4	8.8	3.4	11.8	9.0	11.3	8.1
1997	4.9	8.4	3.4	11.7	9.9	11.4	7.0
1998	4.5	7.7	4.1	11.2	9.3	11.5	6.3
1999	4.2	7.0	4.7	10.5	[3] 8.5	11.0	6.0
2000	4.0	6.1	4.8	9.1	7.8	10.2	5.5
2001	4.7	6.5	5.1	8.4	7.9	9.2	5.1
2002	5.8	7.0	5.4	9.0	8.6	8.7	5.2
2003	6.0	6.9	5.3	9.6	9.3	8.5	5.0
2004	5.5	6.4	4.8	9.8	10.3	8.1	4.8
2005	5.1	6.0	4.5	10.1	[3] 11.2	7.8	4.8
2006	4.6	.....	.....	.....	.....	.....	.....
2005: I	5.3	6.2	4.6	10.0	11.4	7.9	4.7
II	5.1	6.0	4.4	10.2	11.4	7.8	4.8
III	5.0	6.0	4.4	10.3	11.2	7.7	4.8
IV	5.0	5.8	4.5	10.0	10.9	7.6	5.1
2006: I	4.7	5.7	4.3	9.9	10.9	7.3	5.3
II	4.7	5.5	4.1	9.5	10.5	7.0	5.5
III	4.7	5.6	4.2	9.2	10.1	6.9	5.6
IV	4.5	.....	.....	.....	.....	.....	.....
	Manufacturing hourly compensation in U.S. dollars (Index, 1992=100) [4]						
1980	55.9	49.5	32.8	46.5	46.1	43.8	47.1
1981	61.6	54.7	36.0	42.2	39.3	39.1	47.5
1982	67.2	60.2	33.5	41.5	38.8	38.4	45.2
1983	69.3	64.4	36.1	40.1	38.6	39.4	41.9
1984	71.6	64.8	37.1	38.5	36.3	39.1	39.8
1985	75.3	64.0	38.5	40.4	37.2	40.7	42.3
1986	78.8	63.8	57.1	55.1	52.4	54.4	52.0
1987	81.3	68.4	68.2	67.1	66.0	66.0	64.5
1988	84.1	76.5	78.4	70.4	70.4	70.6	74.8
1989	86.6	84.5	77.4	69.4	69.1	72.7	73.5
1990	90.5	91.6	79.2	86.0	86.4	90.1	89.6
1991	95.6	100.2	90.9	88.0	86.0	93.5	99.9
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	102.0	95.6	117.2	97.5	100.2	82.8	87.7
1994	105.3	91.9	129.9	103.1	106.9	82.1	90.8
1995	107.3	93.7	146.1	117.5	127.6	84.7	95.2
1996	109.3	95.2	127.2	116.4	127.2	95.8	94.5
1997	112.2	97.5	118.1	105.4	112.5	89.8	102.8
1998	118.8	94.3	111.9	105.1	112.5	87.5	112.6
1999	123.4	94.9	128.8	104.0	110.3	85.1	116.6
2000	134.7	96.8	135.1	94.6	100.5	75.6	115.4
2001	137.9	95.7	121.4	94.4	100.5	76.0	114.1
2002	147.8	97.1	118.6	104.8	108.8	82.3	126.0
2003	158.2	112.6	125.3	129.2	133.1	101.3	143.3
2004	161.4	122.2	135.0	145.3	147.0	114.9	168.3
2005	168.8	137.9	134.7	149.3	149.7	118.5	174.3

[1] Prior to 1991 data are for West Germany only.

[2] Civilian unemployment rates, approximating U.S. concepts. Quarterly data for Japan, France, Germany, and Italy should be viewed as less precise indicators of unemployment under U.S. concepts than the annual data.

[3] There are breaks in the series for France (1982 and 1990), Germany (1983, 1991, 1999 and 2005), Italy (1986, 1991 and 1993), and United States (1990 and 1994). For details on break in series in 1990 and 1994 for United States, see footnote 5, Table B–35. For details on break in series for other countries, see U.S. Department of Labor *Comparative Civilian Labor Force Statistics, Ten Countries: 1960–2005,* October 19, 2006.

[4] Hourly compensation in manufacturing, U.S. dollar basis; data relate to all employed persons (employees and self-employed workers).

For details on manufacturing hourly compensation, see U.S. Department of Labor *International Comparisons of Manufacturing Productivity and Unit Labor Cost Trends, 2005,* September 26, 2006.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–110.—*Foreign exchange rates, 1985–2006*

[Foreign currency units per U.S. dollar, except as noted; certified noon buying rates in New York]

Period	Australia (dollar) [2]	Canada (dollar)	China, P.R. (yuan)	EMU Members (euro) [1 2]	Germany (mark) [1]	Japan (yen)	Mexico (peso)	South Korea (won)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound) [2]
March 1973 ...	1.2716	0.9967	2.2401	.....	2.8132	261.90	0.013	398.85	4.4294	3.2171	2.4724
1985	0.7003	1.3659	2.9434	.....	2.9420	238.47	0.257	872.45	8.6032	2.4552	1.2974
1986	0.6709	1.3896	3.4616	.....	2.1705	168.35	0.612	884.60	7.1273	1.7979	1.4677
1987	0.7014	1.3259	3.7314	.....	1.7981	144.60	1.378	826.16	6.3469	1.4918	1.6398
1988	0.7841	1.2306	3.7314	.....	1.7570	128.17	2.273	734.52	6.1370	1.4643	1.7813
1989	0.7919	1.1842	3.7673	.....	1.8808	138.07	2.461	674.13	6.4559	1.6369	1.6382
1990	0.7807	1.1668	4.7921	.....	1.6166	145.00	2.813	710.64	5.9231	1.3901	1.7841
1991	0.7787	1.1460	5.3337	.....	1.6610	134.59	3.018	736.73	6.0521	1.4356	1.7674
1992	0.7352	1.2085	5.5206	.....	1.5618	126.78	3.095	784.66	5.8258	1.4064	1.7663
1993	0.6799	1.2902	5.7795	.....	1.6545	111.08	3.116	805.75	7.7956	1.4781	1.5016
1994	0.7316	1.3664	8.6397	.....	1.6216	102.18	3.385	806.93	7.7161	1.3667	1.5319
1995	0.7407	1.3725	8.3700	.....	1.4321	93.96	6.447	772.69	7.1406	1.1812	1.5785
1996	0.7828	1.3638	8.3389	.....	1.5049	108.78	7.600	805.00	6.7082	1.2361	1.5607
1997	0.7437	1.3849	8.3193	.....	1.7348	121.06	7.918	953.19	7.6446	1.4514	1.6376
1998	0.6291	1.4836	8.3008	.....	1.7597	130.99	9.152	1,400.40	7.9522	1.4506	1.6573
1999	0.6454	1.4858	8.2783	1.0653	.....	113.73	9.553	1,189.84	8.2740	1.5045	1.6172
2000	0.5815	1.4855	8.2784	0.9232	.....	107.80	9.459	1,130.90	9.1735	1.6904	1.5156
2001	0.5169	1.5487	8.2770	0.8952	.....	121.57	9.337	1,292.02	10.3425	1.6891	1.4396
2002	0.5437	1.5704	8.2771	0.9454	.....	125.22	9.663	1,250.31	9.7233	1.5567	1.5025
2003	0.6524	1.4008	8.2772	1.1321	.....	115.94	10.793	1,192.08	8.0787	1.3450	1.6347
2004	0.7365	1.3017	8.2768	1.2438	.....	108.15	11.290	1,145.24	7.3480	1.2428	1.8330
2005	0.7627	1.2115	8.1936	1.2449	.....	110.11	10.894	1,023.75	7.4710	1.2459	1.8204
2006	0.7535	1.1340	7.9723	1.2563	.....	116.31	10.906	954.32	7.3718	1.2532	1.8434
2005: I	0.7779	1.2262	8.2765	1.3112	.....	104.54	11.184	1,022.22	6.9225	1.1817	1.8911
II	0.7689	1.2438	8.2765	1.2591	.....	107.53	10.967	1,008.19	7.3190	1.2270	1.8560
III	0.7598	1.2014	8.1367	1.2196	.....	111.24	10.715	1,029.01	7.6788	1.2742	1.7847
IV	0.7437	1.1733	8.0829	1.1890	.....	117.28	10.710	1,036.11	7.9699	1.3015	1.7486
2006: I	0.7389	1.1547	8.0498	1.2033	.....	116.88	10.601	975.39	7.7689	1.2961	1.7532
II	0.7472	1.1219	8.0104	1.2576	.....	114.39	11.182	949.18	7.3938	1.2435	1.8286
III	0.7572	1.1211	7.9654	1.2741	.....	116.28	10.945	954.98	7.2435	1.2380	1.8751
IV	0.7707	1.1390	7.8626	1.2898	.....	117.76	10.885	937.88	7.0821	1.2356	1.9166

Period	Trade-weighted value of the U.S. dollar						
	Nominal				Real [7]		
	G–10 index (March 1973=100) [3]	Broad index (January 1997=100) [4]	Major currencies index (March 1973=100) [5]	OITP index (January 1997=100) [6]	Broad index (March 1973=100) [4]	Major currencies index (March 1973=100) [5]	OITP index (March 1973=100) [6]
1985	143.0	67.16	133.55	13.14	122.64	122.18	124.18
1986	112.2	62.35	109.77	16.49	107.27	99.82	128.65
1987	96.9	60.42	97.16	19.92	98.55	89.31	125.98
1988	92.7	60.92	90.43	24.07	92.01	84.28	115.13
1989	98.6	66.90	94.29	29.61	93.74	88.61	109.69
1990	89.1	71.41	89.91	40.10	91.22	85.24	109.35
1991	89.8	74.35	88.59	46.69	89.82	83.74	108.45
1992	86.6	76.91	87.00	53.13	87.93	82.61	104.85
1993	93.2	83.78	89.90	63.37	89.32	85.86	102.37
1994	91.3	90.87	88.43	80.54	89.16	85.51	102.44
1995	84.2	92.65	83.41	92.51	86.72	81.63	102.51
1996	87.3	97.46	87.25	98.24	88.73	86.56	99.51
1997	96.4	104.43	93.93	104.64	93.46	93.87	100.56
1998	98.8	115.89	98.45	125.89	101.45	98.96	113.74
1999	.....	116.04	96.89	129.20	100.83	98.72	112.45
2000	.....	119.45	101.58	129.84	104.70	105.38	112.63
2001	.....	125.93	107.67	135.91	110.72	112.86	117.15
2002	.....	126.67	105.99	140.36	110.87	111.23	119.61
2003	.....	119.11	92.99	143.52	104.15	98.11	121.20
2004	.....	113.63	85.37	143.38	99.52	91.11	119.86
2005	.....	110.71	83.71	138.89	97.88	90.91	116.16
2006	.....	108.52	82.46	135.38	96.70	90.81	113.42
2005: I	.....	109.40	81.21	139.95	95.79	87.34	115.95
II	.....	110.70	83.49	139.23	97.88	90.53	116.68
III	.....	110.97	84.46	138.22	98.73	92.16	116.53
IV	.....	111.76	85.68	138.11	99.10	93.61	115.51
2006: I	.....	110.24	84.79	135.78	97.59	92.75	112.98
II	.....	108.50	81.95	136.26	97.33	90.66	115.17
III	.....	107.96	81.55	135.55	97.01	90.40	114.71
IV	.....	107.37	81.59	133.97	94.87	89.42	110.81

[1] European Economic and Monetary Union members include Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and beginning in 2007, Slovenia.

[2] U.S. dollars per foreign currency unit.

[3] G-10 index discontinued after December 1998.

[4] Weighted average of the foreign exchange value of the dollar against the currencies of a broad group of U.S. trading partners.

[5] Subset of the broad index. Includes currencies of the euro area, Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom.

[6] Subset of the broad index. Includes other important U.S. trading partners (OITP) whose currencies are not heavily traded outside their home markets.

[7] Adjusted for changes in consumer price indexes for the United States and other countries.

Source: Board of Governors of the Federal Reserve System.

TABLE B–111.—*International reserves, selected years, 1962–2006*

[Millions of SDRs; end of period]

Area and country	1962	1972	1982	1992	2002	2005	2006	
							Oct	Nov
All countries	62,851	146,658	361,239	752,566	1,889,853	2,999,925	3,317,229	3,334,034
Industrial countries[1]	53,502	113,362	214,025	424,229	757,511	959,256	969,885	966,003
United States	17,220	12,112	29,918	52,995	59,160	46,994	46,008	46,071
Canada	2,561	5,572	3,439	8,662	27,225	23,066	24,041	24,151
Euro area:								
Austria	1,081	2,505	5,544	9,703	7,480	5,125	5,501	5,607
Belgium	1,753	3,564	4,757	10,914	9,010	6,022	5,755	6,070
Finland	237	664	1,420	3,862	6,885	7,416	4,413	4,433
France	4,049	9,224	17,850	22,522	24,268	22,597	29,167	28,799
Germany	6,958	21,908	43,909	69,489	41,516	35,440	32,383	31,944
Greece	287	950	916	3,606	6,083	476	513	700
Ireland	359	1,038	2,390	2,514	3,989	551	467	504
Italy	4,068	5,605	15,108	22,438	23,798	20,611	20,086	20,635
Luxembourg	.....	.....	.....	.....	114	171	148	147
Netherlands	1,943	4,407	10,723	17,492	7,993	7,069	7,469	7,219
Portugal	680	2,129	1,179	14,474	8,889	2,904	1,772	1,675
Spain	1,045	4,618	7,450	33,640	25,992	7,286	7,631	7,653
Australia	1,168	5,656	6,053	8,429	15,307	29,434	32,890	33,037
Japan	2,021	16,916	22,001	52,937	340,088	584,568	589,156	585,209
New Zealand	251	767	577	2,239	3,650	6,222	8,596	8,541
Denmark	256	787	2,111	8,090	19,924	23,115	20,257	20,722
Iceland	32	78	133	364	326	727	680	877
Norway	304	1,220	6,273	8,725	23,579	32,874	36,307	35,128
San Marino	.....	.....	.....	.....	135	248	.....	.....
Sweden	802	1,453	3,397	16,667	12,807	15,645	15,543	16,044
Switzerland	2,919	6,961	16,930	27,100	31,693	26,847	26,174	25,797
United Kingdom	3,308	5,201	11,904	27,300	27,973	27,264	27,947	28,282
Developing countries: Total[2]	9,349	33,295	147,213	328,337	1,132,343	2,040,669	2,347,344	2,368,031
By area:								
Africa	2,110	3,962	7,737	13,044	54,011	113,205	142,266	144,844
Asia[2]	2,772	8,130	44,490	190,363	719,917	1,306,583	1,468,142	1,476,216
China, P.R.: Mainland	.....	.....	10,733	15,441	214,815	575,454	684,443	690,069
India	512	1,087	4,213	4,584	50,174	92,704	109,404	111,928
Korea	169	485	2,556	12,463	89,272	147,166	155,002	155,338
Europe	381	2,680	5,359	16,006	140,924	302,163	380,203	392,731
Russia	.....	.....	.....	.....	32,840	123,499	179,463	186,797
Middle East	1,805	9,436	64,039	44,149	98,645	139,392	156,611	152,407
Western Hemisphere	2,282	9,089	25,563	64,774	118,846	179,327	200,123	201,832
Memo:								
Oil-exporting countries	2,030	9,956	67,108	46,144	110,079	186,921	224,269	222,724
Non-oil developing countries[2]	7,319	23,339	80,105	282,193	1,022,264	1,853,748	2,123,076	2,145,307

[1] Includes data for Luxembourg 1962–92. Includes data for European Central Bank (ECB) beginning 1999. Detail does not add to totals shown.

[2] Includes data for Taiwan Province of China.

Note.—International reserves is comprised of monetary authorities' holdings of gold (at SDR 35 per ounce), special drawing rights (SDRs), reserve positions in the International Monetary Fund, and foreign exchange.

U.S. dollars per SDR (end of period) are: 1962—1.00000; 1972—1.08571; 1982—1.10311; 1992—1.37500; 2002—1.3595; 2005—1.4293; October 2006—1.48004; and November 2006—1.50773.

Source: International Monetary Fund, *International Financial Statistics.*

TABLE B–112.—*Growth rates in real gross domestic product, 1988–2006*

[Percent change]

Area and country	1988–97 annual average	1998	1999	2000	2001	2002	2003	2004	2005	2006 [1]
World	3.4	2.8	3.7	4.9	2.6	3.1	4.1	5.3	4.9	5.1
Advanced economies	2.9	2.6	3.5	3.9	1.2	1.5	1.9	3.2	2.6	3.1
Of which:										
United States	3.0	4.2	4.5	3.7	.8	1.6	2.5	3.9	3.2	3.4
Japan	2.9	–1.8	–.2	2.9	.4	.1	1.8	2.3	2.6	2.7
United Kingdom	2.2	3.3	3.0	3.8	2.4	2.1	2.7	3.3	1.9	2.7
Canada	2.2	4.1	5.5	5.2	1.8	2.9	1.8	3.3	2.9	3.1
Euro area	.....	2.8	3.0	3.9	1.9	.9	.8	2.1	1.3	2.4
Germany	2.7	2.0	1.9	3.1	1.2	*	–.2	1.2	.9	2.0
France	1.9	3.3	3.0	4.0	1.8	1.1	1.1	2.0	1.2	2.4
Italy	1.9	1.4	1.9	3.6	1.8	.3	*	1.1	*	1.5
Spain	2.9	4.5	4.7	5.0	3.5	2.7	3.0	3.1	3.4	3.4
Netherlands	2.9	4.3	4.0	3.5	1.4	.1	.3	2.0	1.5	2.9
Belgium	2.6	1.9	3.1	3.7	1.2	1.5	.9	2.4	1.5	2.7
Austria	2.5	3.6	3.3	3.4	.8	.9	1.1	2.4	2.0	2.8
Finland	1.6	5.2	3.9	5.0	2.6	1.6	1.8	3.5	2.9	3.5
Greece	2.0	3.4	3.4	4.5	5.1	3.8	4.8	4.7	3.7	3.7
Portugal	3.7	4.8	3.9	3.9	2.0	.8	–1.1	1.2	.4	1.2
Ireland	5.9	8.5	10.7	9.2	5.7	6.0	4.3	4.3	5.5	5.8
Luxembourg	5.1	6.5	8.4	8.4	2.5	3.6	2.0	4.2	4.0	4.0
Memorandum:										
Major advanced economies [2]	2.7	2.6	3.1	3.6	1.1	1.2	1.8	3.0	2.4	2.9
Newly industrialized Asian economies [3]	7.3	–2.4	7.4	7.9	1.1	5.3	3.2	5.9	4.5	4.9
Other emerging market and developing countries	4.1	3.0	4.1	6.1	4.4	5.1	6.7	7.7	7.4	7.3
Regional groups:										
Africa	2.3	2.8	2.7	3.1	4.2	3.6	4.6	5.5	5.4	5.4
Central and eastern Europe	.9	2.9	.7	5.1	.3	4.5	4.7	6.5	5.4	5.3
Commonwealth of Independent States [4]	.....	–3.4	5.2	9.0	6.3	5.3	7.9	8.4	6.5	6.8
Russia	.....	–5.3	6.4	10.0	5.1	4.7	7.3	7.2	6.4	6.5
Developing Asia	7.9	4.2	6.2	7.0	6.1	7.0	8.4	8.8	9.0	8.7
China	9.9	7.8	7.1	8.4	8.3	9.1	10.0	10.1	10.2	10.0
India	6.0	5.9	6.9	5.3	4.1	4.3	7.2	8.0	8.5	8.3
Middle East	4.0	3.7	1.8	5.3	3.0	4.1	6.4	5.5	5.7	5.8
Western Hemisphere	2.9	2.3	.5	3.9	.5	.1	2.2	5.7	4.3	4.8
Brazil	2.0	.1	.8	4.4	1.3	1.9	.5	4.9	2.3	3.6
Mexico	3.0	5.0	3.8	6.6	*	.8	1.4	4.2	3.0	4.0

[1] All figures are forecasts as published by the International Monetary Fund.
[2] Includes Canada, France, Germany, Italy, Japan, United Kingdom, and United States.
[3] Includes Hong Kong SAR (Special Administrative Region of China), Korea, Singapore, and Taiwan Province of China.
[4] Includes Mongolia, which is not a member of the Commonwealth of Independent States, but is included for reasons of geography and similarities in economic structure.
* Figure is zero or negligible.

Note.—For details on data shown in this table, see *World Economic Outlook* published semiannually by the International Monetary Fund.

Sources: Department of Commerce (Bureau of Economic Analysis) and International Monetary Fund.