

Updated Summary NIPA Methodologies

THIS REPORT PRESENTS summary descriptions of the principal source data and methods used to prepare the current-dollar estimates of gross domestic product (GDP) and the estimates of real GDP.¹ These descriptions have been updated to reflect the methodological improvements that were introduced in the annual revision of the national income and product accounts (NIPAs) that was released in July 2001.²

Current-dollar estimates

Table 1 lists the components of current-dollar GDP starting with the components on the product side and proceeding to those on the income side. The subcomponents, with their dollar values for 2000, are grouped according to the methodology used to prepare them.

The column for the annual estimates covers the revision cycle for those estimates and notes the major differences in methodology as the estimates move through the three annual revisions to a benchmark revision.³ For example, for "most goods" in personal consumption expenditures (the first item on the product side), the table indicates one methodology for benchmark years and another for all other years.

The column for the quarterly estimates covers only the advance estimate for the current quarter—that is, the estimate prepared about a month after the end of the quarter. That estimate, rather than the preliminary or final quarterly estimate, is described because more attention focuses on the "first look" at the quarter. In addition, the column lists only the source data and methods; it does not indicate how many months of source data are available or whether the data are subject to revision by the source agency. Information on the key monthly source data appears each month in the "Business Situation" in the SURVEY OF CURRENT BUSINESS. Additional information on the monthly source data used for the advance estimate is available on BEA's Web site <www.bea.doc.gov>.

The source data listed consist of a variety of economic measures, such as sales or receipts, wages and salaries, unit sales, housing stock, insurance premiums, expenses, interest rates, mortgage debt, and tax collections. For most components, the source data are "value data"; that is, they encompass both the quantity and price dimensions that are required for current-dollar

estimates. In these cases, the methodology indicated in table 1 covers only the adjustment of the value data to derive estimates consistent with NIPA definitions and coverage.

For those estimates not derived from value data, the table indicates the combination of data with separate quantity and price dimensions that is used to derive the required value estimate and the major adjustments needed to derive estimates consistent with NIPA definitions and coverage. On the product side, a "physical quantity times price" method is used for several components. For example, the estimate for new autos is calculated as unit sales times expenditure per auto (the average list price with options, adjusted for transportation charges, sales tax, dealer discounts, and rebates). On the income side, an "employment times earnings times hours" method and variations of a "stock of assets/liabilities times an effective interest rate" method are used for several components.

Some of the source data shown in table 1 for the annual estimates are used as indicators to interpolate and extrapolate the levels established by source data that are more comprehensive, and all of the source data shown for the advance quarterly estimates are used to extrapolate the level of the preceding quarter. In addition, extrapolation and interpolation may be based on trends, as is the case when "judgmental trend" is listed in the table.⁴

Estimating methods.—Table 1 refers to four methods—commodity flow, retail control, perpetual inventory, and fiscal year analysis—used by BEA for estimating specific components.

The commodity-flow method is used to obtain the value of final users' purchases of goods and services (that is, commodities) for BEA's benchmark input-output accounts. These values serve as the benchmark for the NIPA estimates of personal consumption expenditures (PCE), of equipment and software, and of the commodity detail for State and local government consumption expenditures and gross investment.⁵ This method is also used for equipment and software in non-benchmark years, but it is implemented in an abbreviated form. An even more abbreviated commodity-flow method is used for current quarterly estimates of equipment and software.

The retail-control method is used to estimate over one-third of the value of PCE for periods other than benchmark years. This method provides the indicator

1. BEA has prepared a series of papers that provide detailed descriptions of NIPA concepts and methodologies. The methodologies described in these papers are subject to periodic improvements, which are typically introduced as part of annual and comprehensive revisions; these improvements are described in the articles in the SURVEY OF CURRENT BUSINESS that cover these revisions. For more information, see appendix B at the back of this issue.

2. See Brent R. Moulton, Eugene P. Seskin, and David F. Sullivan, "Annual Revision of the National Income and Product Accounts," SURVEY 81 (August 2001): 7–32.

3. For additional details on the release schedule for the NIPA estimates, go to BEA's Web site at <www.bea.doc.gov>, click on "Methodologies," and under "National programs," see "A Guide to the NIPAs," page M–22.

4. For a few components, the final quarterly estimates are based on newly available source data that replace judgmental trends.

5. For additional information on the commodity-flow method, see U.S. Bureau of Economic Analysis, *Personal Consumption Expenditures*, Methodology Paper No. 6 (Washington, DC: U.S. Government Printing Office (GPO), 1990): 31–34 and *GNP: An Overview of Source Data and Estimating Methods*, Methodology Paper No. 4 (Washington, DC: GPO, 1987): 16–17.

series used in extrapolating and interpolating the total of “most goods” and the “control” total to which the PCE categories and residential equipment included in this group must sum. These PCE categories consist of all goods except autos and trucks, food furnished to employees, food and fuel produced and consumed on farms, standard clothing issued to military personnel, school lunches, and net foreign remittances.⁶

The perpetual-inventory method is used to derive estimates of fixed capital stock, which in turn form the basis for the estimates of consumption of fixed capital. This method is based on investment flows and a geometric depreciation formula; it is used instead of direct measurement of the capital stock because direct measurement is seldom statistically feasible on a comprehensive basis.⁷

The fiscal year-analysis method provides the framework for the annual and quarterly estimates of Federal Government consumption expenditures and gross investment. The estimates of expenditures are prepared by program—that is, by activity for a group of line items or for an individual line item in the Budget of the U.S. Government. For most programs, the fiscal year analysis begins by adjusting budget outlays for coverage and for netting and grossing differences between these outlays and NIPA expenditures. The expenditures total (as adjusted) for a program is then classified by type of NIPA expenditure—for example, transfer payments and interest paid—with nondefense consumption expenditures and gross investment determined residually. When a fiscal year analysis is completed, the detailed array of NIPA expenditures by program and by type of expenditure serves as a set of control totals for the quarterly estimates.⁸

International transactions accounts (ITAs).—The source data for the foreign transactions reflected in most NIPA components—such as net exports of goods and services and rest-of-the-world corporate profits—are from the ITAs, which are also prepared by BEA.⁹ As noted in table 1, for some NIPA components, the ITA estimates are adjusted to conform to NIPA concepts and definitions.¹⁰ Annual estimates of these adjustments and their definitions are shown in NIPA table 4.5B, which was

last published in the August 2001 SURVEY on page 68; summary quarterly estimates are shown in “Reconciliation Tables” in appendix A of the SURVEY.

Other information.—In preparing the annual estimates of several of the income-side components, BEA adjusts the source data for various coverage and conceptual differences. For each subcomponent listed below, an annual NIPA table reconciles the value published by the source agency with the NIPA value published by BEA and identifies the BEA adjustments. The following is a list of the subcomponents and their corresponding reconciliation tables, which were last published in the August 2001 SURVEY beginning on page 118: Consumption of fixed capital, table 8.22; nonfarm proprietors’ income, table 8.23; farm proprietors’ income, table 8.24; corporate profits, table 8.25; net interest, table 8.26; and wages and salaries, table 8.27.

Real estimates

Table 2 shows which one of three methods—deflation, quantity extrapolation, and direct base-year valuation—is used to prepare the quantity index for each detailed product-side component of real GDP and identifies the source data with which the method is implemented.¹¹ Deflation is used for most of the detailed components. In deflation, the quantity index is obtained by dividing the current-dollar index by an appropriate price index that has the base year—currently 1996—equal to 100 and then by multiplying the result by 100.

The quantity-extrapolation and direct base-year-valuation methods are similar in that they both use explicit quantity data. In quantity extrapolation, quantity indexes are obtained by using a quantity indicator to extrapolate from the base-year value of 100 in both directions. In direct base-year valuation, quantity indexes are obtained by multiplying the base-year price by actual quantity data for the index period and then expressing the result as an index with the base year equal to 100.

The subcomponents in table 2 are the same as those shown in table 1, but the detail differs to highlight the alternative methodologies used for calculating the real estimates.¹²

Tables 1 and 2 follow. 

6. For additional information, see *Personal Consumption Expenditures*, 41–54; and *GNP: An Overview*, 17.

7. For additional information on the perpetual-inventory method, see U.S. Bureau of Economic Analysis, *Fixed Reproducible Tangible Wealth in the United States, 1925–94* (Washington, DC: U.S. Government Printing Office, August 1999: M-3—M-36; and *GNP: An Overview*, 17–18.

8. For additional information and an example of the fiscal year-analysis method, see U.S. Bureau of Economic Analysis, *Government Transactions*, Methodology Paper No. 5 (Washington, DC: U.S. Government Printing Office, 1988): 19–20.

9. See U.S. Bureau of Economic Analysis, *The Balance of Payments of the United States: Concepts, Data Sources, and Estimating Procedures* (Washington, DC: U.S. Government Printing Office, 1990). The methodologies described in this publication are subject to periodic improvements, which are typically introduced as part of the annual revision of the ITAs; these improvements are described in the SURVEY articles that cover the annual ITA revisions, most recently in Christopher L. Bach, “U.S. International Transactions, Revised Estimates for 1989–2000,” SURVEY 81 (July 2001): 30–36.

10. These adjustments are described in U.S. Bureau of Economic Analysis, *Foreign Transactions*, Methodology Paper No. 3 (Washington, DC: U.S. Government Printing Office, 1987): 15–25.

11. For additional information on the calculation of real GDP, go to BEA’s Web site at <www.bea.doc.gov>, click on “Methodologies,” and under “National programs,” see “A Guide to the NIPAs,” beginning on page M-14.

12. For the real estimates, the distinction between annual and quarterly methodologies is far less important than it is for the current-dollar estimates. For the relatively few cases in which the annual and quarterly source data differ, the major differences are noted in the entry.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)			
Personal consumption expenditures (\$6,728.4)	Durable and nondurable goods: (\$2,809.2) ¹		
	Most goods (except sub- components listed separately) (\$2,343.7)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years—Retail-control method, using retail sales from Census Bureau annual survey of retail trade or, for most recent year, monthly survey of retail trade.	Same as annual for other years.
	New autos (\$105.0)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years—Physical quantity purchased times average retail price: Unit sales, information to allocate sales among consumers and other purchasers, and average list price with options, all from trade sources. Transportation charges, dealer discounts, and rebates from BLS monthly survey of auto sales prices. Sales tax rate from Census Bureau annual survey of retail trade.	Same as annual for other years.
	Net purchases of used autos (\$59.1)	Benchmark years—For net transactions, residual based on net sales by other sectors. For dealers' margin, retail sales from Census Bureau quinquennial census and margin rate from Census Bureau annual survey of retail trade. Other years except most recent—For net transactions, change in consumer stock of autos from trade sources. For dealers' margin, for franchised dealers, unit sales and sales price from trade sources, times margin rate for independent dealers from Census Bureau annual survey of retail trade; for independent dealers, margin from Census Bureau annual survey of retail trade. Most recent year—For net transactions, same as other years except most recent. For dealers' margin, for franchised dealers, unit sales and sales price from trade sources; for independent dealers, sales from Census Bureau monthly survey of retail trade.	For net transactions, residual based on net sales by other sectors. For dealers' margin, judgmental trend.
	New trucks (\$113.4)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years except most recent—Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey and including an adjustment for exports and imports from Census Bureau foreign trade data. Most recent year—Physical quantity purchased times average retail price: Unit sales, information to allocate sales among consumers and other purchasers, and average list price, all from trade sources.	Same as annual for most recent year.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Personal consumption expenditures—Continued	Durable and nondurable goods—Continued:		
	Gasoline and oil ² (\$165.3)	<p>Benchmark years—Physical quantity purchased times average retail price: Gallons consumed from the Department of Transportation; information to allocate that total among consumers and other purchasers from Federal agencies and trade sources; average retail price from Census Bureau quinquennial census.</p> <p>Other years except most recent—Same as benchmark years, except average retail price from the Energy Information Administration.</p> <p>Most recent year—Physical quantity purchased times average retail price: Gallons consumed and average price from the Energy Information Administration.</p>	Same as annual for most recent year.
	Food furnished to employees (including military) (\$9.4)	<p>Benchmark years—For commercial employees, number of employees of relevant industries from BLS tabulations times BEA estimate of per capita expenditures for food; for military personnel, outlays from the <i>Budget of the United States</i> prepared by the Office of Management and Budget.</p> <p>Other years—Same as benchmark years, except per capita expenditures for food based on BLS consumer price index for food.</p>	For commercial employees, same as annual for other years; for military personnel, judgmental trend.
	Expenditures abroad by U.S. residents (\$3.3) less personal remittances in kind to nonresidents (\$2.0)	Estimated as part of the international transactions accounts; see entry for "exports and imports of services, net," under net exports of goods and services.	Judgmental trend.
	Services: (\$3,919.2)		
	Nonfarm dwellings—space rent for owner-occupied and rent for tenant-occupied (\$912.0)	<p>Benchmark years—Based on data on housing stock and average annual rent from Census Bureau decennial census of housing and survey of residential finance, adjusted for utilities included in rent.</p> <p>Other years—Based on data on housing stock and average annual rent from Census Bureau biennial housing survey or on the number of housing units from Census Bureau monthly current population survey and BLS consumer price index for rent.</p>	For housing stock, judgmental trend; for average rent, BLS consumer price index for rent.
Rental value of farm dwellings (\$7.7)	<p>Benchmark years—Based on data on housing stock and average annual rent from Census Bureau decennial census of housing and survey of residential finance.</p> <p>Other years—Based on data on current cost of farm housing stock from BEA capital stock series.</p>	Judgmental trend.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Personal consumption expenditures—Continued	Services—Continued:		
	Motor vehicle repair, rental and other services; other repair services; other purchased intercity transportation; legal and funeral services; barber-shops, beauty parlors, and health clubs; nursing homes; laundries; employment agency fees; accounting and tax return preparation services; recreation (except cable TV, casino gambling, parimutuel net receipts, lotteries, and computer online services); hotels and motels; commercial business, trade, and correspondence schools; educational services not elsewhere classified; research organizations and foundations (\$620.0)	<p>Benchmark years—Receipts and expenses from Census Bureau quinquennial census adjusted for receipts from business and governments.</p> <p>Other years—Receipts for spectator sports from trade sources; for educational services not elsewhere classified and foundations, from BLS annual tabulations of wages and salaries of employees covered by State unemployment insurance; for others in this group, receipts and expenses from Census Bureau service annual survey.</p>	<p>For nursing homes, research organizations and foundations, employment agency fees, and clubs and fraternal organizations, wages and salaries derived from BLS monthly employment times earnings times hours; for commercial business, trade, and correspondence schools, and for education services not elsewhere classified, employment times BLS consumer price index for technical and business school tuition and fees; for legitimate theaters and motion pictures, receipts from trade sources; for radio and TV repair, number of TV's based on stock and sales from trade source times BLS consumer price index for video and audio; for hotels and motels, rooms rented times average price per room from trade source; for others in this group, judgmental trend.</p>
	Physicians, dentists, and other professional medical services (\$454.1)	<p>Benchmark years—For nonprofit professional services, expenses, and for others in this group, receipts, adjusted for government consumption, all from Census quinquennial census.</p> <p>Other years—Receipts and expenses, adjusted for government consumption, from Census Bureau service annual survey.</p>	<p>For physicians and dentists, judgmental trend; for other professional medical services, wages and salaries derived from BLS monthly employment times earnings times hours.</p>
Private nursery schools, elementary and secondary schools, day care, welfare activities, political organizations, foundations, and trade unions and professional associations (\$190.7)	<p>Benchmark years—For religious-affiliated schools, enrollment from the Department of Education times BEA estimate of average expenditures per pupil; for nursery schools and day care, expenditures from BLS consumer expenditure survey; for others in this group, receipts and expenses from Census Bureau quinquennial census.</p> <p>Other years except most recent—For nursery schools and day care, same as benchmark years; for others in this group, from BLS annual tabulations of wages and salaries of employees covered by State unemployment insurance.</p> <p>Most recent year—For nursery schools and day care, judgmental trend; for others in this group, from BLS annual tabulations of wages and salaries of employees covered by State unemployment insurance.</p>	<p>For political organizations and foundations, judgmental trend; for elementary and secondary schools, employment times BLS consumer price index for all items; for others in this group, wages and salaries derived from BLS monthly employment times earnings times hours.</p>	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Personal consumption expenditures—Continued	Services—Continued:		
	Financial services furnished without payment by banks, credit agencies, and investment companies ³ (\$265.4)	See entry for "imputed—banks, credit agencies, and investment companies" under net interest.	Judgmental trend.
	Brokerage charges and investment counseling, bank service charges, intercity transportation except other, and private higher education (\$232.0)	Years except most recent—For private higher education, expenses, and for others in this group, receipts from annual reports of government administrative agencies. Most recent year—For brokerage charges, bank service charges, and intercity transportation, receipts from annual reports of government administrative agencies; for private higher education, enrollment from the Department of Education times price index for higher education from trade source.	For stock brokerage charges, stock exchange transactions from trade sources; for income from sales of investment company securities, sales of open-end investment company shares from trade source; for other brokerage charges and investment counseling and for bank services charges, judgmental trend; for intercity transportation, receipts from trade sources; for private higher education, employment times BLS consumer price index for all items.
	Domestic service (\$16.0)	Benchmark years—For cleaning services, receipts from Census Bureau quinquennial census; for other domestic services, number of workers times weekly hours times earnings from BLS. Other years—Number of workers times weekly hours times earnings from BLS.	Judgmental trend.
Public education and hospitals, water and other sanitary services, and lotteries (\$191.5)	Years except most recent—For lotteries, net receipts from Census Bureau quinquennial census and annual surveys of State and local governments, adjusted to a calendar year basis from a fiscal year basis; for others in this group, receipts from the same sources. Most recent year—Judgmental trend.	Judgmental trend.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Personal consumption expenditures—Continued	<p>Services—Continued:</p> <p>Insurance, private hospitals, religious activities, cable TV, electricity, natural gas, telephone, and local transport (\$893.1)</p>	<p>Benchmark years—For life insurance, expenses from trade sources; for medical and hospitalization insurance, premiums and benefits from the Health Care Financing Administration; for other insurance, premiums and benefits from trade sources; for private hospitals, receipts and expenses from Census Bureau quinquennial census; for cable TV and telephone, receipts from Census Bureau quinquennial census; for religious activities, expenses based on contributions and membership from trade sources; for electricity and gas, receipts from Energy Information Administration; for local transport, receipts from trade source.</p> <p>Years except most recent—For medical and hospitalization insurance, BLS employer costs for employee health insurance and wages and salaries from BLS annual tabulations of employees covered by State unemployment insurance; for private hospitals, expenses from trade source; for cable TV, receipts from Census Bureau service annual survey; for telephone, receipts from the Federal Communications Commission; for others in this group, same as benchmark years.</p> <p>Most recent year—For life insurance, wages and salaries from BLS annual tabulations of employees covered by State unemployment insurance; for medical and hospitalization insurance, same as years except most recent; for other insurance, judgmental trend; for private hospitals, receipts and expenses from Census Bureau service annual survey; for religious activities, expenses based on population from the Census Bureau and per capita disposable personal income from BEA; for local transport, passenger trips from trade source times BLS consumer price index for intracity mass transit; for electricity and natural gas, same as benchmark years; for cable TV, receipts from trade sources; for telephone, receipts from company reports to the Securities and Exchange Commission and trade sources.</p>	<p>For life insurance, hospitals, and religious activities, wages and salaries derived from BLS monthly employment times earnings times hours; for cable TV, number of cable TV and direct broadcast satellite subscribers from trade source; for electricity and gas, projected quantities based on degree-day data from the National Oceanic and Atmospheric Administration times prices based on BLS consumer price indexes for electricity and gas; for cellular telephone, number of subscribers from trade source times BLS consumer price index for cellular telephone service; for others in this group, judgmental trend.</p>
	<p>Foreign travel by U.S. residents (\$80.7) less expenditures in the United States by nonresidents (\$97.9)</p>	<p>Estimated as part of the international transactions accounts; see entry for "exports and imports of services, net," under net exports of goods and services.</p>	<p>Same as annual.</p>

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Personal consumption expenditures—Continued	Services—Continued: Other services: Casino gambling; motor vehicle leasing; parimutuel net receipts; other housing except hotels and motels; bridge, etc. tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; money orders and classified advertising; and computer online services (\$154.0)	Various source data.	For casino gambling, receipts from State agencies; for motor vehicle leasing, number of leased vehicles based on registrations and terms from trade source, and lease payments based on new vehicle prices, BEA depreciation schedules, and Federal Reserve Board interest rates on new motor vehicle loans; for others in this group, judgmental trend.
	Fixed investment (\$1,718.1)	Nonresidential structures: (\$313.6)⁴ Utilities: Telecommunications (\$18.8) Utilities: Other (\$32.8) Mining exploration, shafts, and wells (\$27.6) Industrial buildings (\$30.2) Other nonfarm buildings and structures (\$198.2) Farm buildings (\$5.2)	Value put in place from Census Bureau monthly construction survey. Expenditures from Federal regulatory agencies and trade sources. Benchmark years—Expenditures from Census Bureau quinquennial census. Years except most recent—For petroleum and natural gas, physical quantity times average price: Footage drilled and cost per foot from trade sources; for other mining, expenditures from Census Bureau annual capital expenditure survey. Most recent year—For petroleum and natural gas, physical quantity times average price: Footage drilled and cost per foot from trade sources, extrapolated with BLS producer price index for oil and gas well drilling. Benchmark years, except 1992—Value put in place from Census Bureau monthly construction survey and improvements from Department of Energy commercial buildings energy consumption survey. For 1992, tabulations from Census Bureau annual capital expenditure survey, adjusted for undercoverage. Other years—Value put in place from Census Bureau monthly construction survey. Benchmark years—Value put in place from Census Bureau monthly construction survey and improvements from Department of Energy commercial buildings energy consumption survey. Other years—Value put in place from Census Bureau monthly construction survey. Expenditures for new construction from Department of Agriculture surveys.	Same as annual. Judgmental trend. For petroleum and natural gas, same as annual for most recent year; for mining, judgmental trend. Same as annual for other years. Same as annual for other years. Value put in place from Census Bureau monthly construction survey.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Fixed investment— Continued	Nonresidential equipment and software: (\$979.5)		
	Equipment, except autos (\$755.4)	Benchmark years—Commodity-flow method, starting with manufacturers' shipments from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data. Other years—Abbreviated commodity-flow method, starting with manufacturers' shipments from Census Bureau annual survey or, for most recent year (except aircraft and trucks), monthly survey of manufactures and including an adjustment for exports and imports from Census Bureau foreign trade data. For aircraft, manufacturers' shipments from Census Bureau current industrial report, adjusted for exports and imports. For trucks, domestic and North American imports, physical quantity purchased times average retail price: Unit sales, information to allocate sales among business and other purchasers, and average list price, all from trade sources; for truck trailers, shipments from Census Bureau current industrial report.	For trucks, see entry for "new trucks" under personal consumption expenditures; for others in this group, same as annual for other years but with less detail.
	New and used autos (\$41.0)	For new autos, see entry for "new autos" under personal consumption expenditures; for used autos, change in business stock of autos at least 1-year old from trade source.	For new autos, same as annual; for used autos, judgmental trend.
	Software (\$183.1)	Benchmark years—For purchased software, commodity-flow method, starting with industry receipts data from Census Bureau quinquennial census and including an adjustment for exports and imports from Census Bureau foreign trade data; for own-account software, production costs based on BLS employment data and on Census Bureau quinquennial census. Other years—For purchased software, commodity-flow method, starting with industry receipts data from Census Bureau service annual survey and including an adjustment for exports and imports from Census Bureau foreign trade data; for own-account software, production costs based on BLS employment data or, for most recent 2 years, private fixed investment in computers and peripheral equipment.	For purchased software, receipts from company reports to the Securities and Exchange Commission and retail sales of business software from trade sources; for own-account software, same as annual for most recent 2 years.
	Residential investment: (\$425.1) ⁵		
	Permanent-site new single-family housing units (\$220.7)	Value put in place based on phased housing starts and average construction cost from Census Bureau monthly construction survey.	Same as annual.
	Permanent-site new multi-family housing units (\$28.1)	Value put in place from Census Bureau monthly construction survey.	Same as annual.
	Manufactured homes (\$10.9)	Benchmark years—See entry for "equipment, except autos" under nonresidential equipment and software. Other years—Physical quantity shipped times price: Shipments from trade source and average retail price from Census Bureau monthly survey.	Same as annual for other years.
Improvements (\$102.4)	Expenditures by owner-occupants from BLS quarterly consumer expenditure survey and by landlords from Census Bureau quarterly survey of landlords.	Judgmental trend.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Fixed investment— Continued	Residential investment— Continued:		
	Brokers' commissions (\$55.4)	Physical quantity times price times BEA estimate of average commission rate: Number of single-family houses sold and mean sales price from Census Bureau monthly construction survey and trade source.	Same as annual.
	Equipment (\$9.4)	See entry for "most goods" under personal consumption expenditures.	Same as annual.
Change in private inventories (\$49.4)	Manufacturing and trade (\$48.0)	<p>Benchmark years—Inventories from Census Bureau quinquennial censuses revalued to current replacement cost, with information on the proportions of inventories reported using different accounting methods, on the commodity composition of goods held in inventory, and on the turnover period, all from Census Bureau quinquennial censuses and annual surveys, combined with prices, largely based on BLS producer price indexes. (The difference between Census Bureau change in inventories and BEA change in private inventories is the IVA.)</p> <p>Other years except most recent—Inventories from Census Bureau annual surveys, revalued as described above.</p> <p>Most recent year—For retail auto dealers, quantities times average prices from trade sources; for all other, inventories from Census Bureau monthly surveys, revalued as described above.</p>	Same as annual for most recent year.
	Construction, mining, utilities, and other nonfarm industries (\$3.1)	<p>Benchmark years—Mining and construction inventories from Census Bureau quinquennial censuses revalued to current replacement cost as described above for manufacturing and trade.</p> <p>Other years except most recent—Internal Revenue Service tabulations of business tax returns, revalued as described above.</p> <p>Most recent year—Census Bureau quarterly survey of mining corporations, monthly physical quantities from the Energy Information Administration combined with BLS producer price indexes for electric utilities, and for all others, judgmental trend, revalued as described above (except when noted as physical quantity times price).</p>	For electric utilities, same as annual for most recent year; for all others, judgmental trend.
	Farm (-\$1.8)	Changes in physical quantities times current prices from Department of Agriculture surveys.	For crops, BEA quarterly allocation of Department of Agriculture annual projections of crop output and cash receipts; for livestock, Department of Agriculture quarterly data.
Net exports of goods and services (-\$364.0)	Exports and imports of goods, net (-\$459.3)	<p>Estimated as part of the international transactions accounts: Export and import documents compiled monthly by the Census Bureau with adjustments by BEA for coverage and valuation to convert the data to a balance-of-payments basis.</p> <p>Adjusted for the balance-of-payments coverage of U.S. territories and Puerto Rico with data from the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and the Census Bureau, and coverage of gold transactions adjusted with data from the U.S. Geological Survey and trade sources.</p>	For territorial adjustment and coverage of gold, judgmental trend; for all other, same as annual.
	Exports and imports of services, net (\$95.4)	Estimated as part of the international transactions accounts: For government transactions, reports by Federal agencies on their purchases and sales abroad; for most others in this group (including travel, passenger fares, other transportation, and royalties and license fees), BEA quarterly or annual surveys (supplemented with data from other sources). Adjusted for the balance-of-payments coverage of U.S. territories and Puerto Rico, see entry above; adjusted to include financial services furnished without payment, see entry for "imputed—banks, credit agencies, and investment companies" under net interest, and adjusted for NIPA treatment of military grants.	For territorial adjustment, judgmental trend; for all others, same as annual.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Government consumption expenditures and gross investment (\$1,741.0)	Federal national defense consumption of general government fixed capital (\$63.8)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Federal national defense, except consumption of general government fixed capital (\$311.6)	Within a control total established by fiscal year analysis: For compensation, military wages from the <i>Budget of the United States</i> prepared by the Office of Management and Budget, civilian wages and benefits from the Office of Personnel Management, and other labor income for Federal employee retirement plans from outlays from the <i>Monthly Treasury Statement</i> ; for other than compensation, by type, based mainly on data from Department of Defense reports; for software, see entry for "software" under nonresidential equipment and software.	For components of compensation, military employment from the Department of Defense and civilian employment from BLS; for other than compensation, same as annual; for software, see entry for "software" under nonresidential equipment and software.
	Federal nondefense consumption of general government fixed capital (\$26.6)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Federal nondefense, except consumption of general government fixed capital (\$188.2)	Within a control total established by fiscal year analysis: For Commodity Credit Corporation inventory change, book values of acquisitions and physical quantities of dispositions from agency reports times average market prices from the Department of Agriculture; for compensation, civilian wages and benefits from the Office of Personnel Management and other labor income for Federal employee retirement plans from outlays from the <i>Monthly Treasury Statement</i> ; for petroleum sales (Naval Petroleum Reserve), distribution and price data from the Department of Energy; for research and development, obligations from the National Science Foundation and disbursements from the National Aeronautics and Space Administration; for construction, value put in place from Census Bureau monthly construction survey; for software, see entry for "software" under nonresidential equipment and software; for all others, outlays from the <i>Monthly Treasury Statement</i> .	For components of compensation, employment from BLS; for software, see entry for "software" under nonresidential equipment and software; for other than compensation and software, same as annual.
	State and local compensation of general government employees, except own-account investment (\$661.8)	For financial services furnished without payment, see entry for "imputed—banks, credit agencies, and investment companies" under net interest.	For wages and salaries, derived from BLS monthly employment times earnings from BLS employment cost index; for other compensation, judgmental trend.
	State and local structures (\$165.0)	For wages and salaries, BLS annual tabulations of wages and salaries of employees covered by State unemployment insurance; for employer contributions for social insurance, tabulations from the Social Security Administration and other agencies administering social insurance programs; for other labor income, trade sources, Health Care Financing Administration, Census Bureau annual surveys of State and local government retirement funds, adjusted to a calendar year basis from a fiscal year basis and Census Bureau annual surveys of State and local governments, adjusted to a calendar year basis from a fiscal year basis.	Same as annual.
	State and local software (\$16.4)	Value of construction put in place from Census Bureau monthly construction survey.	See entry for "software" under nonresidential equipment and software.
	See entry for "software" under nonresidential equipment and software.	See entry for "software" under nonresidential equipment and software.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Product side (GDP of \$9,872.9 billion for 2000)—Continued			
Government consumption expenditures and gross investment—Continued	State and local brokerage charges and financial services furnished without payment (\$14.3)	See entries for “brokerage charges” and “financial services furnished without payment” under personal consumption expenditures for services.	See entries for “brokerage charges” and “financial services furnished without payment” under personal consumption expenditures for services.
	State and local consumption of general government fixed capital (\$89.8)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	
	State and local consumption expenditures and gross investment, except compensation, structures, software, brokerage charges and financial services furnished without payment, and consumption of fixed capital (\$203.5)	Years except 3 most recent—Total expenditures from Census Bureau quinquennial census and annual surveys of State and local governments, selectively replaced with source data that are more appropriate for the NIPA’s and adjusted as follows: For coverage; for netting and grossing differences; to a calendar year basis from a fiscal year basis; for other timing differences; to exclude interest, subsidies, net expenditures of government enterprises, and transfer payments; and to exclude compensation and structures. Three most recent years—Judgmental trend.	
Income side (Gross national income of \$9,991.2 billion for 2000)			
Compensation of employees (\$5,715.2)⁶	Wage and salary accruals: Private industries (\$4,068.8)	For most industries, BLS annual tabulations of wages and salaries of employees covered by State unemployment insurance; for others, wages from a variety of sources (such as the Department of Agriculture for farms and the Railroad Retirement Board for railroad transportation), adjusted for understatement of income on tax returns and for coverage differences.	For most industries, wages and salaries derived from BLS monthly employment times earnings times hours; for others, judgmental trend.
	Wage and salary accruals: Federal Government (\$195.6)	For civilians, wages from the Office of Personnel Management; for military personnel, wages from the <i>Budget of the United States</i> prepared by the Office of Management and Budget.	For civilians, employment from BLS and judgmental trend; for military personnel, employment from the Department of Defense and judgmental trend.
	Wage and salary accruals: State and local governments (\$572.9)	BLS annual tabulations of wages and salaries of employees covered by State unemployment insurance.	Derived from BLS monthly employment times earnings from BLS employment cost index.
	Employer contributions for social insurance (\$343.8)	Tabulations from the Social Security Administration and other agencies administering social insurance programs.	For Federal programs, BEA-derived wages and salaries of employees covered by the programs; for State and local government programs, judgmental trend.
	Other labor income: Group health insurance (\$300.1)	Years except 3 most recent—Total contributions from the Health Care Financing Administration less employee contributions from BLS consumer expenditure survey. Third most recent year—Employer costs for health insurance from Department of Health and Human Services survey. Two most recent years—BLS employer costs for employee health insurance and wages and salaries from annual tabulations of employees covered by State unemployment insurance.	Judgmental trend.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Income side (Gross national income of \$9,991.2 billion for 2000)—Continued			
Compensation of employees— Continued	Other labor income: Government employee retirement plans (\$113.5)	Years except most recent—For Federal plans, outlays from the <i>Monthly Treasury Statement</i> ; for State and local government plans, Census Bureau annual surveys of State and local government retirement funds, adjusted to a calendar year basis from a fiscal year basis. Most recent year—For Federal plans, same as years except most recent; for State and local government plans, Census Bureau annual surveys of State retirement funds, adjusted to a calendar year basis from a fiscal year basis.	For Federal plans, same as annual for most recent year; for State and local government plans, judgmental trend.
	Other labor income: Private pension and profit-sharing (\$69.8)	Years except 2 most recent—Tabulations from the Department of Labor. Two most recent years—Employer costs for employee compensation from BLS or Internal Revenue Service tabulations of business tax returns.	Judgmental trend.
	Other labor income: Workers' compensation (\$33.7)	Years except most recent—Employer contributions from trade sources and contributions for self-insured plans from the Social Security Administration. Most recent year—Judgmental trend.	Judgmental trend.
	Other labor income: Group life insurance (\$12.4)	Years except most recent—Group premiums and estimates of employer share from trade sources. Most recent year—Judgmental trend.	Judgmental trend.
Proprietors' income with IVA and CCAAdj (\$715.0)	Farm income with IVA (\$38.2)	Department of Agriculture data on net income, obtained by deriving gross income (cash receipts from marketing, inventory change, government payments, other cash income, and nonmoney income) and subtracting production expenses, adjusted to exclude corporate income based on Department of Agriculture quinquennial census and annual survey data.	For crops, BEA quarterly allocation of Department of Agriculture annual projections of crop output; for livestock, Department of Agriculture quarterly projections of cash receipts and inventories; for both crops and livestock, quarterly allocation of Department of Agriculture annual projections of government subsidy payments and production expenses.
	Farm CCAAdj (-\$7.6)	See entry for "CCAAdj" under consumption of fixed capital.	
	Nonfarm income (\$625.9)	Years except most recent—Income from Internal Revenue Service tabulations of business tax returns, adjusted for understatement of income on tax returns and for conceptual differences. Most recent year—For construction, trade, and services, indicators of activity (such as value of housing put in place); for most others, judgmental trend.	Same as annual for most recent year.
	Nonfarm IVA (-\$1.1)	See entry for "IVA" under corporate profits with IVA and CCAAdj.	
	Nonfarm CCAAdj (\$59.6)	See entry for "CCAAdj" under consumption of fixed capital.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Income side (Gross national income of \$9,991.2 billion for 2000)—Continued			
Rental income of persons (\$141.6)	Owner-occupied nonfarm housing (\$138.3)	<p>Benchmark years—Derived as space rent (see entry for “nonfarm dwellings” under personal consumption expenditures) less related expenses, including property insurance from trade source; mortgage interest and property taxes from Census Bureau decennial survey of residential finance.</p> <p>Other years—Same as benchmark years, except mortgage interest, based on mortgage debt from the Federal Reserve Board times a BEA interest rate, and property taxes from Census Bureau annual surveys of State and local tax collections.</p>	For owner-occupied space rent, same as annual; for depreciation, interest, closing costs, real estate dealers’ commissions, and taxes, based on NIPA estimates of those components; for other expenses, judgmental trend.
	Tenant-occupied nonfarm housing (\$45.9)	Same as owner-occupied nonfarm housing, adjusted to cover only rental income accruing to persons not primarily engaged in the real estate business from Census Bureau decennial survey of residential finance.	Same as annual.
	Farms owned by nonoperator landlords (\$6.6)	Prepared in conjunction with farm proprietors’ income; see entry for “farm income with IVA” under proprietors’ income with IVA and CCAAdj.	Judgmental trend.
	Nonfarm nonresidential properties (\$2.6)	<p>Benchmark years—Nonfarm nonresidential fixed assets from BEA capital stock series times a rate of return on capital based on Internal Revenue Service tabulations of business tax returns.</p> <p>Other years—BEA capital stock series and judgmental trend.</p>	Judgmental trend.
	Royalties (\$9.2)	<p>Years except most recent—Internal Revenue Service tabulations of royalties reported on individual income tax returns.</p> <p>Most recent year—Judgmental trend.</p>	Judgmental trend.
	CCAAdj (-\$61.0)	See entry for “CCAAdj” under consumption of fixed capital.	
Corporate profits with IVA and CCAAdj (\$876.4)	Domestic profits before tax (\$708.6)	<p>Years except most recent—Receipts less deductions from Internal Revenue Service tabulations of business tax returns, adjusted for understatement of income on tax returns and for conceptual differences.</p> <p>Most recent year—Profits from Census Bureau quarterly survey of corporate profits, regulatory agency reports, and compilations of publicly available corporate financial statements.</p>	For some industries in transportation and in finance, judgmental trend; for others, same as annual for most recent year. (Released at time of preliminary estimate of GDP for the first, second, and third quarters and of final estimate for the fourth quarter.)
	Rest-of-the-world profits before tax (\$136.8)	Estimated as part of the international transactions accounts: For direct investment income, BEA surveys; for portfolio income, Treasury Department surveys. Adjusted for NIPA coverage of U.S. territories and Puerto Rico—see entry for “exports and imports of goods, net,” under net exports of goods and services.	Same as annual. (Released on same schedule as domestic profits before tax.)
	IVA (-\$12.4)	The IVA on the income side (for corporations and for nonfarm sole proprietorships and partnerships) and the IVA on the product side (described under the entry for “change in private inventories”) differ because the source data reflect different proportions of inventories reported using different accounting methods (last-in, first-out (LIFO), etc.). The income-side IVA is based on the product-side IVA, adjusted by the relationship between non-LIFO inventories from Internal Revenue Service tabulations of business tax returns and non-LIFO inventories from the Census Bureau.	Same as annual.
	CCAAdj (\$43.4)	See entry for “CCAAdj” under consumption of fixed capital.	

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Income side (Gross national income of \$9,991.2 billion for 2000)—Continued			
Net interest (\$532.7)	Domestic monetary, net (\$187.4)	Years except most recent—For farm interest paid, Department of Agriculture surveys; for residential mortgage interest paid, Census Bureau decennial survey of residential finance and mortgage debt from the Federal Reserve Board times a BEA interest rate; for most other interest paid and received by business, Internal Revenue Service tabulations of business tax returns, adjusted for misreporting on tax returns and for conceptual differences. Most recent year—For farm and mortgage interest paid, same as other years; for other interest, interest receipts and payments from regulatory agencies (such as the Federal Deposit Insurance Corporation), from trade sources, or obtained by applying BEA interest rates to interest-bearing assets/liabilities from Federal Reserve Board flow-of-funds accounts.	Derived by combining estimates of (1) interest received by persons, (2) government interest paid and received, and (3) interest paid by persons. For (1), judgmental trend; for (2), <i>Monthly Treasury Statement</i> for Federal and judgmental trend for State and local; for (3), consumer debt from the Federal Reserve Board times BEA estimates of interest rates. (Released on same schedule as domestic profits before tax.)
	Rest-of-the-world monetary, net (-\$122.6)	Estimated as part of the international transactions accounts: For direct investment income, BEA surveys; for portfolio income, Treasury Department surveys. Adjusted for NIPA coverage of U.S. territories and Puerto Rico—see entry for "exports and imports of goods, net," under net exports of goods and services.	Same as annual. (Released on same schedule as domestic profits before tax.)
	Imputed—banks, credit agencies, and investment companies (\$275.1)	Property income earned on investment of deposits less monetary interest paid to depositors (and for mutual depositories, profits from Internal Revenue Service tabulations of business tax returns) from annual reports of regulatory agencies and the Federal Reserve Board. Imputed interest (financial services furnished without payment) is allocated to persons, government, and the rest of the world on the basis of deposit liabilities from the same sources.	Judgmental trend.
	Imputed—life insurance carriers (\$192.8)	Property income earned and profits from Internal Revenue Service tabulations of business tax returns, trade sources, and the Federal Reserve Board.	Judgmental trend. (Released on same schedule as domestic profits before tax.)
	Business transfer payments (\$43.9)	Payments to persons: For charitable contributions, for years except most recent, Internal Revenue Service tabulations of business tax returns or, for most recent year, judgmental trend; for other components (such as liability payments for personal injury), for years except most recent, information from government agency reports and trade sources or, for most recent year, judgmental trend. Payments to the rest of the world: Estimated as part of the international transactions accounts.	Judgmental trend.
	Indirect business nontax liability (\$762.7)	For excise taxes, collections from the Bureau of Alcohol, Tobacco, and Firearms and the Internal Revenue Service; for customs duties, receipts from the <i>Monthly Treasury Statement</i> ; and for nontaxes (such as fines), receipts from the <i>Budget of the United States</i> prepared by the Office of Management and Budget.	For customs duties, <i>Monthly Treasury Statement</i> ; for most excise taxes, derived from indicators of activity (such as gasoline production for gasoline tax); for others in this group, judgmental trend.
	State and local governments (\$651.5)	Receipts from Census Bureau quinquennial census and annual surveys, adjusted to a calendar year basis from a fiscal year basis.	Judgmental trend.

See footnotes at end of table.

Table 1.—Principal Source Data and Estimating Methods Used in Preparing Estimates of Current-Dollar GDP—Continued

Component (billions of dollars)	Subcomponent (billions of dollars)	Annual estimates: Source data and methods used to determine level for benchmark and other years or used to prepare an extrapolator or interpolator	Advance quarterly estimates: Source data and methods used to prepare an extrapolator
Income side (Gross national income of \$9,991.2 billion for 2000)—Continued			
Subsidies less current surplus of government enterprises (\$37.6)	Federal Government (\$46.8)	For subsidies, payments by the Commodity Credit Corporation from agency reports and, for most other agencies, outlays from the <i>Monthly Treasury Statement</i> ; for current surplus, mainly reports of various agencies, such as the Postal Service, and consumption of fixed capital estimates derived with perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	For subsidies, Commodity Credit Corporation reports and judgmental trend; for current surplus, judgmental trend and consumption of fixed capital estimates derived with perpetual-inventory calculations at current cost, based on gross investment and on investment prices.
	State and local governments (-\$9.2)	For subsidies, limited to railroad, Census Bureau annual surveys of expenditures adjusted to a calendar year basis from a fiscal year basis. For current surplus: For current operating receipts, mainly revenue data from Census Bureau annual surveys of State and local governments, adjusted to a calendar year from a fiscal year basis; for current operating expenditures, see entries for "State and local consumption of general government fixed capital" and "State and local consumption expenditures and gross investment, except compensation, structures, software, brokerage charges and financial services furnished without payment, and consumption of fixed capital" under Government consumption expenditures and gross investment.	Judgmental trend.
Consumption of fixed capital (\$1,241.3)	Government: (\$211.3)		
	General government (\$180.1)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Government enterprise (31.2)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Private: (\$1,029.9)	Perpetual-inventory calculations at current cost, based on gross investment and on investment prices.	Same as annual.
	Capital consumption allowances (\$1,056.3)	Years except most recent—For depreciation of corporations and of nonfarm sole proprietorships and partnerships, Internal Revenue Service tabulations of business tax returns, adjusted for conceptual differences; for other depreciation (including noncorporate farms, nonprofit institutions, and owner-occupied houses), perpetual-inventory calculations based on investment at acquisition cost; for accidental damage to fixed capital, losses reported to insurance companies and government agencies. Most recent year—For depreciation of corporations and nonfarm sole proprietorships and partnerships, BEA estimates of tax-return-based depreciation; for other depreciation and accidental damage to fixed capital, same as years except most recent.	Judgmental trend.
Less: CCAAdj (\$26.4)	For corporations and nonfarm sole proprietorships and partnerships, the difference between tax-return-based calculations and perpetual-inventory calculations; for others (including noncorporate farms, nonprofit institutions, and owner-occupied houses), the difference between perpetual-inventory calculations at historical cost and current cost.	Judgmental trend.	

1. Includes \$12.0 billion for food produced and consumed on farms, standard clothing issued to military personnel, and used trucks.

2. The retail-control method cited under "personal consumption expenditures (PCE) for most goods" is based on retail trade sales data that include sales of gasoline service stations. Estimates of PCE for gasoline and oil are derived separately and are deducted from the retail-control totals (that include goods sold by gasoline service stations) to derive the estimates for "PCE for most goods."

3. Also referred to as "services furnished without payment by financial intermediaries, except life insurance carriers."

4. Includes \$0.7 billion for brokers' commissions on sale of structures and net purchases of used structures.

5. Includes -\$1.8 billion for other structures (dormitories, fraternity and sorority houses, nurses' homes, etc.)

and net purchases of used structures.

6. Includes -\$5.2 billion for "wage and salary accruals: rest of the world, net," and \$4.7 billion for "other labor income: supplemental unemployment, directors' fees, and judicial fees."

BLS Bureau of Labor Statistics
 CCAAdj Capital consumption adjustment
 IVA Inventory valuation adjustment
 NIPA National income and product account

Source: 2000 estimates—SURVEY OF CURRENT BUSINESS, August 2001.

Table 2.—Methodology Used in Preparing Estimates of Real GDP

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Personal consumption expenditures	Durable and nondurable goods:				
	Most goods (except subcomponents listed separately).	Except as noted, CPI; military clothing, PPI			
	New autos.....	CPI			
	Net purchases of used autos....				Used autos, in two parts: (1) Margin, unit sales from trade sources with dealers' margins from Census Bureau and trade sources; (2) net transactions, net change in unit stock of autos held by consumers by year of original sale, valued by depreciated original value in base-year dollars.
	New trucks	CPI			
	Gasoline and oil	CPI			
	Food furnished to employees (including military).	CPI			
	Expenditures abroad by U.S. residents less personal remittance in kind to nonresidents.		Foreign consumer price indexes (exchange-rate adjusted).		
	Services:				
	Nonfarm dwellings—space rent for owner-occupied and rent for tenant-occupied.	CPI			
Rental value of farm dwellings.			BEA value of farm housing stock derived from Department of Agriculture data on capital expenditures, depreciation, and farm dwelling construction costs.		

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Personal consumption expenditures—Continued	Services—Continued:				
	Motor vehicle repair, rental and other services; other repair services; other purchased intercity transportation; legal and funeral services; barbershops, beauty parlors, and health clubs; nursing homes; laundries; employment agency fees; accounting and tax return preparation services; recreation (except cable TV, casino gambling, parimutuel net receipts, lotteries, and computer online services); hotels and motels; commercial business, trade, and correspondence schools; educational services not elsewhere classified; research organizations and foundations.	Except as noted, CPI; private for-profit nursing homes and employment agency fees, PPI	Private nonprofit nursing homes, composite index of input prices from the Health Care Financing Administration; clubs and fraternal organizations, and nonprofit research and foundation expenses, BEA composite indexes of input prices.		
	Physicians, dentists, and other professional medical services.	Except as noted, CPI; physicians, home health care, and medical laboratories, PPI			
	Private nursery schools, elementary and secondary schools, day care, welfare activities, political organizations, foundations, and trade unions and professional associations.	.....	BEA composite indexes of input prices.		
Financial services furnished without payment by banks, credit agencies, and investment companies. ¹	.....	Investment companies "total deductions," BEA composite index of input prices.	Banks, BLS index of total output (less BEA real bank service charges); credit agencies, paid employee hours of relevant financial institutions; investment companies "implicit charges," BEA orders derived from volume data from trade sources.		

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Personal consumption expenditures—Continued	Services—Continued:				
	Brokerage charges and investment counseling, bank service charges, intercity transportation except other, and private higher education.	Except as noted, CPI	Airline transportation, BEA index based on revenue per passenger mile from the Department of Transportation and trade source and CPI for airline fares; private higher education, BEA composite index of input prices.	Stock brokerage charges, BEA orders, derived from volume data from the Securities and Exchange Commission and trade sources; mutual fund sales charges, value of new sales deflated by CPI.	
	Domestic service	CPI			
	Public education and hospitals, water and other sanitary services, and lotteries.	Except as noted, CPI; public hospitals, PPI			
	Insurance, private hospitals, religious activities, cable TV, electricity, natural gas, telephone, and local transport.	Except as noted, CPI; private for-profit hospitals, PPI	Life insurance and religious activities, BEA composite indexes of input prices; private nonprofit hospitals, composite indexes of input prices from the Health Care Financing Administration.	Auto insurance, premiums deflated by CPI; health insurance, benefits deflated by CPI.	
	Foreign travel by U.S. residents less expenditures in the United States by nonresidents.	Expenditures in the United States, CPI	Foreign travel, BEA composite index of foreign consumer price indexes (exchange-rate adjusted).		
Other services: Casino gambling; motor vehicle leasing; parimutuel net receipts; other housing except hotels and motels; bridge, etc., tolls; other household operation except repairs and insurance; travel and entertainment card fees; stenographic and reproduction services; money orders and classified advertising; and computer online services.	Except as noted, CPI	Auto and truck leasing, BEA index based on CPI's for new vehicles and Federal Reserve Board interest rates on new-car loans by auto finance companies.	Parimutuel net receipts, gross winnings deflated by CPI.		

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Fixed Investment	Nonresidential structures:				
	Utilities.....	Gas and petroleum pipelines, PPI	Telecommunications, cost index from trade source; railroads, BEA price index; other, cost indexes from trade sources and government agencies.		
	Mining exploration, shafts, and wells.	Casing, oil and gas well drilling, oil and gas field services, and geophysical exploration, PPI	Mines, implicit price deflator for nonfarm nonresidential buildings.	Drilling, footage by geographic area from trade source.	
	Nonfarm buildings and structures.	.....	Buildings, BEA index based on cost index from trade source and on Census Bureau price deflator for single-family houses under construction; structures, cost indexes from government agencies.		
	Farm buildings.....	.....	Implicit price deflator for nonfarm nonresidential buildings.		
	Nonresidential equipment and software:				
	Equipment, except autos, telephone and telegraph installation, telephone switching equipment, and telephone and telegraph apparatus.	Domestic components, except as noted, PPI; imported transportation equipment, PPI	Imported, components, except transportation equipment, BLS import price indexes.		
	New and used autos	New autos, CPI	.....	.....	Used autos, in two parts: (1) Margin, unit sales from trade sources with dealers' margins from Census Bureau and trade sources; (2) net transactions, net change in unit stock of autos held by consumers by year of original sale, valued by depreciated original value in base-year dollars.
	Telephone and telegraph installation.	.....	BEA cost index.		
	Telephone switching equipment.	.....	BEA price index.		
	Telephone and telegraph apparatus.	.....	BEA price index.		
	Software	Prepackaged software, PPI	Own-account and custom software, BEA cost index, BLS employment cost index, and PPI.		

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Fixed Investment— Continued	Residential investment:				
	Permanent-site new single-family housing units.	.....	Census Bureau price deflator for single-family houses under construction.		
	Permanent-site new multi-family housing units.	.....	BEA price index.		
	Manufactured homes	PPI			
	Improvements .....	.....	Major replacements, BEA composite index of input prices; additions and alterations, BEA index based on Census Bureau price deflator for single-family houses under construction and BEA index for major replacements.		
	Brokers' commissions	PPI			
	Equipment	CPI			
Change in private inventories	Nonfarm: Purchased goods, all industries.	Except as noted, PPI	Crude petroleum, composite price from the Energy Information Administration; imported goods purchased by trade industries, BLS import price indexes.	.....	Quantities and prices of stocks of coal, petroleum, and natural gas for utilities from the Energy Information Administration.
	Nonfarm: Work-in-process and finished goods, manufacturing.	Except as noted, PPI	BEA indexes of unit labor cost.		
	Farm .....	.....	Department of Agriculture average market price.		

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Net exports of goods and services ²	Exports and imports of goods. ²	Gold; semi-conductor exports, selected transportation equipment; selected agricultural foods, feeds, and beverages; and selected imports of refined petroleum, PPI	BLS export and import price indexes; electric energy exports and imports, and petroleum imports, unit-value indexes based on Census Bureau values and quantities.		
	Exports and imports of services. ²	Travel receipts, medical receipts, and nonresident students' expenditures, CPI; selected other transportation, PPI	Military transfers and direct defense expenditures abroad, selected deflators for "Federal national defense, except consumption of general government fixed capital" (see below); passenger fares, BLS export and import price indexes; travel payments for miscellaneous services, and U.S. students' expenditures abroad, BEA composite index of foreign consumer price indexes (exchange-rate adjusted); selected other transportation, BLS export and import price indexes; royalties and fees, and other private services, BEA price indexes, CPI, PPI, and implicit price deflator for final sales to domestic purchasers.	Exports of financial services furnished without payment, ¹ BLS index of total bank output (less BEA real bank service charges).	

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Government consumption expenditures and gross investment	Federal national defense consumption of general government fixed capital.	.....	.....	.....	Perpetual-inventory calculations based on gross investment.
	Federal national defense, except consumption of general government fixed capital.	Selected goods, PPI; utilities and communications, CPI and PPI	Some goods, some services, and most military structures, BEA indexes based on Department of Defense prices paid; some services, BLS monthly earnings; nonmilitary structures, cost indexes from trade sources and government agencies; own-account software, BEA index derived from nondefense compensation; custom software, BEA index derived from nondefense compensation price index and PPI.	Military compensation, full-time equivalent employment by rank and length of service; civilian compensation, full-time equivalent employment by grade, adjusted for change from base year in hours worked.	Many goods, some services, and a few military structures, quantities and prices from Department of Defense reports; electricity and natural gas, quantities from the Department of Energy.
	Federal nondefense consumption of general government fixed capital.	.....	.....	.....	Perpetual-inventory calculations based on gross investment.
	Federal nondefense, except consumption of general government fixed capital.	Most goods, PPI; rent, utilities, and communications, CPI	Structures, cost indexes from trade sources and government agencies; most services, BLS monthly earnings; own-account software, BEA index derived from nondefense compensation; custom software, BEA index derived from nondefense compensation price index and PPI.	Compensation, full-time equivalent employment by grade, adjusted for change from base year in hours worked; financial services furnished without payment, ¹ BLS index of total bank output (less BEA real bank service charges).	Net purchases of agricultural commodities by the Commodity Credit Corporation, quantities by crop from agency reports and Department of Agriculture prices; selected petroleum transactions, quantities and prices from the Department of Energy.
	State and local compensation of general government employees, except own-account investment.	.....	.....	Employees in education, full-time equivalent employment by education and experience, adjusted for change from base year in hours worked; other employees, full-time equivalent employment, adjusted for change from base year in hours worked.	

See footnotes at end of table.

Table 2.—Methodology Used in Preparing Estimates of Real GDP—Continued

Component	Subcomponent	Deflation, using price based on—		Using quantity for—	
		Components of CPI or PPI	Other	Extrapolation	Direct valuation
Government consumption expenditures and gross investment—Continued	State and local structures .....	.....	Cost indexes from trade sources and government agencies.		
	State and local software.....		See entry for “software” under nonresidential equipment and software.		
	State and local brokerage charges and financial services furnished without payment.	.....	.....	See entries for “brokerage charges” and “financial services furnished without payments” under personal consumption expenditures for services.	
	State and local consumption of general government fixed capital.	.....	.....	.....	Perpetual-inventory calculations based on gross investment.
	State and local consumption expenditures and gross investment, except compensation, structures, software, brokerage charges and financial services furnished without payment, and consumption of fixed capital.	Services, except as noted, CPI; electricity, hospitals, most professional services, and goods, except as noted, PPI	Transportation, books, and postal services, BEA indexes based on Federal nondefense prices paid; elementary and secondary education, welfare and libraries, BEA composite indexes of input prices; maintenance and repair services, BEA composite price index for State and local construction.		

1. Also referred to as “services furnished without payment by financial intermediaries, except life insurance carriers.”

2. Estimates of real exports and imports of goods and services are prepared separately. Real net receipts of income from the rest of the world—the difference between real GDP and GNP—is prepared by deflation using the implicit price deflator for final sales to domestic purchasers except for imputed interest paid to nonresidents,

which is prepared by extrapolation using BLS index of total bank output (less BEA real bank service charges).

BLS Bureau of Labor Statistics
 CPI Consumer price index
 PPI Producer price index