Economic Report of the President

Transmitted to the Congress
February 2005

together with
THE ANNUAL REPORT
of the
COUNCIL OF ECONOMIC ADVISERS

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ECONOMIC REPORT OF THE PRESIDENT

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

The United States is enjoying a robust economic expansion because of the good policies we have put in place and the strong efforts of America's workers and entrepreneurs. Four years ago, our economy was sliding into recession. The bursting of the high-tech bubble, revelations of corporate scandals, and terrorist attacks hurt our economy, leading to falling incomes and rising unemployment.

We acted by passing tax relief so American families could keep more of their own money. At the same time, we gave businesses incentives to invest and create jobs. Last year, we gained over 2 million new jobs, and the economy's production of goods and services rose by 4.4 percent. The unemployment rate is now 5.2 percent, which is lower than the average of each of the past three decades and the lowest since the attacks of September 11, 2001. Our pro-growth policies are taking us in the right direction.

As I start my second term, we must take action to keep our economy growing. I will not be satisfied until every American who wants to work can find a job. I have laid out a comprehensive strategy to sustain growth, create jobs, and confront the challenges of a changing America.

I am committed to restraining spending by eliminating government programs that do not work and by making government provide important services more efficiently. I have pledged to cut the deficit in half by 2009, and we are on track to do so.

The greatest fiscal challenges we face arise from the aging of our society. Because Americans are having fewer children and living longer, seniors are becoming a larger proportion of the population. This change has important implications for the Social Security system, because the benefits paid to retirees come from taxes on today's workers. In 1950, there were 16 workers paying into Social Security for every person receiving benefits. Now there are just over 3, and that number will fall to 2 by the time today's young workers

retire. We will not change Social Security for those now retired or nearing retirement. We need to permanently fix the Social Security system for our children and grandchildren. I will work with the Congress to fix Social Security for generations to come.

The current tax code is a drag on the economy. It discourages saving and investment, and it requires individuals and businesses to spend billions of dollars and millions of hours each year to comply with the complicated system. I will lead a bipartisan effort to reform our tax code to make it simpler, fairer, and more pro-growth.

We are working to make health care more affordable and accessible for American families. The Medicare modernization bill I signed gives seniors more choices and helps them get the benefits of modern medicine and prescription drug coverage. We have created health savings accounts, which give workers and families more control over their health care decisions. We will open or expand more community health centers for those in need. To help control health costs and make health care more accessible, we must let small businesses pool risks across states so they can get the same discounts for health insurance that big companies get. We will increase the use of health information technology that will make health care more efficient, cut down on mistakes, and control costs.

Our litigation system encourages junk lawsuits and harms our economy, and the system must be reformed. I support medical liability reform to control the cost of health care, keep good medical professionals from being driven out of practice, and ensure that patient care—not avoidance of lawsuits—is the central concern in all medical decisions. I support class action reform to eliminate the waste, inefficiency, and unfairness of the class-action system. And I support reforms to the asbestos litigation system in order to protect victims with asbestos-related injuries and prevent frivolous lawsuits that harm our economy and cost jobs.

I will continue to push for energy legislation to help keep our economy strong. We must modernize our electricity system to make it more reliable. To make our energy supply more secure, we must explore for more energy in environmentally friendly ways in our own country, develop alternative sources of energy, and encourage conservation.

I will work to further simplify and streamline federal regulations that hinder growth and encumber our job creators. Our economy needs to allow entrepreneurs to spend more time doing business and less time with their lawyers and accountants.

I believe that Americans benefit from open markets and free and fair trade, and I am working to open up markets around the world and make sure that

the playing field is level for our workers, farmers, manufacturers, and other job creators. In the past four years, we concluded free-trade agreements with Singapore, Chile, Australia, Morocco, Bahrain, Jordan, and six countries in Central America and the Caribbean. My Administration will continue to work to expand trade on a multilateral, regional, and bilateral basis, and to enforce our trade laws to help ensure a level playing field.

I have a plan to prepare our young people for the jobs of the 21st century. We have brought greater accountability to our public schools and are working to improve our high schools. We have made Pell grants available to one million more students, and we will work to make college more affordable by increasing the size of Pell grants for low-income students. We are reforming our workforce training programs to help Americans obtain the skills needed for the jobs that our economy is creating.

I have an ambitious agenda for the next four years. During my first term, working with the Congress, I put policies in place to ensure a rapid recovery and to support strong growth. In my second term, together we will cut the budget deficit in half, fix Social Security, reform the tax code, reduce the burden of junk lawsuits, ensure a reliable and affordable energy supply, continue to promote free and fair trade, help make health care affordable and accessible for American families, and expand the quality and availability of educational opportunities. These policies will produce an economic environment that continues to unleash the creativity and energy of the American people.

THE WHITE HOUSE
FEBRUARY 2005

THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., February 11, 2005

MR. PRESIDENT:

The Council of Economic Advisers herewith submits its 2005 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,

N. Gregory Mankiw
Chairman

Kristin J. Forbes
Member

Harvey S. Rosen
Member

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Overview

In 2004, the U.S. economic recovery blossomed into a full-fledged expansion, with strong output growth and steady improvement in the labor market. Real gross domestic product (GDP) grew by 4.4 percent in 2004 for the year as a whole. About 2.2 million new payroll jobs were created during 2004—the largest annual gain since 1999. The unemployment rate fell to 5.4 percent by year's end, below the average of each of the past three decades. Inflation remained moderate, especially excluding volatile energy prices. The U.S. economy is on a solid footing for sustained growth in the years to come.

This is a marked reversal from the economic situation the Nation faced when President Bush came into office. Four years ago, the economy was sliding into recession after the bursting of the high-tech bubble of the 1990s. The economy was then affected by revelations of corporate scandals, slow growth among our major trading partners, and the terrorist attacks of September 11, 2001. Business investment slowed sharply in late 2000 and remained soft for more than two years. The economy lost over 900,000 jobs from December 2000 to September 2001, and then almost another 900,000 jobs in the three months after the 9/11 attacks.

Prompt and decisive policy actions helped to counteract the effects of these adverse shocks to the economy. Substantial tax relief together with expansionary monetary policy provided stimulus to aggregate demand that softened the recession and helped put the economy on the path to recovery. In addition to providing timely short-term stimulus, the President's pro-growth tax policies have improved incentives for work and capital accumulation, thereby fostering an environment conducive to long-term economic growth.

This *Report* discusses macroeconomic developments of the past year, the Administration's forecast for the years to come, and several topics related to salient economic issues.

The Year in Review and the Years Ahead

Chapter 1, *The Year in Review and the Years Ahead*, reviews economic developments in 2004 and discusses the Administration's forecast for 2005 to 2010. Solid economic growth continued in 2004, and the Administration's forecast calls for further expansion in 2005, with real GDP growing faster than its historical average and the unemployment rate continuing to decline. The economy is expected to continue on a path of strong, sustainable growth.

Real GDP expanded by 3.7 percent during the four quarters of 2004, and by 4.4 percent for the year as a whole compared with 2003. The solid advance in real GDP during 2004 was supported by gains in consumer spending, business fixed investment, and, to a lesser extent, housing investment, inventory accumulation, and government spending. Net exports (exports less imports) held down growth in all four quarters as the trade deficit rose in the third quarter to a record high as a percentage of GDP. Progress toward strengthened economic growth among U.S. trading partners led to an increase in exports, but imports continued to outpace exports as U.S. domestic demand and demand for imported oil remained strong. The economy's strong growth performance came about in the face of higher oil prices, which likely reduced growth somewhat during the year. The Administration expects real GDP to grow 3.5 percent during the four quarters of 2005, in line with the consensus of professional forecasters. This growth is expected to be driven by continued gains in consumer spending, investment growth, and stronger net exports.

The labor market strengthened during the year. The unemployment rate, which declined 0.5 percentage point to 5.4 percent by the end of 2004, is projected to edge down further to 5.3 percent by the fourth quarter of 2005. Nonfarm payroll employment, which grew about 180,000 per month during 2004, is projected to grow about 175,000 per month in 2005, in line with other professional forecasts.

Inflation increased from the extremely low levels of 2003, partly because of rapid increases in energy prices. Inflation as measured by the consumer price index excluding food and energy remained in the moderate 2 percent range, and inflation expectations remain low.

The economy made these advances even as energy prices soared, the Federal Reserve raised interest rates, and the demand-side effects of fiscal policy stimulus began to recede in the second half of 2004. This continued growth indicates that the economy has shifted from a policy-supported recovery to a self-sustaining expansion.

Expansions Past and Present

Chapter 2, *Expansions Past and Present*, compares the current economic expansion to previous expansions. The current expansion and the previous one that started in 1991 followed especially shallow recessions, and both exhibited relatively moderate overall growth in key economic variables. Shallow recessions typically are followed by shallow recoveries and deep recessions by robust recoveries. The recent recession stands out in that there were no consecutive quarters of decline, with revised data showing that real GDP dropped in the third quarter of 2000 and the first and third quarters of 2001, but grew in the intervening quarters.

Consumption and residential investment continued to grow throughout the recession, while business investment fell sharply in the recession and continued to decline for five quarters after the overall economy had bottomed out. Both of these developments likely reflect the important role of fiscal and monetary stimulus in supporting household demand and the unusual extent to which the recession resulted from a collapse in investment following the bubble of the late 1990s. The relationship between firms' abilities to invest and the state of economic activity has been deemed the "financial accelerator," in that changes in activity affect firms' ability to invest and this in turn further affects activity, in a way that tends to accentuate economic fluctuations. Fiscal and monetary policy actions have counterbalanced these forces. Without the boost to disposable income from tax relief, the recession would have been deeper and longer.

The relatively weak payroll employment growth in the initial stages of the current expansion likely reflects both the shallowness of the recession and the unusually strong growth of productivity in the recession and expansion. In an average expansion before the 1990s, employment recovered along with output at the start of the expansion and regained its previous peak about three quarters after the trough. In the expansion of the 1990s, however, employment continued to fall for two quarters after the expansion had commenced and did not reach its previous peak value until another six quarters had passed. In the most recent expansion, employment continued to fall for seven quarters after the recession had ended and regained its prerecession level only at the beginning of 2005, some 12 quarters after the end of the recession.

The moderate employment growth reflects especially strong productivity growth during the current expansion. Productivity growth has averaged 4.2 percent per year at an annual rate in the most recent expansion, up substantially from the 2.5 percent growth rate seen on average from 1995 to 2000. In the short run, greater productivity growth sets the bar higher for employment growth. With increased productivity, a given amount of output can be produced with fewer hours worked, so real GDP must grow more quickly for employment to grow. In the long run, however, higher productivity growth leads to higher income per person, and will thus be expected to be positive for employment growth.

That the recent recessions and expansions have been especially moderate suggests the possibility that the economy has become more stable in general. If so, then part of this stability is likely attributable to more active and timelier stabilization policy. Other factors possibly contributing to a more stable economy include improved inventory management that lessens the volatility of production changes, and the ongoing shift in the U.S. economy toward the service sector, the output of which has typically been more stable than the production of goods.

Options for Tax Reform

Chapter 3, *Options for Tax Reform*, discusses why tax reform is vital to a stronger economy, and examines several basic prototypes for reform. The President has not endorsed any specific proposal, and the chapter does not advocate the adoption of any particular prototype for reform.

The current Federal tax system is unnecessarily complex and distorts incentives for work, saving, and investment. In addition to the dollar amounts of taxes paid, the tax system imposes two indirect burdens on taxpayers and on the U.S economy as a whole: the costs (in time and money) of complying with tax rules and the costs (including slower economic growth) of tax-induced distortions of economic activity. The Internal Revenue Service estimated that for tax year 2000, individual taxpayers spent 3.2 billion hours on tax compliance, an average of 25.5 hours per return, and spent $19 billion on tax preparers, computer software, and similar expenses.

High tax rates reduce incentives for work, saving, and investment, distort economic decisions, and divert resources from productive activity into tax avoidance, ultimately reducing economic growth and lowering living standards. High tax rates lead people to work less, to take their compensation in nontaxable forms such as health insurance, and to alter their portfolios to focus on tax-favored investments. The current tax system also distorts many business decisions, resulting in inefficient use of resources and reduced economic output. Double taxation of corporate income raises the cost of capital and would therefore be expected to have an adverse effect on investment. Double taxation further leads firms to finance investment with debt instead of equity, creates a bias in favor of using business forms such as partnerships and subchapter S corporations that are not subject to the double tax, and discourages paying dividends. The Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) reduced this double tax by reducing the individual income tax rates for both dividends and capital gains, and appears to have led to a sizable increase in dividend payments by firms.

Tax reform proposals generally follow either the principle of taxing consumption or the principle of reforming the existing system to conform more closely to a pure income tax.

Most proposals for tax reform involve variations on a few basic types of taxes. The main types of consumption taxes are the retail sales tax, the value added tax, the flat tax, and the consumed income tax. The *retail sales tax* imposes tax liability when an individual purchases goods or services for consumption, whereas the *value added tax* levies tax on the same base but the tax is collected instead on the value added to the good or service at each stage of its production. The *flat tax* consists of a business tax and an individual-level tax, both with a single flat tax rate, in which wages are taxed at the individual

level rather than being included in the business tax base. This allows for building progressivity into the system by providing an exemption of, say, $40,000 for a family of four. While these taxes appear to be quite different, they are equivalent from an economic standpoint because consumption is the overall tax base in each case.

Important benefits could also be obtained through simplification and reform of the current tax system. A reformed version of the current system would reduce transition and adjustment costs, and considerable benefits could be obtained by simplifying and rationalizing tax provisions that overlap or are otherwise overly complex.

The Administration's tax program has already significantly reformed the tax system. Achievements include lowering marginal tax rates, reducing the double tax on corporate income, simplification, and improved fairness for families. The tax relief passed during the President's first term also increased the overall progressivity of the Federal tax system. The bottom 40 percent of the population in terms of income received the largest percentage reductions in total Federal taxes, and the share of taxes paid by the top 20 percent in terms of income increased as a result of the tax cuts enacted since 2001.

Possible additional reforms would be to lower tax rates further and broaden the base; rationalize the current multitude of saving incentives; further reduce or eliminate the remaining double taxation of corporate income; and simplify the complex system of depreciation rules. Reform within the current system would also address the Alternative Minimum Tax (AMT), which adds considerable complexity, and which, under current law, is expected to affect a rapidly growing number of taxpayers over the next five years.

Although tax reform has been discussed for many years, it is a particularly pressing need at the current time. Increasing numbers of taxpayers will be affected by the Alternative Minimum Tax, which will be a major source of frustration and complexity. In addition, the tax reductions enacted since 2001 will expire in a few years unless they are extended or a new, reformed tax system is adopted. If these provisions are allowed to expire, the result will be substantial increases in taxes on taxpayers in all income groups, with the largest percentage increases being imposed on lower- and middle-income households.

Immigration

Chapter 4, *Immigration*, examines the economic impact and implications of immigration. In recent decades, the United States has experienced a surge in immigration not seen in over a century. Immigration has touched every facet of the U.S. economy and, as the President has said, America is a stronger

and better Nation for it. A comprehensive accounting of the benefits and costs of immigration shows that the benefits of immigration exceed the costs.

Immigrants have settled in all parts of our Nation and have generally succeeded in finding jobs quickly, helped in large measure by the flexibility of the U.S. labor market. One indicator of this success is that foreign-born workers in the United States have a higher labor force participation rate and a lower unemployment rate than foreign workers in most major immigrant-receiving countries.

While flexible institutions may speed the economic integration of the foreign-born, the distribution of the gains from immigration can be uneven. Less-skilled U.S. workers who compete most closely with low-skilled immigrants have experienced downward pressure on their earnings as a result of immigration, although most research suggests these effects are modest. Also, communities contending with a large influx of low-skilled immigrants may experience an increased tax burden as immigrant families utilize publicly provided goods such as education and health care.

U.S. immigration policy faces a complicated set of challenges, perhaps more so now than ever before. Policy should preserve America's traditional hospitality to lawful immigrants and promote their economic contributions. Yet these goals must be balanced with the Nation's many needs, including the imperative for orderly and secure borders. These challenges have only grown in a post-9/11 world. The persistence of undocumented immigration and problems with employment-based immigration suggest that current policy falls short in addressing the demand for immigrant workers and the need for national security. The President's proposed Temporary Worker Program recognizes these problems and would implement necessary reforms.

Expanding Individual Choice and Control

Chapter 5, *Expanding Individual Choice and Control*, examines the role played by property rights in providing the link between people's effort and their reward. Having property rights allows people to know that they will reap the rewards of their efforts and entrepreneurship.

When used in economics, the term *resource* refers not just to natural resources, such as land or clean air, but to anything of value, such as skills. A *property right* refers broadly to the arrangements society uses to assign people control over resources. Property rights have a variety of names, including deeds, titles, permits, vouchers, allowances, or accounts. Patents and copyrights are also property rights, establishing control over inventions, books, songs, and other creative concepts. The essential idea is the same in each case: the owner of the property right controls how something valuable is used.

That control is defined using a bundle of specific rights. The bundle is commonly thought to consist of three main elements: the right to exclusive use of the resource, the right to income derived from the resource, and the ability to transfer those rights. Property rights can include a range of those elements, from weak rights (which might only include the right to use the resource) to strong rights in all three elements.

Property rights have a profound effect on the choices people make. In addition to giving them the incentive to maintain and invest in things, people will use resources more prudently if they own them. Property rights are essential for markets to function. The lack of a clear title might prevent a car purchase. A home buyer is unlikely to sign on the dotted line if she is not sure that the seller actually owns the house. Without property rights, would-be entrepreneurs cannot secure loans they might need to help their businesses grow.

Property rights are essential to the efficient operation of markets, which in turn allocate resources to their most highly valued use. Clearly defined rights are important in avoiding overuse of resources and in encouraging the improvement of resources. Property rights further provide incentives to invest in, maintain, and improve resources over time. The benefits of homeownership come about because individuals have control and responsibility over their property and their lives.

The thoughtful application of property rights has already brought about a number of policy improvements. Introducing a property-rights regime for air quality reduced emissions almost 30 percent more than the required level and achieved annual cost savings estimated at hundreds of millions of dollars per year. The use of property rights for fisheries has mitigated overfishing while increasing commercial fishermen's profits and promoting a more stable industry. The application of property rights to education has facilitated greater school choice and improved student performance. These uses of property rights have given control to people with the best information and incentives to use the resources in question.

Providing people with ownership, individual choice, and control of assets could help address several current concerns. Giving families more control over their retirement by establishing personal retirement accounts they actually own would improve the Social Security system. Offering people greater control over the money used for their health care would reduce health care spending and increase the number of people with health care insurance. Providing countries greater ownership (that is, more control) over how they use the development assistance they receive will make them active partners in the programs funded.

Innovation and the Information Economy

Chapter 6, *Innovation and the Information Economy,* provides an overview of recent developments in information technology and discusses some of the economic issues relevant to this especially dynamic sector of the economy. Innovation and information technology are increasingly key contributors to economic growth and productivity. Our Nation's growing prosperity depends on fostering an environment in which innovation will flourish.

Information technology has made many workplace tasks easier, boosting people's productivity. One recent study finds that labor productivity in the nonfarm business sector grew at an annual rate of 2.4 percent from 1996 through 2001, and attributes nearly three-quarters of this growth to the accumulation of information technology capital together with improvements in how people use this capital. Of the 2.9 percent growth in real gross domestic product (GDP) in 2003, some 0.8 percentage point was attributable to information technology.

A key development of the growing information economy is that more people are using computers and communicating over the Internet. Usage of the Internet includes email and the rapid growth of e-commerce, which includes transactions with consumers and transactions between businesses. Consumers have benefited from e-commerce through the greater variety of goods available online and through the additional competition and lower prices resulting from the spread of e-commerce. A downside is the rise of online theft, vandalism, and fraud. The Administration has taken actions to protect property rights and ensure that the Internet and other new technologies are safe venues for commerce.

The process by which innovations such as the Internet come about involves the invention, commercialization, and diffusion of new ideas. At each of these stages, people are spurred to action by the prospect of reaping rewards from their investment. Government thus has an important role to play in defining and protecting property rights in intellectual and physical capital so that entrepreneurs will be spurred to innovate.

In a free market, innovators vie to lower the cost of goods and services, to improve their quality and usefulness, and—most importantly—to develop new goods and services that promise benefits to customers. An innovation will succeed if it passes the market test by profitably delivering greater value to customers. Successful innovations blossom, attracting capital and diffusing rapidly through the market, while unsuccessful innovations can wither just as quickly. In this way, markets allow capital to flow to its highest-valued uses. Competition drives the broad diffusion of innovative low-cost, high-quality information services. This has held true in markets for mobile wireless telephones, satellite television, and dial-up and broadband Internet services.

This engine of growth can falter, however, if government policies distort the market signals that guide innovative activity. Well-meaning policies to promote the diffusion of a service or foster entry into new markets can have unintended consequences. A policy to subsidize an existing service so that more people will consume it can deter development of innovative new services that people might otherwise prefer. In addition, potential pioneering investors forced to share the fruits of their investment with new entrants would find it less profitable to invest in the first place, and a new market may never be developed. As circumstances change and industries evolve, existing government regulations may need rethinking. In particular, economic regulations aimed at correcting an absence of competition may lose their rationale when competition from new technologies emerges.

The Global HIV/AIDS Epidemic

Chapter 7, *The Global HIV/AIDS Epidemic,* examines the economic issues posed by the acquired immunodeficiency syndrome (AIDS) epidemic. The disease has already killed over 25 million people, and currently over 40 million people are living with the human immunodeficiency virus (HIV), the virus that causes AIDS. The chapter discusses the nature of the crisis, its consequences, and what governments can do to create affordable access to existing treatments while encouraging research toward the development of new medical therapies to combat this disease.

The impact of HIV/AIDS varies across the world, both in terms of the scale of the epidemic and the ability to treat infected individuals. Less-developed countries are particularly hard hit on both accounts. Almost two thirds of all people with HIV live in sub-Saharan Africa, a region that makes up only one tenth of the world's population. At the same time, few infected individuals in the region receive adequate treatment for the disease.

While the disease's impacts on human health and mortality are widely recognized, the HIV/AIDS epidemic also has devastating economic consequences that exacerbate the humanitarian crisis. AIDS deepens poverty, intensifies food shortages, and, in some cases, erases decades of economic progress. HIV/AIDS-related illnesses directly decrease the income of an affected household. Even if an infected family member is able to work, a sick worker is likely to be less productive than a healthy one. The disease predominantly affects the working-age population, and thus can leave too few people to support the aging and young populations. AIDS can also impose debilitating costs on other members of a household, for example as other family members may need to miss work or school to care for a patient. The disease can further change the way that affected families make long-term decisions,

because they do not expect family members to live as long and because their needs become more immediate due to pressing health concerns. As a result, children may be pulled out of school in order to supplement the declining family income, resulting in a loss in the children's future earning potential. Impacts such as this can combine to create a vicious cycle of increased poverty in the short run and an inability of households to improve their condition in the long run.

The President has made fighting the worldwide HIV/AIDS epidemic a priority of U.S. foreign policy. He has taken bold action against the crisis through his Emergency Plan for AIDS Relief. Understanding the unique challenges presented by this epidemic is essential to designing policies to prevent the spread of the disease and to treat those who are already infected. A comprehensive and integrated approach of prevention, treatment, and care is essential to quelling the epidemic. In poor countries, treatment affordability and the lack of health care infrastructure are major concerns. Compassionate pricing policies and aid from developed nations can play an important role in expanding access to treatment.

To continue the development of better treatments and to work toward eradication of HIV/AIDS, drug companies need to maintain the highest possible quality of research. Intellectual property laws are important to ensuring appropriate incentives for innovation to create the next generation of therapies and to develop a safe and effective vaccine.

Modern International Trade

Chapter 8, *Modern International Trade*, examines the benefits of free trade and discusses the progress the Administration has made in opening global markets. Open markets and free trade raise living standards both at home and abroad. Any move toward economic isolationism would threaten the competitive gains made by U.S. exporters while harming U.S. consumers and firms that benefit from imports.

The President's policy of opening markets around the world is based on a long history of intellectual support for free trade, starting with the nineteenth century theory of comparative advantage advanced by David Ricardo. Ricardo illustrated the ways in which free trade allows countries to mutually benefit from specializing in producing products at which they are adept and then exchanging those products. This rationale remains the same, even with advances in technology and new types of trade. The principle of comparative advantage applies to the burgeoning trade in services, in which the performance of U.S. service workers and firms has been particularly strong. The United States exports more services than it imports, and this surplus has been

growing in recent years. Moreover, U.S. services exports tend to involve relatively highly skilled and highly paid occupations, such as engineering, financial services, or architectural services.

Richer economic models that take into account the features of the modern world show that countries as a whole still gain from free trade. There are, however, differing impacts of trade on different parts of the economy and the labor force. Policies aimed at supporting individuals affected by trade are thus vital to ensuring that its gains are widely shared. To this end, the Administration has proposed a reform of the overall workforce training system to help Americans obtain marketable skills needed to compete for jobs in emerging and innovative fields. The Administration recognizes that effective workforce training requires the cooperation of the private sector and community colleges and has worked to nurture these partnerships through the High Growth Job Training Initiative at the Department of Labor and through the recently enacted Community-based Job Training Grants. In addition, the Administration has proposed the establishment of Personal Reemployment Accounts, an innovative approach to worker retraining, and has worked to enhance the long-standing Trade Adjustment Assistance program, which provides training and income support to workers directly hurt by import competition. As part of the Trade Act of 2002, eligibility was extended to workers indirectly affected by trade, such as workers employed by firms that supply goods and services to industries directly affected by trade competition. Benefits were enhanced to include a health insurance tax credit and a wage supplement for older workers who found new jobs that did not pay as well as their previous jobs. This assistance, which will total $12 billion over 10 years, will ease the adjustment for displaced workers and help them move into jobs for which their skills are most in demand.

Foreign direct investment is playing an increasingly important role in world trade, as companies invest across borders to gain skills, technology, resources, and market access. A good deal of evidence suggests that increased employment at the foreign subsidiaries of U.S. firms is associated with a corresponding increase in employment in the U.S. parent company. Similarly, recent research shows that one dollar of spending on capital investments abroad by U.S. firms is associated with an additional three and a half dollars of spending on capital investment at home. The available evidence thus suggests that, on the whole, overseas expansion by U.S. firms goes hand-in-hand with expansion at home. Subsidiaries of foreign firms operating in the United States make important positive contributions to the U.S. economy as well. Foreign direct investment into the United States is associated with the adoption of new technology, techniques, and skills by locally-owned companies. U.S. subsidiaries of foreign companies employed 5.4 million U.S. workers in 2002, nearly 5 percent of total private-sector employment. This is up from 3.9 million workers in 1992 (4.3 percent of total private employment at that time).

The Administration has pushed aggressively to open global markets to trade through multilateral talks under the auspices of the World Trade Organization (WTO), and through agreements to liberalize trade between the United States and various partners. The Administration has worked to ensure that the benefits promised under the agreements are realized for U.S. consumers, workers, manufacturers, farmers, and service providers. At the same time, lower trade barriers benefit people in U.S. trading partner countries. When U.S. trading partners do not fulfill their obligations, the Administration has sought their compliance through a practical, problem-solving approach. When that fails, however, the Administration has utilized formal dispute-settlement mechanisms.

The integration of the Chinese economy into the global trading system has been an important development in recent years. The Administration has worked to ensure that China lives up to the agreements it has signed, including lowering its barriers to trade, addressing concerns about intellectual property protection, and adopting and enforcing the rules of the multilateral trading regime. Trade between the United States and China has been growing rapidly. For goods trade through November 2004, China ranked as the third-largest trading partner of the United States. For most of the period since China's WTO accession, U.S. exports to China have been growing at a rate faster than its imports from China, but this export growth is occurring from a much smaller base.

The Administration's vigorous pursuit of trade liberalization has paid off in progress on the Doha Development Agenda. The United States played a leading role in the intensive negotiations that led to an agreement establishing a framework for the ongoing talks at the WTO. These talks, which were launched in 2001 in Doha, Qatar, have focused on measures that will especially benefit developing nations, including the elimination of agricultural export subsidies. Trade agreements were also concluded in 2004 with Australia, Morocco, Bahrain, and with the participants in the Central American Free Trade Agreement (CAFTA), including Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. At the same time, the United States continued negotiations with the five nations of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland) while launching new negotiations with Thailand, Panama, and the Andean nations Colombia, Ecuador, and Peru. The President has also announced to Congress his intention to begin free trade agreement negotiations with the United Arab Emirates and Oman. When combined with agreements already negotiated by the Administration, partner countries accounting for almost $50 billion in 2003 trade have committed to eventually eliminate tariffs on almost all U.S. exports. Tariffs that averaged as high as 19.6 percent for U.S. exports will be reduced to zero as a result of these agreements.

Conclusion

The last year has seen the U.S. economy strengthen from recovery into a solid and sustainable expansion. With the near-term outlook bright, this provides an opportunity to put renewed focus on longer-term economic challenges. The President's agenda is focused on these challenges—on taking the actions needed to bring about a better economic future shared by all Americans. The President's policies are designed to foster rising living standards at home, while encouraging other nations to follow our lead.

CHAPTER 1

The Year in Review and the Years Ahead

The recovery of the U.S. economy blossomed into a full-fledged expansion in 2004, with solid output growth and steady improvement in the labor market. Payroll employment increased by about 2.2 million jobs, the largest annual gain since 1999, and the economy expanded 3.7 percent during the four quarters of the year. The economy made these advances even as energy prices soared, the Federal Reserve raised interest rates, and the demand-side effects of fiscal policy stimulus began to recede in the second half. Such continued growth indicates that the economy has shifted from a policy-supported recovery to a self-sustaining, healthy expansion.

This chapter reviews the economic developments of 2004 and discusses the Administration's forecast for the years ahead. The key points in this chapter are:

- Real gross domestic product (GDP) grew solidly during 2004. Business investment in equipment and software accelerated, and consumer spending growth remained strong.
- Labor markets strengthened during the year. The unemployment rate continued to decline, and employers created more than 2 million new jobs.
- Inflation rose from the extremely low levels of 2003, partly because of rapid increases in energy prices. Nevertheless, core consumer price index (CPI) inflation has remained in the moderate 2 percent range, and inflation expectations remain low.
- The Administration's forecast calls for the economic expansion to continue this year, with real GDP growing faster than its historical average and the unemployment rate continuing to decline. The economy is expected to continue on a path of strong, sustainable growth.

Developments in 2004 and the Near-Term Outlook

Real GDP grew a robust 3.7 percent during the four quarters of 2004, above the average historical pace. (Real GDP growth was 4.4 percent on a year-over-year basis comparing GDP for 2004 as a whole with GDP for 2003 as a whole.) Growth was supported by gains in consumer spending, business fixed investment, and, to a lesser extent, housing investment, inventory accumulation, and government spending. Net exports (exports less imports) held down growth in all four quarters as the trade deficit rose in the third quarter to a record high as a percentage of GDP. Strengthening economic growth among our trading partners led to an increase in exports, but imports

continued to outpace exports as U.S. domestic demand and demand for imported oil remained strong. The rise in crude oil prices reduced growth somewhat during the year (Box 1-1).

The Administration expects real GDP to grow 3.5 percent during the four quarters of 2005, in line with the consensus of professional forecasters. This growth is forecast to be driven by continued gains in consumer spending, investment growth (although slower than in 2004), and stronger net exports. The unemployment rate, which declined 0.5 percentage point to 5.4 percent during the four quarters of 2004, is projected to edge down further to 5.3 percent by the fourth quarter of 2005. Nonfarm payroll employment, which grew about 180,000 per month during 2004, is projected to grow about 175,000 per month in 2005, in line with other professional forecasts.

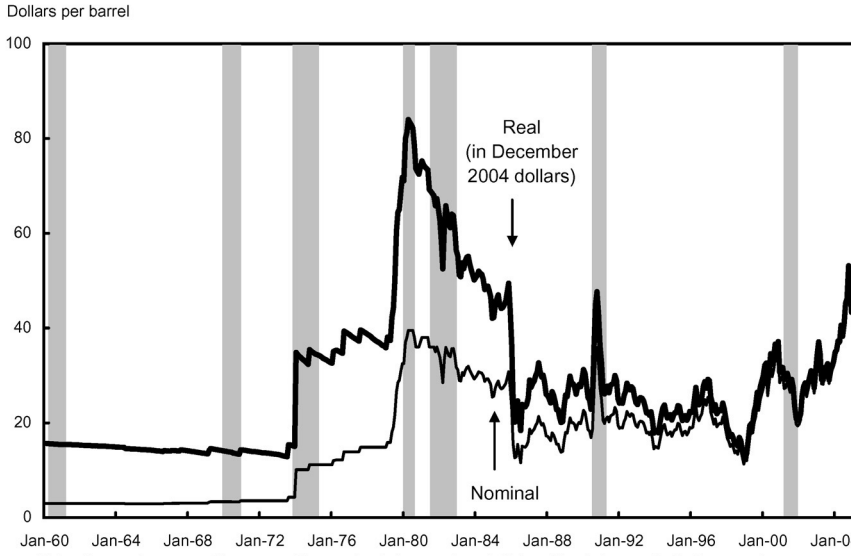
Box 1-1: Oil Prices and the Economy

Rising oil prices hindered growth in 2004. Boosted by strong world demand and both domestic and foreign supply disruptions, the price of crude oil purchased by refiners increased almost continuously from $29 per barrel in December 2003 through October 2004 when it peaked at $46 per barrel. A more-widely followed (but less comprehensive) measure, the spot price of West Texas Intermediate crude oil, peaked even higher, at $53 per barrel for the month of October. These prices were historical highs in nominal terms, and were about 60 percent of the all-time high in real terms (Chart 1-1). Crude oil prices then dropped off in November and December. For 2004 as a whole, refiners' acquisition cost was almost $9 per barrel above its year-earlier level.

High oil prices are a headwind for the economy because they raise the cost of production, thus weakening the supply side of the economy, and absorb income that could have been used for other purchases, thus weakening the demand side of the economy. The United States imports about two-thirds of its crude oil (about 10 million barrels per day), and so the higher oil prices caused the bill for imported oil to increase by about $32 billion (or 0.3 percent of GDP) in 2004. This increase acted like a tax holding back aggregate demand.

One rule of thumb is that a $10 per barrel increase in the price of oil reduces the level of real GDP by roughly 0.4 percent after four quarters. Thus the roughly $9 per barrel increase in average oil prices for 2004 may have held back real GDP growth by 0.3 or 0.4 percentage point. If oil prices move as expected by the futures market, average oil prices in 2005 will only slightly exceed the 2004 average—so oil prices are expected to be only a minor impediment to 2005 growth.

Chart 1-1 **Real and Nominal Price of West Texas Intermediate Crude Oil**
At its peak in 2004, the real price of crude oil was lower than in the early 1980s.



Note: Personal consumption expenditures price index used as deflator. Shaded areas indicate recessions.
Sources: New York Mercantile Exchange, Department of Commerce (Bureau of Economic Analysis), and Council of Economic Advisers.

Consumer Spending

Consumer spending continued its solid growth in 2004. Real personal consumption expenditures, which account for 70 percent of GDP, rose 3.9 percent during the four quarters of 2004. Consumer spending has been boosted by continued gains in disposable personal income and a rebound in household wealth. Real disposable personal income—after-tax income adjusted for inflation—rose by 2.3 percent at an annual rate during the first 11 months of 2004. Household net worth, meanwhile, grew at a 6 percent annual rate in the first three quarters of 2004 (on top of a 13-percent gain during 2003), as equity prices moved up and housing prices continued to increase.

Personal saving fell to 0.8 percent of disposable personal income in the first 11 months of the year, down from an average of 1.4 percent in 2003. The Administration forecast assumes that the saving rate will be roughly flat in the coming years. Consumer spending is projected to continue its solid growth in 2005, supported by solid consumer sentiment (which was above average historical levels in December), projected real compensation gains, and the recent rebound in household wealth. Real consumer spending is projected to grow somewhat more slowly than overall real GDP during the projection period to 2010.

Residential Investment

The housing sector remained strong through year-end 2004. Residential investment increased 6 percent during the four quarters of 2004, following a 12 percent gain during 2003. Demand for new housing has been stimulated by low mortgage rates. Rates on 30-year fixed-rate mortgages averaged 5.8 percent in 2004—about the same as a year earlier, but lower than at any other time in the past 30 years. Sales of new single-family homes during 2004 were the highest since at least 1963, when the government began tracking this information, and the homeownership rate was a record 69 percent.

The strength in housing demand has been reflected in home prices. An index of prices for houses involved in repeat transactions (that is, sales prices of the same house over time) increased by 13 percent during the four quarters ended in the third quarter of 2004—the biggest four-quarter increase since the late 1970s. The rapid increase in demand and prices has further helped support gains in home construction. Housing starts totaled 1.95 million units during 2004, making it the strongest year for housing starts since 1978.

The growth of new housing starts will likely slow in 2005. Long-term Treasury rates are projected to increase, leading mortgage rates to edge up as well. In addition, demographics suggest that the formation of new households is unlikely to support additional increases in housing activity. Taken together, these factors suggest that residential construction is likely to edge lower in the next couple of years and to remain roughly flat during the years through 2010.

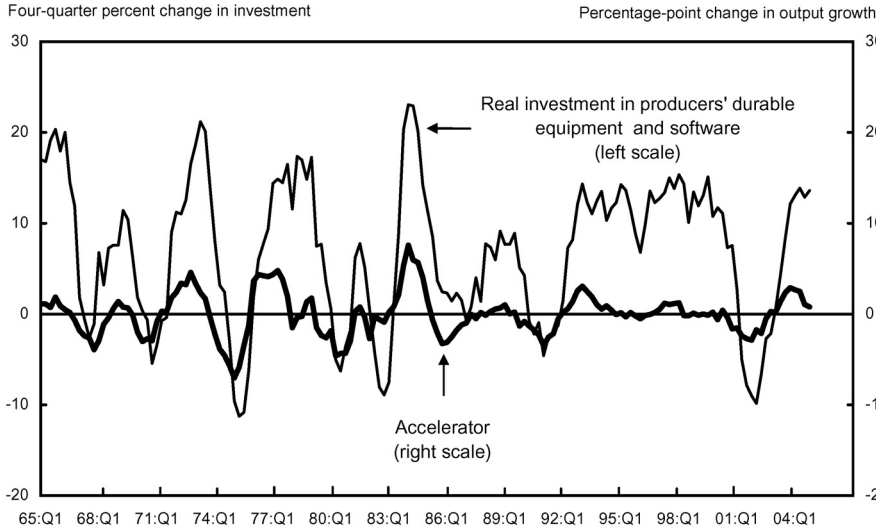
Business Fixed Investment

Real business fixed investment (firms' outlays on equipment, software, and structures) grew 9.9 percent during 2004, following a 9.4 percent gain during 2003. Growth was concentrated in equipment and software (up 13.6 percent), while nonresidential construction edged lower. Within the equipment and software category, growth during the four quarters of 2004 was particularly strong in computer equipment and software. Investment in transportation equipment also grew rapidly in 2004, overtaking its pre-9/11 level in the fourth quarter.

Nonresidential structures investment edged down during the four quarters of 2004, with a notable decline in investment in power and communications facilities. Real nonresidential construction has been stagnant since 2002, as vacancy rates in both office and industrial buildings have remained high. Construction of shopping centers and other multi-merchant structures has been robust, however.

Projections of future investment growth are based, in part, on the observation that growth in investment spending correlates well with the acceleration (that is, the change in the growth rate) of business output (Chart 1-2); the

Chart 1-2 **Investment Growth and the Acceleration of Nonfarm Business Output**
Equipment and software investment grows most rapidly when the rate of increase in output is increasing. Investment grew rapidly in 2004, partly because of the pick-up in the rate of output growth.



Note: The accelerator is the eight-quarter annualized rate of nonfarm output growth less the same figure lagged four quarters.
Sources: Department of Commerce (Bureau of Economic Analysis) and Council of Economic Advisers.

reasons for this correlation are discussed more fully in Chapter 2, *Expansions Past and Present*. Equipment investment spending grew quite fast during 2003 and 2004, consistent with the rapid acceleration of nonfarm output growth from 2001 to 2003. The 3.5 percent growth projected for real GDP during the four quarters of 2005 is solid but below the growth rates of 2003 and 2004. It follows, therefore, that the growth of investment is likely to be slower in 2005 than in 2004. In addition, the termination of the special investment expensing provisions allowed under the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) is likely to have advanced into 2004 some investment spending that might have been planned for early 2005. The end of this policy could limit investment growth in the first quarter of 2005.

Business Inventories

Businesses rebuilt inventories in 2004; inventory investment was solidly positive during the year, after being slightly negative in 2003. Inventory investment contributed an average of 0.35 percentage point to real GDP growth during the four quarters of 2004.

Inventories appear to be lean relative to economy-wide sales and shipments, with the inventory-to-sales ratio for manufacturing and trade close to its historic low. Assessing just how lean these inventories are is difficult, however,

as ongoing improvements in supply-chain management (such as just-in-time practices, discussed in Chapter 2) have reduced the need for inventory stocks. Inventories grew almost as fast as sales in 2004, and the inventory-to-sales ratio for manufacturing and trade edged down only slightly last year. Inventory investment in 2005 is projected to be sufficient to hold the inventory-to-sales ratio approximately constant, and the pace of inventory investment is projected to contribute little to GDP growth in 2005.

Government Purchases

Real Federal purchases (consumption expenditures and gross investment) grew at a 4 percent rate during the four quarters of 2004, with most of that growth accounted for by defense spending. Total nominal Federal expenditures (including transfer and interest payments) slowed to a 5 percent rate of growth during 2004 from a 6 percent rate in 2003.

After several difficult years, the budget position of states and localities improved recently due to a combination of spending restraint and renewed growth of revenues. The level of real state and local consumption and gross investment was little changed during 2004, the lowest growth in real spending since the early 1980s. State and local revenues have been boosted by increased household income and consumer spending, as well as by additional federal grants authorized under JGTRRA. Spending restraint, together with a pickup in revenues, boosted the net saving of state and local governments to roughly $11 billion during the first three quarters of 2004, roughly reversing the *dis*saving during the year-earlier period. Real state and local spending is projected to pick up from last year's slow growth, to about 2 percent per year during the projection period.

Exports and Imports

The trade deficit expanded substantially during 2004. Real exports increased 4 percent, as economic growth strengthened among our major trading partners, but real imports increased even faster (at a 9.2 percent rate), partly due to the more robust recovery in the United States than abroad. The trade deficit on goods and services reached about 5¼ percent of GDP in the third quarter of 2004.

The rapid increases in real imports were widespread and included capital goods and industrial supplies, petroleum, and consumer goods.

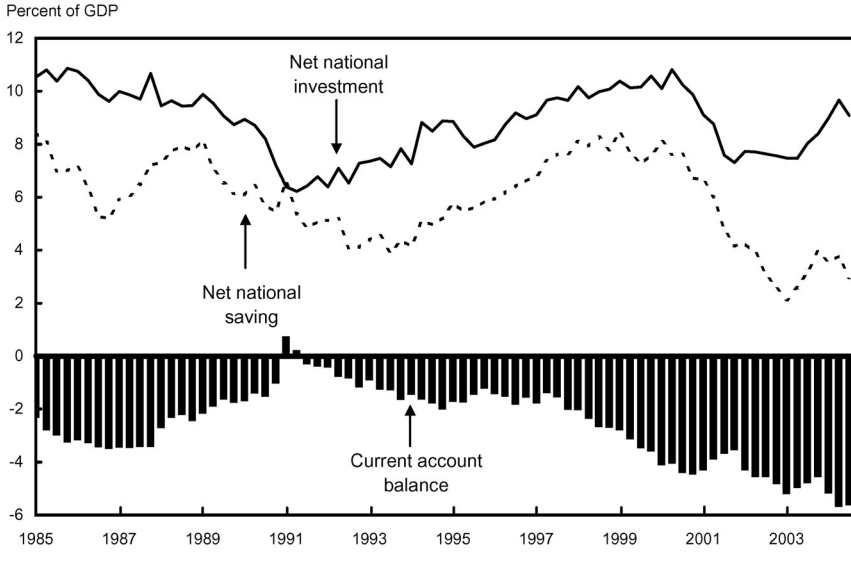
All the major categories of real nonagricultural exports (capital goods, industrial supplies, motor vehicles, consumer goods, and services) contributed to the growth of overall exports. Agricultural exports declined, however, as exports of beef fell on concerns about "mad cow" disease. Due to the detection of the first known case of "mad cow" disease in the United States in late

2003, a number of countries that together account for most U.S. beef exports have completely or partially halted purchases of American beef. As a result, beef exports—which were $3.1 billion in 2003—have now fallen to about $0.5 billion at an annual rate.

The rapid growth of imports relative to exports largely reflects faster growth in the United States than among our trading partners, as U.S. demand for imports increases faster than foreigners' demand for our exports. For example, the U.S. economy grew faster than its trading partners in the Organization for Economic Cooperation and Development (OECD) during the four quarters of 2003 (4.4 percent versus 2.2 percent), and the OECD growth estimate for the four quarters of 2004 also shows slower growth elsewhere in the OECD (2.7 percent) than the 3.7 percent official estimate of growth for the United States.

The current account deficit, which primarily reflects the trade deficit but also includes net international flows of investment income and transfers, widened to about 5.6 percent of GDP in the second and third quarters. The current account deficit represents the inflow of capital that is needed to finance domestic U.S. investment in excess of domestic saving. Over the latter half of the 1990s and the early 2000s, the U.S. current account deficit expanded as domestic investment grew faster than saving (Chart 1-3). More recently, the current account deficit has expanded as the national saving rate has fallen.

Chart 1-3 **Saving, Investment, and the Current Account Balance**
Lower national saving primarily accounts for the widening of the current account deficit since 2000.



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

Looking ahead, stronger growth in U.S. trading partners appears to favor continued gains in export growth. Growth among the non-U.S. members of the OECD is projected to increase from 2.7 percent during the four quarters of 2004 to 3.0 percent during the four quarters of 2005. This growth should support growth in U.S. exports. This effect will likely be augmented by an expected rise in the U.S. share of world exports, owing in part to recent declines in the value of the dollar against other major currencies. Overall, the Administration projects real exports to grow noticeably faster than GDP in 2005. The projected moderation of U.S. GDP growth in 2005 and 2006 together with the recent change in the exchange value of the dollar suggest that growth in real imports will slow in the future.

Employment

Nonfarm payroll employment increased about 2.2 million during 2004, the largest annual gain since 1999. The unemployment rate declined to 5.4 percent in December 2004, well below the 6.3 percent peak of June 2003. The unemployment rate in 2004 was below the averages of the 1970s, the 1980s, and the 1990s.

Job gains were spread broadly across major industry sectors in 2004. The service-providing sector accounted for 85 percent of job growth during the year, in line with its 83 percent share of overall employment. The goods-producing sector accounted for the remaining 15 percent of the gains, in line with its 17 percent share of overall employment. Within the goods-producing sector, employment growth was concentrated in construction; manufacturing employment also increased, the first such gain since 1997.

These employment figures reflect the benchmark adjustment of the employment data in early February 2005. The employment data for 2004 will also be affected by next year's benchmarking process, which will cover the period from March 2004 to March 2005.

The Administration projects that employment will increase at a pace of about 175,000 jobs per month on average during the 12 months of 2005—a projection that is in line with the consensus of private forecasters. The unemployment rate is projected to edge down to 5.3 percent by the fourth quarter of 2005. Employment growth is not expected to slow by as much as output growth because productivity (output per hour) is projected to increase at a slower pace than in 2004, and more of the projected output growth may be translated into labor demand and employment in 2005 than in 2004.

Productivity

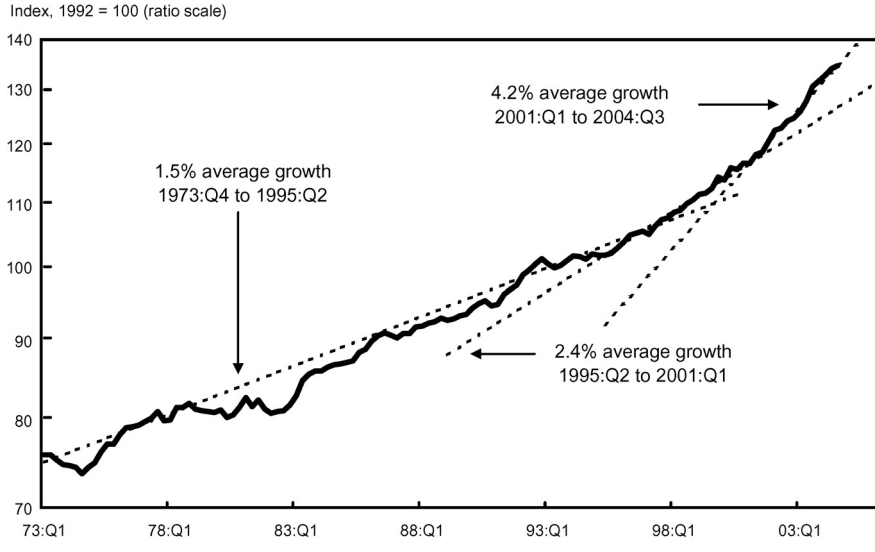
Recent productivity growth has been extraordinary. Nonfarm productivity has grown at a 4.2 percent annual rate since the business-cycle peak in the first quarter of 2001, a period that includes both recession and recovery. This is a 1.8 percentage point acceleration from the already rapid 2.4 percent annual growth rate recorded from 1995 to 2001 (Chart 1-4).

Although the cause of the 1995 acceleration is not well understood, plausible explanations have been offered relating to capital deepening, especially of informational and organizational capital. But none of these explanations helps to explain the post-2000 productivity acceleration, which occurred despite a slowing of investment in both conventional capital goods and information technology (IT).

Wages and Prices

Following very low inflation during 2003, most measures of inflation increased during 2004, with the largest increases in those price indexes that include energy. For example, the consumer price index (CPI) increased 3.3 percent over the 12 months of 2004, well above the 1.9 percent rise

Chart 1-4 **Labor Productivity, Nonfarm Business Sector**
Productivity growth, which was already rapid after 1995, accelerated further after 2000.



Note: This official productivity measure is based on the product-side measure of real output.
Sources: Department of Labor (Bureau of Labor Statistics) and Council of Economic Advisers.

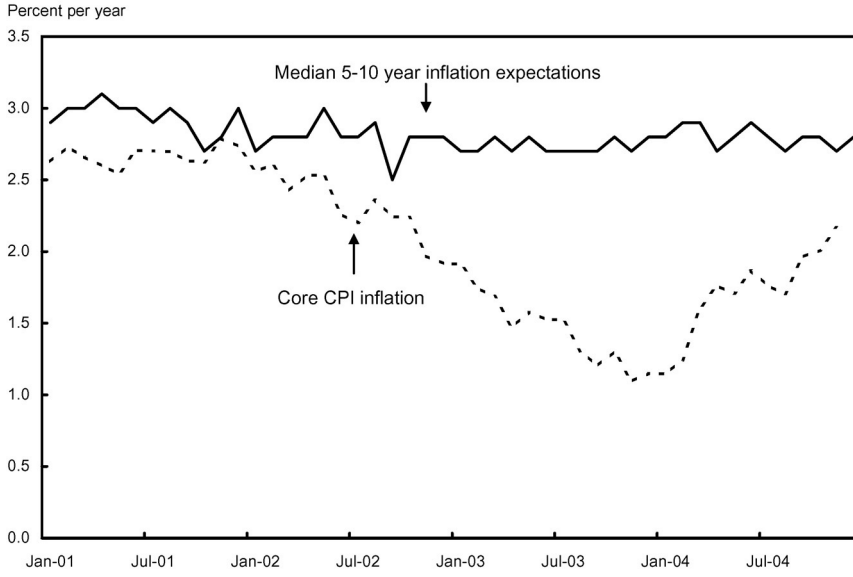
during the previous year. Excluding the volatile food and energy components, core consumer prices increased 2.2 percent during 2004, up from 1.1 percent during 2003. About 0.4 percentage point of the year-to-year acceleration in the core CPI is accounted for by used car prices, which dropped sharply in 2003 before rebounding in 2004. Consumer energy prices increased 17 percent in 2004—with particularly large (27 percent) increases in petroleum-based energy prices. Food prices increased 2.7 percent during 2004, down slightly from their 3.6 percent rise in 2003.

Hourly compensation of workers grew solidly during the year, mostly because of rising benefits. Private-sector hourly compensation, as measured by the employment cost index (ECI), increased 3.8 percent during the 12 months of 2004—down slightly from its 4.0 percent year-earlier pace. The wages and salaries component of this measure rose 2.4 percent during the year, while benefits increased by 6.9 percent. The increase in hourly benefits was led by an increase in employer contributions to defined benefit programs—which increased at a 66 percent annual rate during the first three quarters of 2004, according to the employer costs for employee compensation index (derived from the same survey as the ECI, but with different weights). This rapid increase occurred as employers made "catch-up" contributions to their pension plans to offset some of the underfunding that developed in recent years. Employer-paid health premiums rose 7.3 percent during 2004 according to the ECI, a smaller increase than the 10.5 percent during 2003.

The effects of these gains in hourly compensation on unit labor costs were mostly offset by the rapid growth rate of productivity during the first three quarters of 2004. Unit labor costs rose at only a 0.7 percent annual rate during the first three quarters of 2004, after falling from 2001 through 2003. Most of the increase in prices during 2004 was attributable to widening gross profit margins rather than to increasing costs, suggesting some tightness in product markets. Consistent with this product-market tightness, delivery lags lengthened during the first half of 2004, as reported by manufacturing supply managers. These supply delivery lags increased much more slowly toward year-end, however, and the experience of the last two expansions suggests that these lags are likely to recede as the economy reconfigures itself for sustained growth.

Last year's increase in inflation appears likely to have been a temporary phenomenon rather than the beginning of a sustained increase. Inflation, as measured by the CPI, is expected to stabilize at a 2.4 percent annual rate in future years, up only slightly from the 2.2 percent increase in the core CPI during 2004. In 2005 and 2006, the overall consumer price index is projected to be held down by anticipated declines in energy prices consistent with the declines implicit in the futures market for crude oil. The inflation fluctuations during the past year have not affected long-term inflation expectations, which remain stable (Chart 1-5).

Chart 1-5 **Inflation and Inflation Expectations**
Long-term inflation expectations remain stable in the face of the recent uptick in core CPI inflation.



Sources: Department of Labor (Bureau of Labor Statistics) and the University of Michigan.

The projected path of inflation as measured by the GDP price index is similar, but a bit lower. It is projected to fall to 1.9 percent during the four quarters of 2005, down slightly from the 2.2 percent annual rate of increase in the GDP price index excluding food and energy during 2004. During the next several years, the GDP price index is projected to increase at a 2.0 or 2.1 percent annual rate—a stable pace of inflation consistent with the projected unemployment rate of 5.1 percent.

These inflation projections—although revised up from a year ago—are close to those of the consensus of professional economic forecasters.

The wedge between the CPI and the GDP measures of inflation has implications for Federal budget projections. A larger wedge would reduce the Federal budget surplus because cost-of-living adjustments for Social Security and other indexed programs rise with the CPI, whereas 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 income tax brackets and affect other inflation-indexed features of the tax code. Of the two indexes, the CPI tends to increase faster in part because it measures the price of a fixed basket of goods and services. In contrast, the GDP price index increases less rapidly because it reflects the choice of households and businesses to shift their purchases away from items with increasing relative prices

and toward items with decreasing relative prices. In addition, the GDP price index includes investment goods, such as computers, whose relative prices have been falling rapidly. Computers, in particular, receive a much larger weight in the GDP price index (1 percent) than in the CPI (0.2 percent).

During the 10 years ended in 2003, 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 0.4 percentage point per year. The wedge was particularly high during 2004 when the CPI increased 1.0 percentage point faster than the GDP price index, reflecting the roughly 50 percent increase in oil prices, which have a much larger weight in consumption prices than in GDP as a whole. Since domestic production accounts for only about a third of U.S. oil consumption, the weight of oil prices in GDP is roughly one-third of its weight in the consumption basket. As this boost from higher oil prices unwinds over the next couple of years, the wedge between CPI and GDP inflation is likely to be lower than its recent average. During the entire 2004 to 2010 period, the wedge is projected to average 0.4 percentage point, equal to the Administration estimate of the wedge in the long term.

Financial Markets

Stock prices fluctuated within a relatively narrow range for the first eight months of the year, and then increased during the last four months. Over the 12 months of 2004, the Wilshire 5000, a broad index of stock prices, rose 11 percent. These gains built on the 29 percent gains that were recorded during 2003.

Long-term interest rates fluctuated substantially during 2004, but finished the year essentially unchanged. The yield on 10-year Treasury notes fell by 0.3 percentage point from January through March, to about 3.8 percent. The yield then increased sharply in the next two months, rising 0.9 percentage point, coinciding with a pickup in the core CPI and several months of strong job growth. Rates began to fall again in early June, as monthly increases in the core CPI and job growth moderated. The 10-year rate declined during the second half of the year, even as the Federal Reserve's Open Market Committee raised the (overnight) Federal funds rate at every meeting from June through December. The 10-year rate ended the year at about the same level as it had begun.

The Long-Term Outlook Through 2010

The U.S. economy continues to be well-positioned for long-term growth. The Administration projects that GDP will expand strongly through 2010, inflation will remain contained, and labor markets will continue to

strengthen. The forecast is based on conservative economic assumptions that are close to the consensus of professional forecasters. These assumptions provide a prudent and cautious basis for the budget projections.

Growth in GDP over the Long Term

The Administration projects that real GDP will grow at an average annual rate of 3.3 percent during the four years of 2005 to 2008 (Table 1-1), roughly in line with the consensus forecast for those years. This pace is slightly above the expected 3.2 percent annual growth in potential GDP (a measure of productive capacity), so the unemployment rate is projected to edge lower from 5.4 percent at the end of 2004 to 5.1 percent by the end of 2006. The unemployment rate is expected to remain flat thereafter as the economy grows at its potential rate of 3.2 percent in 2007 and 2008 and 3.1 percent in 2009 and 2010. As discussed below, potential GDP growth is expected to slow somewhat after 2008, as labor force growth declines.

The projected growth of GDP is conservative relative to recent experience. The economy grew more than 4 percent during 2003 and is estimated to have grown 3.7 percent during the four quarters of 2004. Moreover, Okun's Law, a well-known economic rule of thumb, suggests that potential GDP growth has been about 3.5 percent in recent years (Box 1-2).

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)
	Percent change, fourth quarter to fourth quarter				Level, calendar year			
2003 (actual)	6.2	4.4	1.7	1.9	6.0	1.0	4.0	129.9
2004	6.3	3.9	2.3	3.4	5.5	1.4	4.3	131.3
2005	5.5	3.5	1.9	2.0	5.3	2.7	4.6	133.4
2006	5.6	3.4	2.0	2.3	5.2	3.5	5.2	135.5
2007	5.4	3.2	2.1	2.4	5.1	3.8	5.4	137.5
2008	5.4	3.2	2.1	2.4	5.1	4.0	5.5	139.2
2009	5.3	3.1	2.1	2.4	5.1	4.1	5.6	140.9
2010	5.3	3.1	2.1	2.4	5.1	4.2	5.7	142.5

[1] Based on data available as of December 3, 2004. Figures cited in the text for 2004 are based on data available through January 28, 2005, and so may differ from figures shown here.

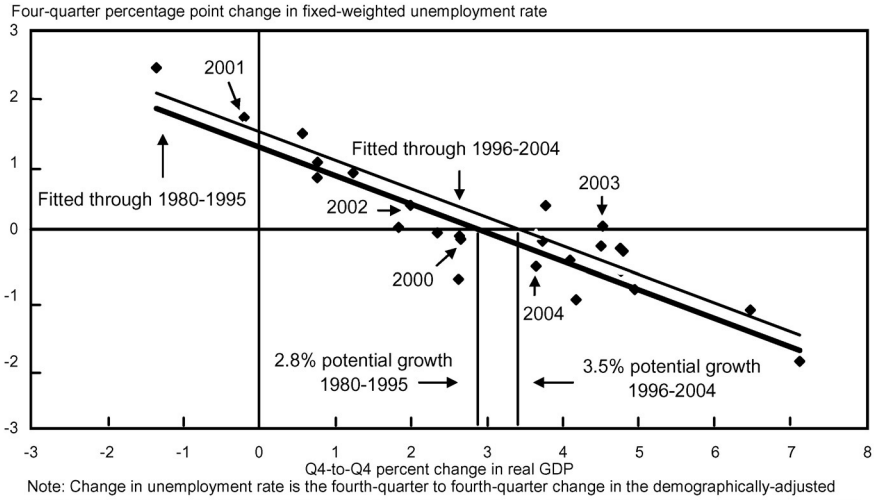
[2] Secondary market (bank discount basis).

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

Box 1-2: Okun's Law

One way of estimating the economy's potential growth rate is through the empirical regularity known as Okun's Law, which relates changes in the unemployment rate to GDP growth (Chart 1-6). The chart plots the four-quarter change in the unemployment rate (which has been adjusted to account for demographic changes) against the four-quarter growth rate of real output. According to Okun's Law, the unemployment rate falls when output grows faster than its potential rate and rises when output growth falls short of that potential. The rate of real GDP growth consistent with a stable unemployment rate is then interpreted as the rate of potential growth; this potential can be estimated as the rate at which the fitted line in Chart 1-6 crosses the horizontal axis. As can be seen by the position of the two parallel lines, the pace of potential real GDP growth appears to have picked up after 1995. The lower line, which is drawn through data for 1980–1995, suggests that potential real GDP grew at a 2.8 percent annual rate during those years. The upper line—which is drawn through data for 1996–2004 and is estimated so as to be parallel to the lower line—suggests that real potential GDP growth accelerated to a 3.5 percent annual rate during the past nine years.

Chart 1-6 **Okun's Law Estimation of Potential GDP Growth**
Real GDP growth in excess of its potential rate lowers the unemployment rate. Potential GDP has accelerated from 2.8 percent per year before 1995 to 3.5 percent thereafter.



Note: Change in unemployment rate is the fourth-quarter to fourth-quarter change in the demographically-adjusted unemployment rate. Output growth is the fourth-quarter to fourth-quarter percent change in the geometric mean of the income- and product-side measures of real GDP growth. Real GDP growth in 2004 is based on data for the first three quarters.
Sources: Department of Commerce (Bureau of Economic Analysis), Department of Labor (Bureau of Labor Statistics), and Council of Economic Advisers.

The growth rate of the economy over the long run is determined by its supply-side components, which include population, labor force participation, productivity, and the workweek. The Administration's forecast for the contribution of different supply-side factors to real GDP growth is shown in Table 1-2.

As seen in the fourth column of the table, the supply-side composition of real GDP growth has been unusual since the beginning of 2001, with exceptionally high productivity growth (4.2 percent at an annual rate) being partially offset by a large decline in the ratio of nonfarm business employment to household employment. This unusual pattern reflects the discrepancy between the slow growth of employment as measured by the employer survey and the more rapid growth of employment as measured by the household survey—a disparity that has not been adequately explained. Declines in the labor force participation rate have also held down real GDP growth during the past four years, although the reasons for these declines may be partly cyclical.

TABLE 1-2.—*Accounting for Growth in Real GDP, 1953–2010*

[Average annual percent change]

Item	1953 Q2 to 1973 Q4	1973 Q4 to 1995 Q2	1995 Q2 to 2001 Q1	2001 Q1 to 2004 Q3	2004 Q3 to 2010 Q4
1) Civilian noninstitutional population aged 16 and over [1]	1.6	1.4	1.2	1.2	1.1
2) Plus: Civilian labor force participation rate	.2	.4	.1	-.5	-.1
3) Equals: Civilian labor force [2]	1.8	1.8	1.4	.7	1.0
4) Plus: Civilian employment rate	-.1	.0	.3	-.4	.1
5) Equals: Civilian employment [2]	1.7	1.8	1.7	.4	1.1
6) Plus: Nonfarm business employment as a share of civilian employment [2 3]	-.1	.1	.5	-.9	.0
7) Equals: Nonfarm business employment	1.6	1.8	2.1	-.6	1.1
8) Plus: Average weekly hours (nonfarm business)	-.3	-.3	-.3	-.4	.1
9) Equals: Hours of all persons (nonfarm business)	1.3	1.6	1.9	-1.0	1.2
10) Plus: Output per hour (productivity, nonfarm business)	2.5	1.5	2.4	4.2	2.5
11) Equals: Nonfarm business output	3.8	3.1	4.3	3.2	3.8
12) Plus: Ratio of real GDP to nonfarm business output [4]	-.2	-.2	-.5	-.4	-.4
13) Equals: Real GDP	3.6	2.8	3.8	2.8	3.3

[1] Adjusted by Council of Economic Advisers to smooth discontinuities in the population series since 1990.

[2] Bureau of Labor Statistics 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: The periods 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).

The 4.2 percent rate of productivity growth during the past three and a half years is remarkable, particularly because this period included a recession, and is well above the already strong 2.4 percent productivity growth experienced from 1995 to 2001. The causes of the post-2001 productivity acceleration remain a mystery at this time, and so it seems unwise to presume that the rapid growth of the last few years will be sustained indefinitely. The Administration expects nonfarm labor productivity to grow at a 2.5 percent annual pace over the next six and a quarter years. This is a bit below the assumed 2.6 percent trend rate of growth, similar to the 2.4 percent pace during the 1995–2001 period, and only modestly above the 2.3 percent average pace since the data series began in 1947.

Growth of the labor force (also shown in Table 1-2) is projected to contribute 1.0 percentage point per year, on average, to growth of potential output through 2010. Labor force growth results from changes in the working-age population and the participation rate. The Bureau of the Census projects that the working-age population will grow at an average annual rate of 1.1 percent through 2010. This pace is more rapid in the near future and then trails off after 2008. The last year in which the labor force participation rate increased was 1997, suggesting that the long-term trend of rising participation has ended. Since then, the participation rate has fallen at an average 0.2 percent annual pace.

Demographic factors will likely lead to yet lower participation in future years. Baby boomers are currently in their forties and fifties. Over the next several years they will move into older age brackets with lower participation rates. As a result, the labor force participation rate is projected to edge down an average of 0.1 percent per year through 2010. The decline may be greater, however, after 2008, which is the year that the first baby boomers reach the early-retirement age of 62. Together with the expected deceleration of the growth of the working-age population, the falling participation rate works to slow the growth rate of potential output to 3.1 percent in 2009–2010.

An expanding workweek is projected to add 0.1 percentage point to potential GDP growth during the projection period. Most of this increase occurs in the next couple of years during the period of strong cyclical labor demand, rather than as a permanent feature of long-term growth. The ratio of nonfarm employment to household employment (which, as noted above, subtracted a puzzling 0.9 percentage point from real GDP growth during 2001–2004) is projected to contribute nothing toward real GDP growth during the projection period. It is possible, however, that it might reverse course during the next few years, offsetting its recent weakness. Such a development would add to real GDP growth.

In sum, potential real GDP is projected to grow at a 3.2 percent annual pace through 2008, and then to slow to 3.1 percent in 2009 and 2010. Actual real GDP growth during the six-year forecast period is projected to be slightly higher, at 3.3 percent, as the unemployment rate declines and the workweek expands. The economy is forecast to grow at potential beginning in 2007, and the unemployment rate is projected to stabilize at 5.1 percent.

Interest Rates over the Long Term

The Administration forecast of interest rates is based on financial market data as well as a survey of economic forecasters. The yield curve, which shows how the yield on Treasury securities rises with the maturity of those securities, is currently steeper than usual. This steepness suggests that financial market participants expect short-term interest rates to rise. The Administration forecast thus projects gradual increases in the interest rate on 91-day Treasury bills to continue through 2010—with most of the increase expected during the next two years. This rate is expected to reach 4.2 percent in 2010, at which point the real interest rate on 91-day Treasury bills will be close to its historical average. The projected path of the interest rate on 10-year Treasury notes is consistent with the path of short-term Treasury rates. By 2010, the 10-year rate is projected to be 5.7 percent, 3.3 percentage points above expected CPI inflation—a typical real rate by historical standards. By 2010, the projected term premium (the difference between the 10-year interest rate and the 91-day rate) of 1.5 percentage points is in line with its historical average.

The Composition of Income over the Long Term

A primary purpose of the Administration's economic forecast is to estimate future government revenues, which requires a projection of the components of taxable income. The Administration's income-side projection is based on the historical stability of the long-run labor compensation and capital shares of gross domestic income (GDI). During the first three quarters of 2004, the labor compensation share of GDI was only 56.8 percent—well below its 1959–2003 average of 57.9 percent. From this jumping-off point, the labor share is projected to slowly rise to 57.8 percent by 2010.

The labor compensation share consists of wages and salaries, which are taxable, employer contributions to employee pension and insurance funds (that is, fringe benefits), which are not taxable, and employer contributions for government social insurance. The Administration forecasts that the wage and salary share of compensation will be roughly stable during the projection period. One of the main factors boosting non-wage compensation during the

past two years has been employer contributions to defined-benefit pension plans, and although these contributions are likely to remain high in the next few years, they are not projected to rise as a share of compensation after 2004.

The capital share of GDI is expected to fall from its currently high level before plateauing near its historical average. Within the capital share, a near-term decline in depreciation (an echo of the decline in short-lived investment during 2001 and 2002) is expected to boost corporate profits, which in the third quarter of 2004 were about 10.2 percent of GDI (excluding the temporary negative effects of hurricanes)—a figure well above its post-1959 average of 8.5 percent. From 2005 forward, the profit share is expected to slowly edge down toward its long-term average.

The projected pattern of book profits (known in the national income accounts as "profits before tax") reflects the termination of the window for expensing of equipment investment allowed under the Job Creation and Worker Assistance Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003. These expensing provisions reduced taxable profits from the third quarter of 2001 through the fourth quarter of 2004. The expiration of the expensing provisions increases book profits from 2005 forward, however, because investment goods expensed during the three-year expensing window will have less remaining value to depreciate. The share of other taxable income (the sum of rent, dividends, proprietors' income, and personal interest income) is projected to fall in coming years, mainly because of the delayed effects of past declines in long-term interest rates, which reduce personal interest income during the projection period.

Conclusion

Supported by expansionary fiscal and monetary policy, the economy now appears to have shifted from a tentative recovery to a sustained expansion. Consumer spending remains strong, businesses are continuing to invest, and employment growth has rebounded. Prospects remain bright for continued growth in the years ahead. And yet much work remains in making our economy as productive as possible. Later chapters of this *Report* explore how pro-growth policies, such as reforming our tax system, expanding the reach of property rights, and encouraging innovation, can enhance our economic performance.

CHAPTER 2

Expansions Past and Present

The U.S. economy began to expand rapidly in mid-2003, an expansion that carried through to 2004. Real gross domestic product (GDP) rose by 4.0 percent from the third quarter of 2003 to the third quarter of 2004. Employment grew steadily in 2004, with more than 2.6 million jobs created on net since the job market turned around in August 2003. The unemployment rate has declined from a high of 6.3 percent in June 2003 to 5.4 percent in December 2004—a rate below the average unemployment rate of the 1970s, 1980s, and 1990s. Inflation picked up modestly over the course of 2004 but remains low by historical standards, with consumer prices having increased by 3.3 percent during 2004. This state of affairs—strong growth, declining unemployment, and moderate inflation—is remarkable in light of the powerful contractionary forces at work since early 2000: the bursting of the high-tech bubble of the 1990s, revelations of corporate scandals, weak growth in the United States' major trading partners, the war in Iraq, and the impact of the terrorist attacks.

The recent recession and expansion took place against the backdrop of an economy undergoing fundamental changes. At the beginning of the twentieth century, the agricultural sector was the biggest employer; at the beginning of the twenty-first, the service-providing sector employed the most people. Technical progress has spurred productivity growth and raised living standards. The labor force increased enormously, as the population grew and the labor force participation rate of women rose over the course of the last century. The development of new financial instruments helped people become financially secure, and the expansion of the mortgage market has helped a record number of people own homes.

Given these large changes in the structure of the U.S. economy, the nature of economic expansions has probably also changed over time. Enough time has now elapsed in the current expansion to allow fruitful comparisons with previous expansions. The key findings are:

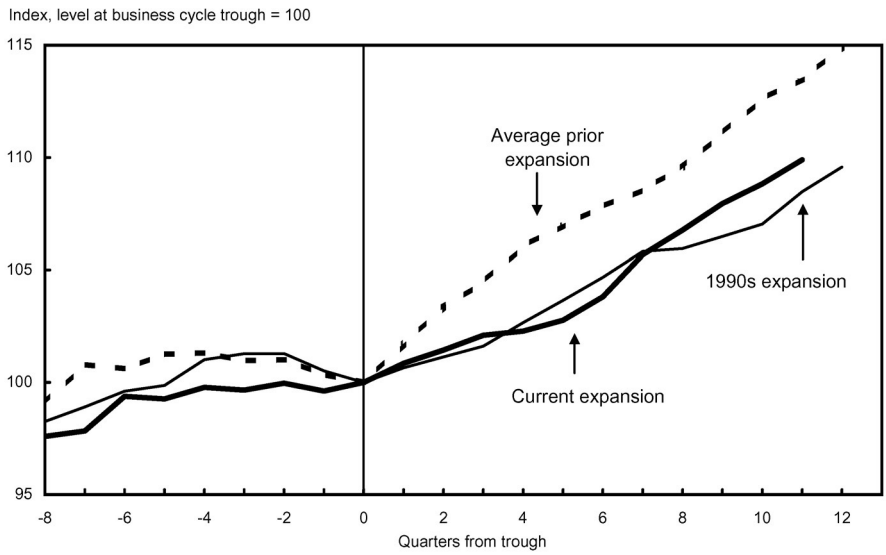
- The last two expansions—the one starting in 1991 and the current one—are similar to each other, but dissimilar to previous expansions. Both have exhibited relatively moderate overall growth in key economic variables.
- The last two expansions followed especially shallow recessions. Generally, shallow recessions are followed by shallow recoveries and deep recessions by robust recoveries.

- Stabilization policy—fiscal and monetary policy—has been particularly active during the last recession and expansion. The boost to disposable income from fiscal policy has been especially strong. Without these strong policies, the recession would have been deeper and longer.

Overview of the Current Expansion

Chart 2-1 plots the level of real GDP in the current expansion, the expansion of the 1990s, and the average of the five expansions from 1960 to 1990. The average provides a historical benchmark for the behavior of expansions; the year 1960 is chosen as a starting point to balance the need to smooth behavior over multiple expansions with the need to recognize that changes in the nature of the economy over time make earlier expansions less comparable to current ones. In each expansion, real GDP is normalized to 100 at the trough of the preceding recession (which is also the beginning of the expansion). Dates of the troughs are determined by the National Bureau of Economic Research. In the chart, each expansion begins at the vertical line at 0; points to the left of that line occur during the preceding recessions. The slope of each line is related to GDP growth: steeper slopes imply bigger changes in the level of real GDP per quarter, or faster growth.

Chart 2-1 **Real Gross Domestic Product**
The last two expansions have had more moderate GDP growth than the prior ones; but the preceding recessions were also more mild, showing smaller drops in GDP from peak to trough.



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Economic Analysis).

The behavior of real GDP is similar in the 1990s and current expansions, but both are different from the average prior expansion. In particular, real GDP has risen less robustly during the last two expansions than it did, on average, in the other expansions since 1960.

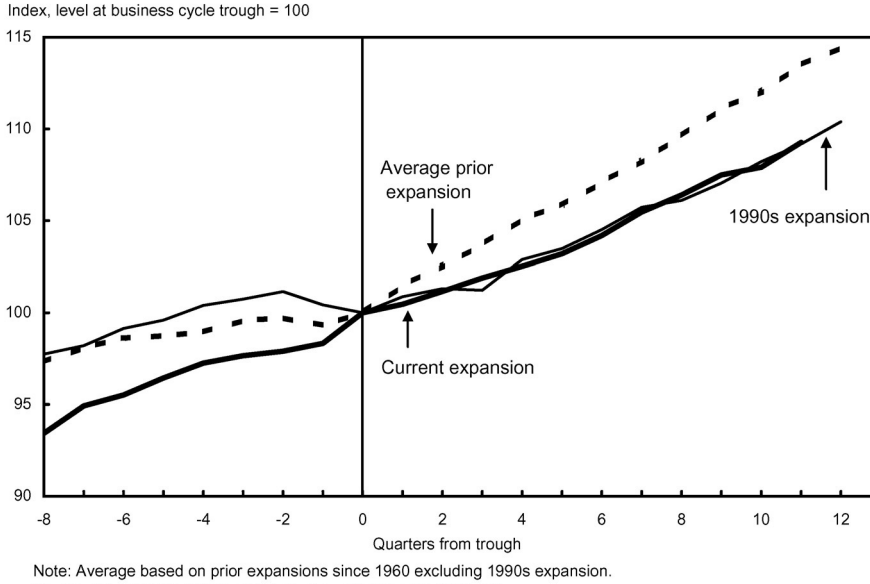
In the average contraction prior to 1990, the level of real GDP reached its peak approximately four quarters before the eventual trough; in the 1990-1991 contraction, GDP reached its peak two quarters before the trough. There were no consecutive quarters of decline in the most recent contraction, with revised data showing that real GDP dropped in the third quarter of 2000 and the first and third quarters of 2001, but grew in the intervening quarters.

Consumption

The largest component of GDP, real personal consumption expenditures, shows a similar pattern (Chart 2-2). Consumption behavior during the last two expansions has been almost identical, with the two recent expansions differing from prior expansions.

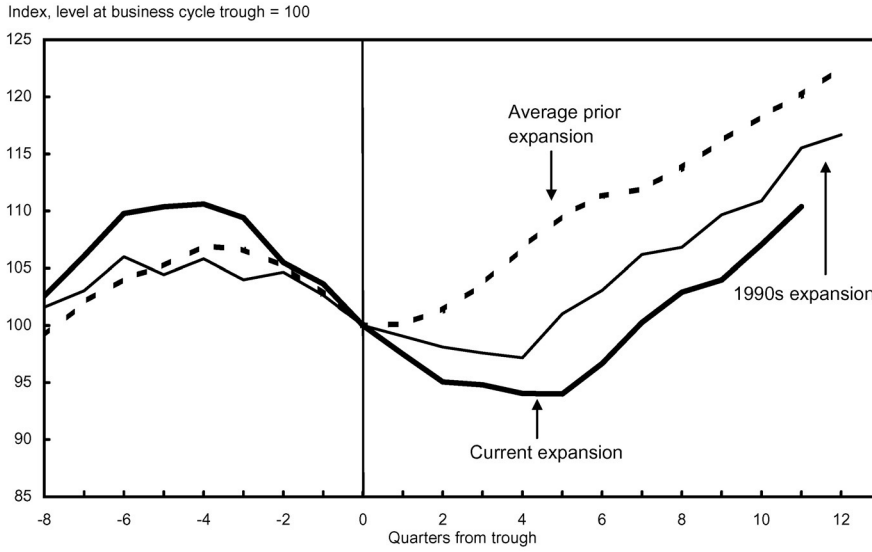
In the prior recessions, on average, consumption growth moderated starting six quarters before the recession's eventual trough, did not actually fall until two quarters before the trough, and began to rise in the quarter before the trough. In the 1990-1991 recession, consumption rose rapidly until two

Chart 2-2 **Real Personal Consumption Expenditures**
The behavior of consumption has been nearly identical over the last two expansions.
Consumption did not fall during the last recession.



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Economic Analysis).

Chart 2-3 **Real Nonresidential Investment**
Nonresidential investment continued to fall in the two most recent expansions even after the business cycle trough had been reached.



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Economic Analysis).

quarters before the trough, dropped sharply until the trough, and mostly grew thereafter. The most recent recession stands out as different in that consumption continued to grow throughout. This likely reflects the important role of fiscal and monetary stimulus in supporting demand and the unusual extent to which the recession resulted from a collapse in investment following the bubble of the late 1990s.

Investment

In an average expansion prior to 1990, total nonresidential investment started to rise at the business cycle trough, but initially rose at a slower pace than consumption (Chart 2-3). In the expansion of the 1990s, however, investment continued to fall for four quarters after the trough, and in the most recent expansion, investment fell for five quarters after the overall economy had bottomed out.

Residential investment in the average of prior recessions began to drop eight quarters before the business cycle trough and rose quite sharply in the four quarters after the trough (Chart 2-4). The housing market has been strong in the current expansion, though housing investment has been increasing at a more moderate pace than in expansions before 1990. This pattern is likely the result of the unusual circumstance in which residential investment did not falter along with the broader economy. In turn, this lack

of faltering may be attributable to low mortgage rates and to the movement of households' funds out of equities and into housing.

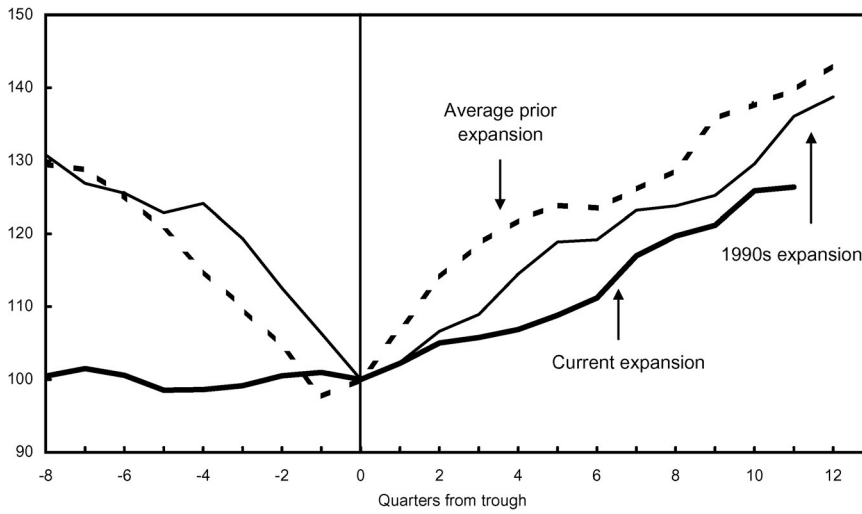
Real house prices have also behaved quite differently across the two most recent expansions. Real prices dropped throughout the expansion of the 1990s, reaching a low in 1995. They have risen by a total of about 44 percent since then. More than half of this increase, about 25 percent, has occurred since 2000. The recent increases in house prices, which have been particularly large in some urban markets, have raised concerns that the housing market may be in a "bubble." It is worth noting in this context that home equity as a share of net worth dropped during the 1990s, as real stock prices rose rapidly while house prices fell for the first half of the decade. This share has been rising since the late 1990s, but remains below its high of about 22 percent reached in 1985. This rebalancing of portfolios, pushing up the share of home equity in net worth closer to its historical norm, raises the demand for housing. This increase in housing demand may thus be partly responsible for the recent run-up in house prices.

Exports

At the beginning of the current expansion, exports roughly matched the behavior of expansions prior to 1990, in which exports picked up relatively

Chart 2-4 **Real Residential Investment**
Residential investment has grown moderately in the most recent expansion, after showing little if any decline in the preceding recession.

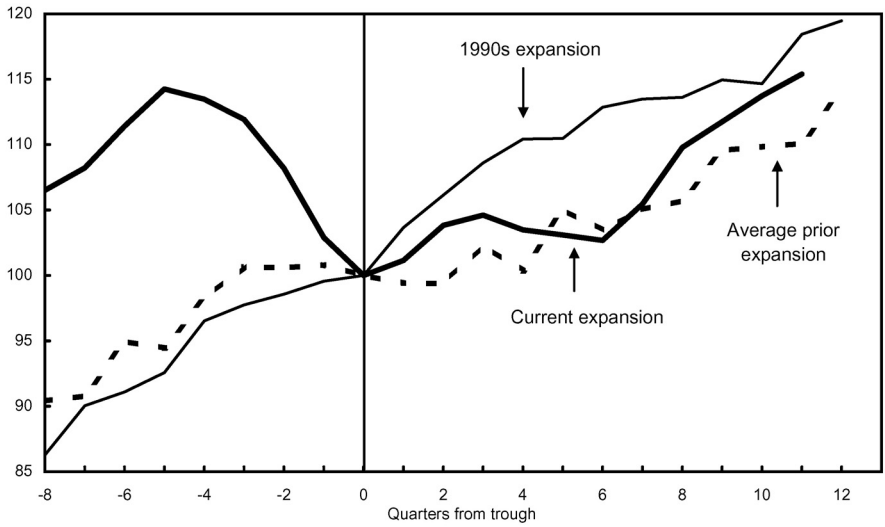
Index, level at business cycle trough = 100



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Economic Analysis).

slowly at the start of the expansion (Chart 2-5). An increase in the rate of growth of exports during the last year has moved their behavior closer to that of the 1990s expansion. The decline in exports during the most recent recession was particularly large relative to previous ones, as economic growth among major U.S. trading partners slowed more than in most past business cycles; in contrast, exports continued to rise during the 1990-1991 recession. Thus both recent recessions and expansions show anomalous behavior, though in different ways.

Chart 2-5 **Real Exports of Goods and Services**
In the current expansion, exports have grown in line with the average prior expansion, after an especially sharp decline in the preceding recession.
Index, level at business cycle trough = 100



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Economic Analysis).

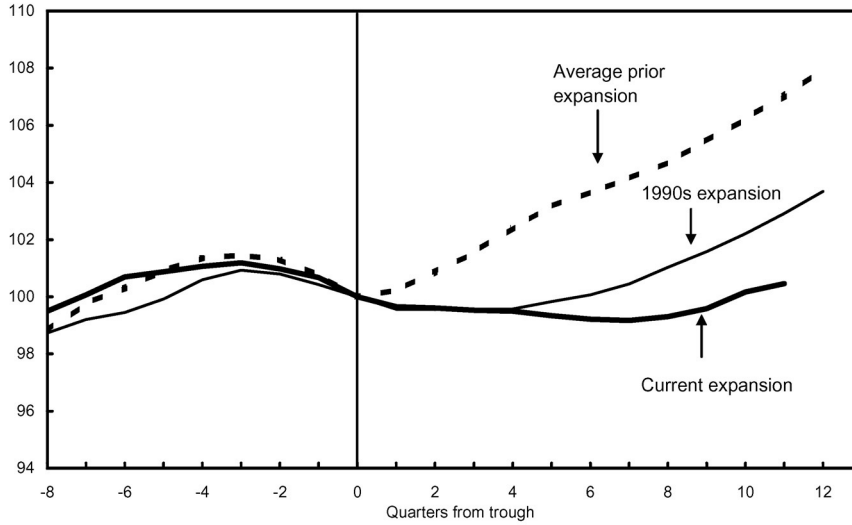
Labor Market

The behavior of the labor market was unusual in the most recent recession and the last two expansions. Before 1990, on average, payroll employment started to decline about three quarters before a business cycle trough—that is, employment on average has continued to rise in the early part of recessions (Chart 2-6). In an average expansion, employment begins to grow at the start of the expansion and reaches its previous peak three quarters after the trough. In the expansion of the 1990s, however, employment continued to fall for two quarters after the business cycle trough and did not reach its previous peak value until another six quarters had passed. In the most recent expansion, employment continued to fall for seven quarters after the recession had ended and appears to be on track to reach its prerecession level by early 2005. Though both of the

Chart 2-6 **Nonfarm Payroll Employment**

Employment continued to decline after the business cycle trough in the two most recent expansions, and subsequent growth has been more moderate than in prior expansions.

Index, level at business cycle trough = 100



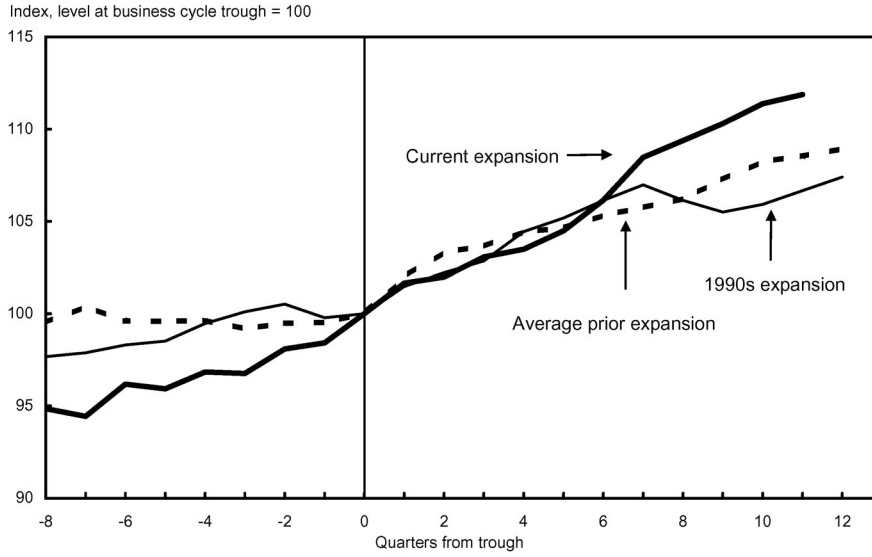
Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Labor Statistics).

most recent expansions have shown relatively weak employment growth, they were also preceded by smaller declines in employment prior to the trough.

The recent behavior of productivity can account for much of the difference in employment growth (Chart 2-7). Productivity, defined as output per hour worked, had been growing in line with the rates seen in past expansions, but then accelerated four to six quarters after the most recent trough. At 11 quarters after a business cycle trough, productivity is usually about 8.5 percent above its value at the trough; it is currently about 12 percent above its trough value. During the most recent expansion, productivity growth has averaged 4.2 percent per year at an annual rate, up substantially from the 2.5 percent growth rate seen on average from 1995 to 2000. By contrast, though the level of productivity growth was quite high during the 1990s, at an annual growth rate of 2.1 percent, even three years after the 1991 trough the level of productivity was not as high relative to its trough value as had been the case in prior expansions. Hence current productivity growth particularly stands out.

In the short run, greater productivity growth sets the bar higher for employment growth. With increased productivity, a given amount of output can be produced with fewer hours worked, so real GDP must grow more quickly for employment to grow. In the long run, however, higher productivity growth leads to higher income per person, and will thus be expected to

Chart 2-7 **Nonfarm Business Productivity**
Nonfarm business productivity has increased at a much greater rate in the current expansion than in previous ones.



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Labor Statistics).

be positive for employment growth. This is because part of the increase in output is distributed to workers in the form of higher real wages and benefits and part to owners of capital in the form of profits. The fraction of national income accorded to profits has risen in recent years, with the share going to profits at 10.9 percent in the third quarter of 2004, up from an average of 9.3 percent during the 1980s and 1990s. The fraction accorded to wage payments and benefits has been approximately constant over longer periods of time. A return to the historical pattern would result in rising real wages.

The behavior of unemployment during the recent expansion, though atypical when compared with expansions from the 1960s through the 1980s, roughly matches the behavior of unemployment during the 1990s: a continued rise in unemployment after the beginning of the expansion, followed by a gradual decline about a year later.

Summary

The beginnings of the last two expansions have been characterized by moderate growth in key macroeconomic variables: real GDP, consumption, investment, employment, and unemployment. The beginning of the most recent expansion has seen slower growth in investment and employment than the last one. The pace of economic expansion picked up, however, in the

middle of 2003. The more moderate rate of employment growth is at least partly explained by unusually robust growth in productivity—which further indicates higher future real wage growth. Unemployment rose by less than in the last recession and expansion. Both of the most recent expansions were preceded by relatively mild recessions: the drop in real GDP was relatively small, and consumption did not drop at all in the most recent recession.

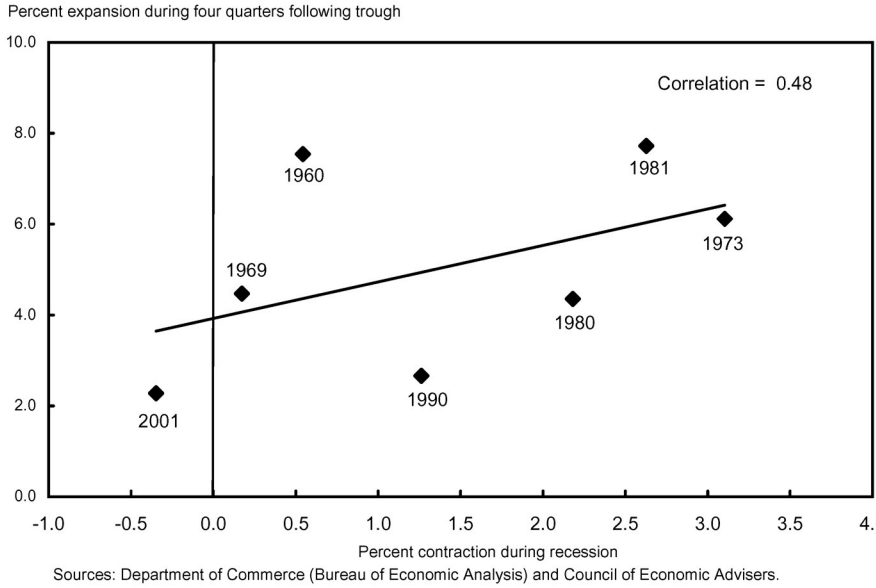
Symmetry in Recessions and Expansions

The last two expansions, though moderate, were preceded by shallow recessions. Past recessions were deeper and subsequent expansions more rapid. Together, the two sets of observations suggest that the rate of expansion may be related to the rate of contraction. This section evaluates that hypothesis.

Real GDP

Chart 2-8 plots the total percent contraction in real GDP during all recessions since 1960 against the percent expansion in real GDP in the four quarters following the trough. The latter time period is chosen to allow a uniform standard of comparison across expansions. Each point is labeled by

Chart 2-8 **Recessions and Expansions: Real GDP**
Real GDP tends to grow rapidly after deep recessions (such as that of 1981) and moderately after mild ones (such as that of 1969).



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

the year corresponding to the start of the recession as dated by the National Bureau of Economic Research. A regression line is drawn through the points; the position of the line is determined by a statistical procedure known as linear regression, which tries to determine the best possible line by minimizing the squares of the sums of the vertical distances between each point and the line. The line provides the best estimate for how much of an increase in real GDP at the beginning of an expansion can be expected for a given decline in real GDP during a recession.

The graph confirms the hypothesis. For example, the 1981 recession and its aftermath saw a sharp drop in real GDP followed by a sharp rise, while the 1990-1991 recession saw a shallow drop in real GDP followed by a shallow rise. The regression line is upward-sloping, providing statistical evidence that shallow recessions were followed by initially shallow expansions and sharp recessions by initially sharp expansions. An inset on the graph indicates a correlation of about 0.5. A correlation measures how closely two variables are related: a value of 1.0 indicates that the variables move together perfectly, 0 indicates that the variables are unrelated, and -1.0 indicates that the variables move in opposite directions. A value of 0.5 indicates a fairly strong relationship.

The most recent recessions and expansions have been fairly moderate. Indeed, real GDP actually rose over the course of the most recent recession; this is true whether the last recession is dated to have started in the fourth quarter of 2000 or the first quarter of 2001.

Components of Real GDP

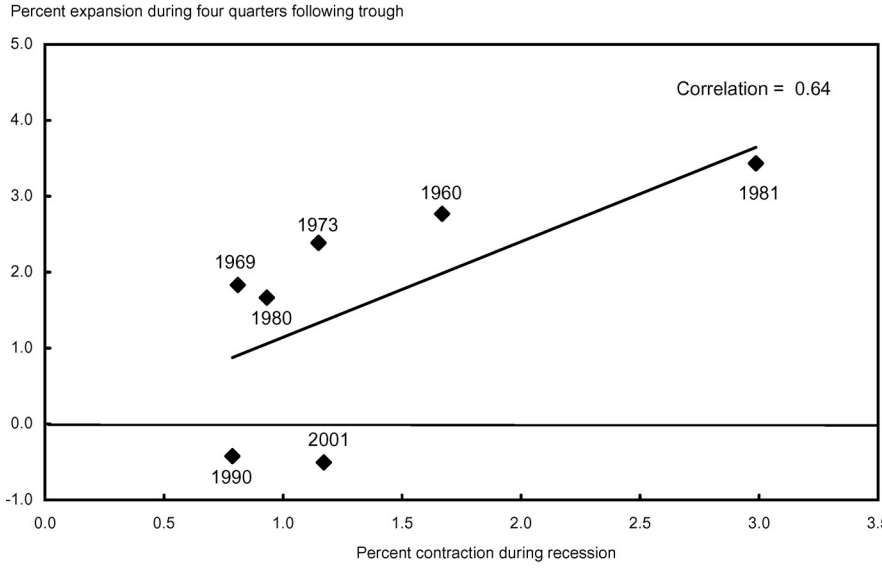
Given the symmetry in contractions and expansions of real GDP, one would expect some, if not all, of GDP's components—consumption, investment, government spending (on consumption and investment), and net exports—to show a similar pattern. The behavior of two major parts of overall investment, real investment in equipment and software and inventory investment, most strongly matches that of real GDP.

The Labor Market

The relationship between the drops in employment during contractions and the initial rises in employment during the subsequent expansions is even stronger than the relationship between GDP declines during recessions and GDP increases during expansions (Chart 2-9).

Drops in employment during contractions and rises during expansions are smaller than many of the other variables we have seen—ranging between a decline of 3 percent and an increase of 3.4 percent. The most recent contractions saw especially small declines in employment—between 0.8 percent and

Chart 2-9 **Recessions and Expansions: Nonfarm Payroll Employment**
Employment tends to grow rapidly after deep recessions (such as that of 1981) and moderately after mild ones (such as that of 1969).



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

1.2 percent. Employment continued to decline into the beginning of the expansions, though by less than 1 percent in each case. As noted above, given the rises in GDP of over 2 percent during the first year of each expansion, the difference reflects strong productivity growth.

A Possible Explanation: The Financial Accelerator

The charts above provide evidence that moderate recessions are followed, at least initially, by moderate expansions, and sharp recessions by initially rapid expansions. This is seen most strongly in the behavior of real GDP and employment.

The largest component of GDP to follow the same pattern, investment, suggests a possible explanation for this relationship. Investment is positively correlated with GDP growth, rising when GDP growth is rising and falling when GDP growth is falling. This relationship is known as the "accelerator model" of investment: higher GDP growth leads to more investment, which in turn leads to even faster GDP growth. A shock that leads to a large decline in investment will thus cause an even larger decline in GDP growth. When that shock disappears, and investment rebounds to its previous level, GDP growth will also show a similar rebound.

Research over the past two decades on the role of financial markets in investment has provided an explanation for the relationship between investment and

GDP growth. To buy new capital goods, firms rely on several sources of financing. These include internal funds, such as retained earnings or capital infusions from firm owners, and external funds, such as the proceeds from loans and the sales of stocks and bonds. The amount of internal funds is related to the firm's cash flow. In response to a slowdown in sales, cash flow will likely decline, reducing the amount of internal funds and therefore increasing the amount a firm needs to obtain from external finance. But lenders will be less willing to loan funds to firms with smaller cash flow, and the value of firms' collateral is also likely to have decreased, further reducing their ability to obtain loans. Hence firms might be forced to reduce their investment. This reduction in turn will lead to lower output, lower cash flow, and yet again lower investment—leading to a further deceleration in output. The effect can work in reverse during economic expansions, with rising GDP making it easier for firms to get financing for new investment projects. This theory provides a possible explanation for why changes in the amount of investment can have a multiplier impact on the broader economy.

The "financial accelerator" effect is roughly proportional to the size of the decline in GDP, since the change in cash flow and the value of collateral would be expected to be roughly proportional to the decline in output. There is no consensus, however, about the magnitude of the accelerator effect. One study assessing the response of investment by firms to a monetary policy tightening, both with and without a financial accelerator, showed that the presence of an accelerator can cause the decline in investment to double compared to a situation in which there is no accelerator effect. Another study noted that small firms, which are likely to be more limited in their ability to borrow than large firms, show much larger declines in inventory and sales growth during recessions than do large firms. This finding further suggests an important role for the financial accelerator.

The accelerator theory can also provide a link between asset price bubbles and recessions and expansions. When the prices of equities or real estate rise, the resulting increases in asset values raise the value of collateral, making it easier for firms to obtain financing for investment—thus further raising output growth. Conversely, declines in asset values from the bursting of asset price bubbles can discourage investment.

Although the financial accelerator theory helps explain why on average the depth of the recession corresponds to the initial strength of the expansion, the theory will not explain the behavior of all recessions and expansions. Investment is affected by things other than output growth, and, as will be discussed more fully later in the chapter, economic shocks can affect other components of GDP. In the most recent recession, for example, investment fell more rapidly than in the average recession, but the fall in output was not particularly large. The solid growth in consumption, boosted by expansionary monetary and fiscal policy, helped reduce the fall in output.

Summary

Moderate recessions are followed by moderate expansions and sharp contractions by rapid recoveries. This may be a consequence of the "financial accelerator" model of investment, in which firms' ability to borrow is related to the growth rate of output.

Seen in this context, the unusually moderate growth experienced at the beginning of the two most recent expansions seems less unusual, since the preceding recessions were also relatively mild. This observation begs the question of why the most recent recessions were mild. One possibility is that stabilization policy may have been more active and more effective during the last two recessions and subsequent expansions. This hypothesis can be assessed by looking at the two components of fiscal policy—taxes and spending—and at monetary policy.

Stabilization Policy

Before discussing specific details of stabilization policy, it will be useful to review what is known about the causes of business cycles, the effects of policy on economic activity, and the resulting challenges to the development and implementation of effective policy.

Business Cycles: Causes

Standard economic models suggest that long-run growth of real GDP is an outcome of technological progress, the accumulation of capital, and growth in the labor force. The models also suggest that either a larger labor force with a fixed capital stock or a larger capital stock with a fixed labor force will produce smaller and smaller additional amounts of output—a phenomenon known as *diminishing returns*. Hence capital accumulation alone and increases in the labor force alone will eventually result in higher levels of output but slower rates of output growth.

In the very long run, output will grow only if technological progress enables the production of more output for a given amount of capital and labor. In the short run, various *shocks*—unexpected events that cause large changes in the demand or supply of goods—can lead to recessions and expansions. The recessions and expansions can be seen as deviations from the long-run growth path.

Economic shocks can be divided into disturbances that affect aggregate demand and those that affect aggregate supply. *Aggregate demand* is the economy-wide demand for goods and services. It consists of consumer spending, investment, government purchases, and net exports (exports less

imports). *Aggregate supply* is the economy-wide supply of goods and services. Equilibrium in the economy occurs when aggregate demand equals aggregate supply.

Shocks that depress aggregate demand tend to lower output, lower employment (that is, raise unemployment), and put downward pressure on prices. For example, a decline in stock prices could lead to lower consumption spending. Shocks that raise aggregate demand have the opposite effect; they raise output, raise employment (lowering unemployment), and put upward pressure on prices. For example, greater optimism by firms about the state of the economy could lead to higher investment spending. Research has found that shocks to aggregate demand tend to affect output first rather than prices, but that these effects are temporary, lasting only a few years. However, such disturbances have long-lasting effects on the levels of prices and wages. That is, an increase in demand will lead to a temporary boost for output but a permanent rise in the price level (though not necessarily the inflation rate).

Shocks to aggregate supply, in contrast, tend to move output and prices in opposite directions. A beneficial shock to aggregate supply, such as a rise in productivity, raises output, lowers unemployment, and puts downward pressure on prices. An adverse shock to aggregate supply, such as an increase in the price of energy, has the opposite effects. To the extent that aggregate supply disturbances influence the determinants of long-run growth—the accumulation of capital, the supply of labor, and technological progress—supply shocks can also have long-lasting, even permanent, effects on the level and growth rate of output.

Economic Policy

The tools available to policymakers to affect the economy over a short horizon (up to a few years) can be divided into fiscal policy and monetary policy. *Fiscal policy* involves decisions about taxes, transfers (such as unemployment insurance, Social Security, or Medicare payments), and government purchases of goods and services. Changes in all of these affect aggregate demand. In the short run, lower taxes or higher transfer payments can lead to higher disposable incomes and thereby boost consumption spending. Government purchases directly affect spending and support aggregate demand.

The effects of tax cuts may depend on the expected duration of the cut. A prominent theory of consumption, the *life-cycle/permanent-income hypothesis*, argues that people choose their consumption to be in line with their expected lifetime resources. To the extent they are able, people keep their consumption constant over drops in income that are expected to be temporary by borrowing or using their savings. Expected temporary increases in income should be saved rather than consumed. Only sustained changes in income would translate into equal-sized changes in consumption. Under this theory,

permanent cuts should permanently raise consumer spending, as consumers would view disposable income as permanently higher, while temporary tax cuts should only be saved. But even temporary cuts could boost spending, however, if people cannot spend as much as they would like or need to due to constraints on their ability to borrow.

Tax changes can also increase the incentives for investment, boosting the investment part of aggregate demand. Some tax changes can also raise aggregate supply by, for example, boosting incentives for labor supply or permanently increasing the incentives to accumulate capital, or by removing distortions. These changes would be expected to augment the long-run growth rate of the economy.

Monetary policy in the United States is conducted by the Federal Reserve Board's Federal Open Market Committee (FOMC). The FOMC targets a short-term interest rate, the *Federal Funds rate*, the rate at which banks make overnight loans to one another. This interest rate in turn influences other short-term and long-term nominal and real (inflation-adjusted) interest rates in the economy. In turn, these interest rates affect interest-sensitive components of aggregate demand, such as investment and consumption of durable goods (goods used for long periods, such as refrigerators and cars). These components of demand are especially affected by changes in interest rates because firms often need to borrow to make investments and consumers need to borrow to purchase durable goods. Low real interest rates raise aggregate demand by boosting consumption and investment; high real rates reduce aggregate demand. The effects of monetary policy on output and other real variables will generally be temporary. In the long run, the output effects of the changes in aggregate demand caused by monetary policy largely disappear, leaving effects only on the level of prices.

Research suggests that price stability—a low and stable rate of inflation—may have important effects on aggregate supply and might therefore be conducive to GDP growth. High and widely-varying rates of inflation create substantial amounts of uncertainty about real rates of return, making it difficult for people to make decisions about investment.

Policy Design: Challenges

Policymakers use the elements of monetary and fiscal policy to try to reduce the size of economic fluctuations. Making recessions more moderate helps people by decreasing the amount of unemployment and limiting the amount of real income loss. Restraining expansions to sustainable levels reduces the risks of high inflation. Such policy is often called *countercyclical*, since the aim of the policy is to moderate the business cycle.

There is a broad consensus on the mechanisms by which fiscal and monetary policy affect the macroeconomy, but less agreement about the timing and

magnitude of their effects. Fiscal policy changes, especially tax policy changes, can work fairly rapidly. For example, a temporary investment incentive can cause firms to move investment forward and undertake projects now instead of in the future. But enacting such a policy through the legislative and executive branches of the government can take time. Monetary policy can be changed more quickly, as the FOMC has eight scheduled meetings per year and can meet more often if economic conditions warrant. In contrast to fiscal policy, however, it takes time for interest-rate changes to affect spending because investment plans take time to adjust to changing financial conditions.

This uncertainty about the duration and magnitude of policy effects means that policymakers considering changes in fiscal or monetary policy must forecast future aggregate demand and supply disturbances and their impact. For example, a policymaker considering a tax cut must think about the state of the economy in six months and beyond, when the tax cut will have its initial impact. The same is true for monetary policy, in which it can take even more time for policy changes to have an impact. Economic forecasting is inherently difficult. It is not easy to determine the state of the economy even six months out. Economic shocks are by definition unexpected. New kinds of shocks can make predictions even more difficult. For example, the oil-price shocks of the 1970s were likely hard to forecast, since such sharp increases had not been observed in the past.

Successful execution of policy requires not only choices about the type and extent of policy, but also about timing and duration. While these are all difficult decisions to make, there is evidence that there has been improvement over time. Technological improvements and economic research have allowed economists and policymakers to get more and better data more quickly on the state of the economy. Economic models have improved as new ideas are developed and some older ideas fail the test of time. Computers have allowed the simulation of more alternative policy scenarios. Policymakers learn from the past.

The following sections compare the behavior of fiscal and monetary policy across recessions and expansions since 1960 to assess differences in the application and effects of policy over time.

Fiscal Policy

The two components of short-run fiscal policy, taxes and government spending (consumption and gross investment), show different behavior across economic expansions. The following subsections consider each in turn.

Taxes

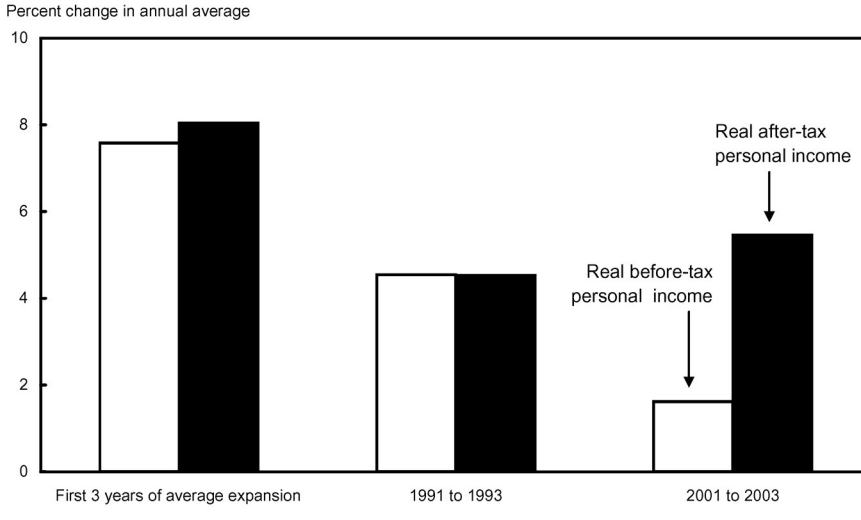
The President signed three major tax bills into law between 2001 and 2003: the Economic Growth and Tax Relief Reconciliation Act (EGTRRA) in June 2001, the Job Creation and Worker Assistance Act (JCWAA) in March 2002,

and the Jobs and Growth Tax Relief Reconciliation Act (JGTRRA) in May 2003. A fourth bill, the Working Families Tax Relief Act (WFTRA), signed in October 2004, extends some provisions of the previous bills.

These bills—described in further detail in Chapter 3, *Options for Tax Reform*, and in the 2004 Economic Report of the President—were designed to boost both aggregate demand and aggregate supply. The aggregate demand effects came in several parts. First, tax cuts to individuals raised real disposable income (real income less taxes) and thereby supported consumption. Second, the tax cuts provided incentives for investment, both by lowering tax rates on personal capital income and by increasing the amount of investment allowed to be expensed by businesses. The investment incentives were also designed to have long-term effects on aggregate supply, by increasing the amount of capital accumulation.

The impact of the boost to aggregate demand can be assessed by plotting the growth of real income and real disposable income across expansions (Chart 2-10). During the first three years of an average expansion, disposable income growth is only slightly larger than personal income growth, suggesting that tax policy provides only a small boost. In the 1990s expansion, there was essentially no difference between real income growth and real disposable

Chart 2-10 **Growth in Personal Income During Expansion Years, Before and After Taxes**
Real after-tax income increased much more than before-tax income in the recent expansion compared with growth in previous expansions.



Note: Before-tax personal income deflated by the price index for personal consumption expenditures. Average based on prior expansions since 1960 excluding 1990s expansion.
Sources: Department of Commerce (Bureau of Economic Analysis) and Council of Economic Advisers.

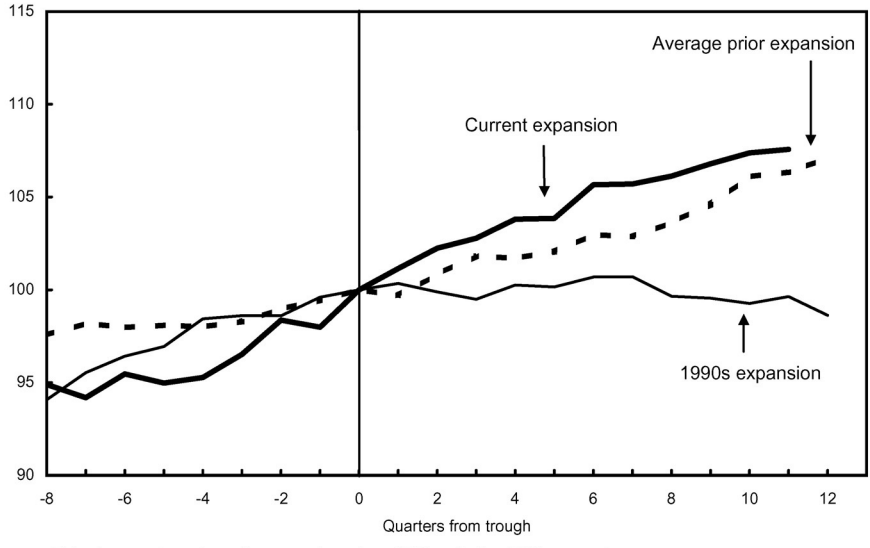
income growth. Tax policy neither stimulated nor contracted demand. In contrast, the difference has been quite large in the most recent expansion. After-tax income has grown at a much faster rate than before-tax income.

The timing of policy also likely helped stabilize the economy, which was facing multiple contractionary forces in 2000 and 2001. The first tax relief act was passed in the middle of the recession, so households received tax-cut checks at an opportune time. Indeed, the decline in the personal saving rate as a fraction of income indicates that, on average, people were spending, boosting aggregate demand. The incentives for investment also included in the tax relief act were important in light of the particularly sharp drop in investment during the last recession.

Government Spending (Consumption and Gross Investment)

Government spending (consumption and gross investment) (Chart 2-11) on average tends to rise as the economy goes into recession and continues to rise during the beginning of the subsequent expansion. In the 1990s expansion, however, government spending flattened out and began to decline. In the most recent expansion, government spending rose at a faster rate than average, providing a bigger boost to aggregate demand. A significant portion of this additional spending is attributable to increased defense and homeland security spending.

Chart 2-11 **Real Government Spending (Consumption and Gross Investment)**
Government spending has increased especially rapidly during the recent expansion.
Index, level at business cycle trough = 100



Note: Average based on prior expansions since 1960 excluding 1990s expansion.
Source: Department of Commerce (Bureau of Economic Analysis).

Federal government revenues had been affected by both the recession, which had been under way for some time before the terrorist attacks of 9/11, and the subsequent moderate growth of output during the initial phase of the expansion. About half of the change in the Federal government's fiscal position from a surplus in fiscal year 2001 to a deficit in fiscal year 2004 was attributable to the weaker economy and related factors. Just under a quarter of the decline is attributable to increased spending, principally related to defense and homeland security, and a little more than a quarter of the decline is attributable to the tax cuts.

While it is undesirable to have government deficits, they are sometimes a prudent price to pay for stimulating economic growth. Without aggressive fiscal policy during the most recent recession and recovery, the large number of severe shocks facing the economy might well have caused the recession to have been much longer and deeper than it actually was, possibly further exacerbating the deficit. In contrast, reducing the deficit by reversing the tax cuts would have caused growth to slow even further.

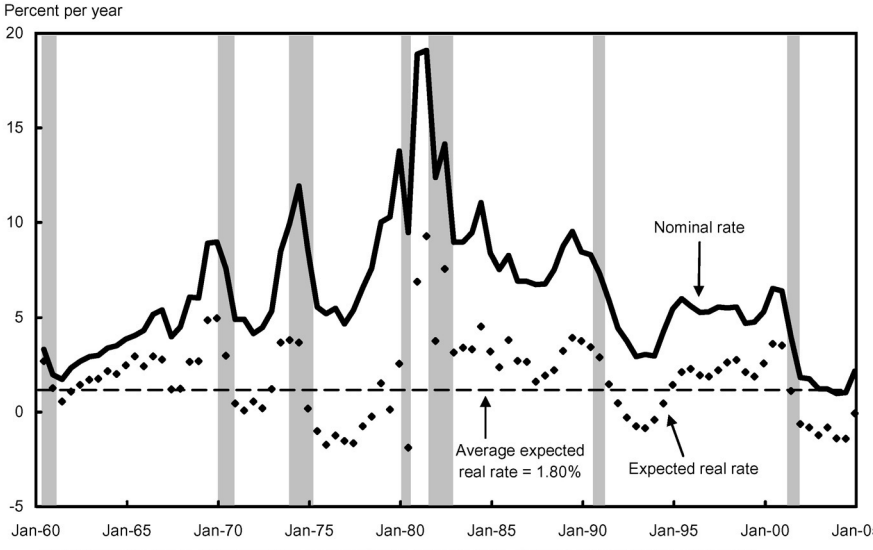
Fiscal policy provided significant stimulus during the most recent recession and recovery through both lower taxes and increased spending. Real government spending increased during the 1990-1991 recession, and then remained at roughly its trough level for the next year before beginning to decline. Hence spending provided only modest stimulus at the beginning of the 1990s expansion.

Monetary Policy

Low real interest rates help stimulate real GDP growth by boosting investment and purchases of consumer durables, thereby raising aggregate demand; high real rates likewise reduce real GDP growth. The Federal Reserve's principal policy tool, the Federal Funds rate, influences other nominal and real interest rates. When the real (inflation-adjusted) Federal Funds rate is low, monetary policy will be stimulative (sometimes referred to as *accommodative* or *loose policy*). When this rate is high, monetary policy will restrain real GDP growth (sometimes referred to as *tight* monetary policy). "Low" and "high" are both relative terms. In principle, it would be best to compare the real Federal Funds rate with whatever interest rate would make policy neither loose nor tight. This rate can be thought of as the long-run equilibrium rate the economy would tend to move toward as the effects of economic shocks wear off. In practice, this equilibrium rate is not observed. But over long periods of time, the economy tends to drift back to its long-run equilibrium; hence the average level of the real Federal Funds rate over a long period of time can provide a useful, though necessarily imperfect, approximation for the equilibrium rate.

In Chart 2-12, the solid line plots the nominal Federal Funds rate; the dots plot the expected real Federal Funds rate, obtained by subtracting a biannual survey measure of inflation expectations (the Livingston survey) from the nominal rate. The chart suggests that the real Federal Funds rate tends to fall during recessions and rise during expansions—exactly what would be expected from countercyclical monetary policy. But the timing of interest-rate changes relative to the recessions and expansions has changed over time. First, declines in the real Federal Funds rate have occurred longer before the beginning of the last two recessions than before the other recessions after 1960. In some prior recessions, real rates began to decline only after the recession began. Since it can take time for real interest rate changes to affect spending, earlier actions by the Federal Reserve can reduce the depth of recessions. Second, real rates have remained low during the last two expansions for longer than during previous expansions. The real Federal Funds rate has been well below its long-run average since the beginning of 2001. This would be expected to have provided additional stimulus at the beginning of the recovery and into the expansion. During the course of 2004, the Federal Reserve raised its target for the nominal Federal Funds rate from 1 percent to 2.25 percent. Although these increases in the nominal rate also meant an increase in the real rate, the real rate still remains well below its long-term average.

Chart 2-12 **The Real and Nominal Federal Funds Rate**
The real effective Federal Funds rate has remained below its long-term average since the beginning of the most recent recession.



Note: Real rate series subtracts year-ahead inflation expectations. Shaded areas indicate recessions.
Sources: Board of Governors of the Federal Reserve System, Federal Reserve Bank of Philadelphia, and Council of Economic Advisers.

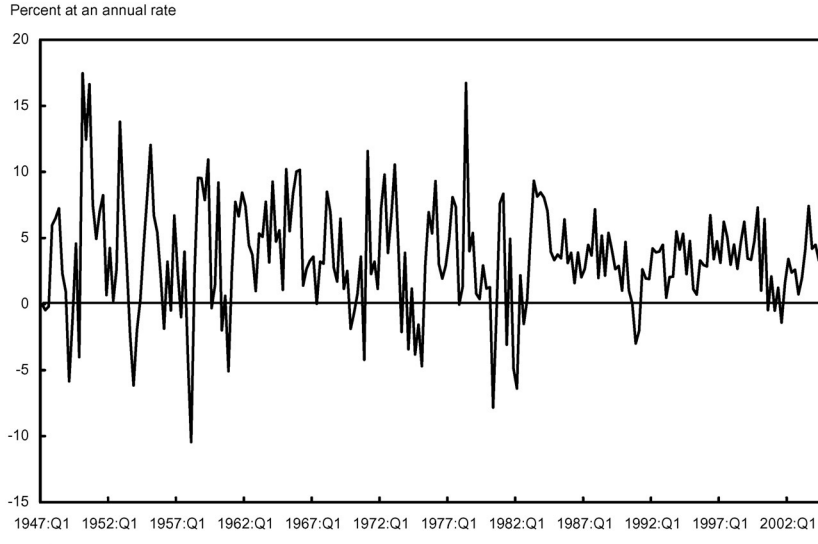
Fiscal policy played an especially important role in moderating the last recession and in supporting the subsequent economic expansion. During the most recent set of interest-rate cuts, the nominal Federal Funds rate was reduced to 1 percent, possibly leaving the Federal Reserve with reduced ability to provide additional stimulus. The Federal Reserve could have used other means of further easing policy. For example, it could have tried to target a long-term interest rate by buying or selling long-term bonds. Since long-term rates remained well above zero, such a policy would have given the Federal Reserve additional room to carry out further easing. The efficacy of this and other nontraditional policy methods is unproven.

In sum, monetary and fiscal policy together likely explain a significant part of the relative stability of the economy over the last two recessions and expansions (see Box 2-1 for further discussion).

Box 2-1: Is the Economy More Stable?

The relative moderation of the last two business cycles raises the possibility that the economy may be becoming more stable generally. In the 60 years since World War II, a visible shift in the volatility of the growth rate of real GDP occurred in the early 1980s (Chart 2-13). Does this indicate a change in the nature of the business cycle, and if so, what caused the change?

Chart 2-13 **Real GDP Growth**
Real GDP growth has become less volatile over the past 20 years.



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

Box 2-1 — *continued*

A variety of reasons have been offered to explain this shift. One possibility is that more active, and more effective, stabilization policy had moderated economic fluctuations. Another is that the economy has had a run of good luck; it has not experienced the same kinds of macroeconomic disturbances seen in earlier years, such as the oil-price shocks seen in the 1970s and 1980s. Events of the past few years, such as the terrorist attacks of 9/11 and the bursting of the high-tech bubble of the 1990s, however, were significant shocks. The decline in volatility could also be largely attributable to better inventory management. This could be the result of the adoption of "just in time" methods, in which goods are manufactured and supplied on demand. Yet another possibility is that an increasing proportion of the economy is now in the service sector, which has tended to be more stable than the goods-producing sector. It is likely that all of these effects have worked together to reduce volatility.

Conclusion

Since the late 1980s, recessions and the initial stages of expansions have become more moderate. Some of this change reflects the general positive relationship between the size of recessions and size of expansions, which is caused at least in part by the relationship between firms' abilities to invest and the state of economic activity (the "financial accelerator"). The recent recessions and expansions have been especially moderate, suggesting the economy has become more stable in general. Part of this stability is likely attributable to more active and timelier stabilization policy.

CHAPTER 3

Options for Tax Reform

The current Federal tax system is unnecessarily complex and distorts incentives for work, saving, and investment. As a result, it imposes large burdens on taxpayers and on the U.S economy as a whole in the form of high compliance costs and distortions in economic decisions.

Tax reform could make the tax system simpler and fairer and promote growth of the economy. Various tax reform proposals have been made to replace the current tax system. Most of these proposals are variations on a few basic types of taxes. This chapter discusses these basic prototypes for reform. The President has not endorsed any specific proposal, and this chapter does not advocate the adoption of any particular prototype for reform.

The key points in this chapter are:

- The current tax system imposes high costs on society in addition to the taxes actually collected.
- Income taxes and consumption taxes are the primary alternatives for raising government revenues.
- The main types of consumption taxes are the retail sales tax, the value added tax, the flat tax, and the consumed income tax.
- While the tax system could be completely redesigned, important benefits could also be obtained through simplification and reform of the current tax system.

Why Do We Need Tax Reform?

People often think of the tax burden in terms of the dollar amounts of taxes paid, but this is only part of the total burden. The tax system also imposes two indirect burdens: the costs (in time and money) of complying with tax rules and the costs (including slower economic growth) of tax-induced distortions of economic activity. Although all tax systems impose direct and indirect costs, such costs are unduly high under the current system.

The Direct Burden of the Tax System: Taxes Paid

As measured by the revenues collected, the direct burden of Federal taxes is estimated to be $2.1 trillion, or 16.8 percent of GDP in fiscal year 2005 (Table 3-1). This percentage is less than the average of about 18 percent for the last 50 years because of the effects of the recession and of temporary

TABLE 3-1.— *Sources of Federal Revenues, Fiscal Year 2005*

Source	Billions of dollars	Percent of total revenues	Percent of GDP
Individual income taxes	894	43.5	7.3
Corporation income taxes	227	11.0	1.9
Social insurance receipts	774	37.7	6.3
Excise taxes	74	3.6	.6
Estate and gift taxes	24	1.2	.2
Customs duties	25	1.2	.2
Miscellaneous receipts	36	1.8	.3
Total	2,053	100.0	16.8

Note: Detail may not add to totals because of rounding.

Source: Office of Management and Budget, *Budget of the United States Government, Fiscal Year 2006.*

economic stimulus provisions that expired at the end of December 2004, but is projected to return to the historical average under proposed policies. The largest share of revenues (over 92 percent) comes from taxes on income and its components: the individual income tax (43.5 percent), payroll taxes for Social Security and other social insurance programs (nearly 38 percent), and the corporate income tax (11 percent).

Even when state and local taxes are included, the United States relies more on taxes on income than most other developed countries (Table 3-2). Over 70 percent of taxes imposed by all levels of government in the United States are individual income, corporate profit, and payroll taxes, compared to the 62 percent average for all Organization for Economic Cooperation and Development (OECD) countries. The United States relies much less on taxes on consumer goods and services (under 18 percent) than other countries (32 percent average). Much of this difference reflects higher total tax burdens in other OECD countries, which generally impose value added taxes (VATs) on sales of goods and services in addition to income and payroll taxes.

TABLE 3-2.— *Comparison of Tax Revenues: United States, G-7, and OECD, 2002*

[Includes subnational governments]

Revenue source	United States	Canada	France	Germany	Italy	Japan	United Kingdom	OECD average
	Percent							
Total revenue as percent of GDP	26.4	33.9	44.0	36.0	42.6	25.8	35.8	36.3
Revenue by type as percent of total:								
Income and profit	44.4	46.2	23.9	28.0	32.5	30.6	37.8	35.3
Social security and payroll	26.1	17.2	39.5	40.3	29.4	38.3	17.0	26.3
Property and wealth[1]	11.9	9.8	7.5	2.3	5.1	10.8	12.0	5.5
Goods and services	17.6	26.3	25.4	29.2	26.9	20.1	32.7	31.9
Other	.0	.5	3.6	.0	6.0	.3	.0	.9

[1] Includes taxes on real estate, net worth, estates, inheritances, and gifts.

Note: Detail by type may not add to 100 percent because of rounding.

Source: Organization for Economic Cooperation and Development (OECD), *Revenue Statistics.*

High Compliance Costs

The complexity of the U.S. income tax is legendary (Box 3-1), and it leads to high compliance costs for taxpayers and the government.

The costs of the Internal Revenue Service (IRS) administering the tax system and monitoring compliance are about 0.5 percent of revenues. But these are just a small part of the compliance costs associated with the tax system, which are estimated to be as much as 10 percent of revenues. The complexity of the current system imposes substantial burdens on taxpayers in time and money spent to prepare and file tax returns, maintain tax-related records, read and understand instructions, engage in tax planning, and, for more than half of individual taxpayers, pay a tax preparer. The IRS estimated that for tax year 2000, individual taxpayers spent 3.2 billion hours on tax compliance, an average of 25.5 hours per return. Assuming a value of $15 to $25 per hour for

Box 3-1: Complexity of the Current System

The current tax system includes many provisions that duplicate or conflict with each other and that are unnecessarily complicated. Some examples of complexity affecting large numbers of taxpayers are:

- There are approximately 30 different kinds of special retirement or special purpose savings accounts under the tax system. Each has its own rules, and participation in one of them can affect whether an individual can participate in another.
- Numerous phaseout provisions intended to limit tax benefits to lower-income taxpayers require additional calculations and create high marginal tax rates in the phaseout range. Two such provisions apply to the taxation of Social Security benefits.
- Tax complexity is not just the bane of the wealthy. The Earned Income Tax Credit, which provides a subsidy to the working poor and is a basic element of our national income support system, has 13 pages of instructions and complex eligibility requirements.
- The Alternative Minimum Tax (AMT) requires taxpayers to calculate their income taxes twice—once under regular tax rules and a second time under AMT tax rates and rules. By 2010, more than one in five taxpayers will have to calculate the AMT and pay it if it is higher than their regular tax.
- Over 10 million dependents have to file income tax returns each year. Many of them are teenagers with jobs or young children who have modest amounts of investment income. The so-called Kiddie Tax applies to a much smaller number of dependent filers, but involves complex rules and can result in very high marginal tax rates in certain cases.

taxpayers' time and adding the $19 billion spent on tax preparers, computer software, and similar expenses results in a total estimated individual compliance cost between $67 billion and $99 billion. Burdens vary substantially among taxpayers. For example, taxpayers with self-employment income spent almost 60 hours preparing returns. Other taxpayers spent an average of 13.8 hours, but 10.9 more hours if they filed the Alternative Minimum Tax (AMT) form.

Effects on Behavior and Excess Burden

The third type of burden imposed by the tax system, called *excess burden*, arises when high tax rates reduce incentives for work, saving, and investment, distort economic decisions, and divert resources from productive activity into tax avoidance. Excess burden means that it costs the economy more than one dollar to raise one dollar in revenue. High excess burden ultimately reduces economic growth and lowers living standards. This section examines the evidence of the effects of high tax rates on economic behavior and how these effects translate into measures of excess burden.

Tax Effects on Individual Behavior

An individual's after-tax return from increased work effort, saving, or investment depends on the individual's *marginal tax rate*, the tax rate that applies to the last dollar of the individual's income. For example, the after-tax return from earning one additional dollar is $0.75 for a taxpayer in the 25 percent tax bracket. By reducing after-tax returns, high marginal tax rates reduce incentives for additional work effort. The same principle applies to saving and other economic activities.

A variety of statistical studies have found that high income tax rates adversely affect labor supply, particularly for certain segments of the population. The income tax rate reductions in the 1980s significantly increased the labor force participation and hours of work of high-income married women, with a total increase in labor supply of as much as 12-15 percent. The effects were much smaller for men (up to 2-3 percent) and for female heads of households (up to 4 percent). Some economists argue that these studies understate the effects of taxes on labor supply because they do not include tax effects on the intensity of work effort, career choice, and investments in human capital (such as education), which are more difficult to measure.

In addition to reducing the numbers of hours they work, taxpayers respond in many other ways to avoid the effects of high tax rates. For example, taxpayers take their compensation in nontaxable forms such as health insurance and alter their portfolios to focus on tax-favored investments. The total effect of such responses is summarized by the responsiveness of taxable income to changes in marginal tax rates. While the results vary among studies,

a reasonable estimate is that a 10 percent decrease in after-tax returns leads to about a 4 percent decrease in taxable income. Thus, for example, if the marginal tax rate was increased from 25 percent to 28 percent, this would reduce after-tax returns by 4 percent. Taxpayers' behavioral responses would reduce taxable income by 1.6 percent (0.4 times 4 percent), and this would reduce the addition to revenue by nearly 15 percent.

Tax Effects on Business Behavior

Businesses can respond to taxes in various ways, including changing their level of investment and employment, their method of finance, and their organizational form. Current law distorts many business decisions, resulting in inefficient use of resources and reduced economic output.

Some of the largest distortions are associated with the corporate income tax. This tax results in corporate income being taxed once under the corporate income tax and then a second time at the individual level when received as dividends or when reinvested earnings result in taxable capital gains. This double taxation of corporate income favors financing investment with debt instead of equity because interest paid by the corporation on its debt is deductible while dividend payments to shareholders are not.

Double taxation of corporate income also creates a bias in favor of using business forms not subject to the double tax, such as partnerships, sole proprietorships, limited liability companies, and subchapter S corporations. The double tax also discourages paying dividends. As a result, prior to the 2003 reductions in dividend tax rates, dividend payments by corporations had declined since the 1980s (Box 3-2).

Current tax law also distorts decisions about investment in equipment and buildings. Under an income tax, proper measurement of income requires that the cost of investment in new equipment be depreciated by deducting the decreases in economic value over the useful life of the investment, sometimes called *economic depreciation*. Current depreciation rules, however, differ significantly from an ideal measure of economic depreciation, leading to biases among investment choices. For example, if a company chooses offices with plaster walls, it would have to depreciate those walls over 39 years. But because cubicle partitions are considered to be office furniture under IRS rules, they can be depreciated over 7 years. Thus, the tax law favors the purchase of cubicle partitions because the faster tax write-off saves the company money.

Other research has shown the adverse effects of high tax rates on entrepreneurial activity. Several studies examined the response of small businesses to the tax reductions of the 1980s and found that when income tax rates were reduced, entrepreneurial businesses grew faster, were more likely to invest in new equipment and structures, and were more likely to hire additional workers.

Box 3-2: The Initial Effects of the 2003 Reductions in Tax Rates on Dividends

Corporate income is taxed twice, first under the corporate income tax and then a second time under the individual income tax as dividends or capital gains. Consequently, the total Federal tax rate on corporate income can be very high. For example, in 2000, the total Federal tax rate on a dollar of corporate income paid out as a dividend could be as high as 60.75 percent (calculated as the 35 percent corporate rate plus an individual tax rate of up to 39.6 percent on the 65 cents of after-tax corporate income available for dividends). State income taxes add to this total.

Economists are in broad agreement that this system creates serious economic distortions. Indeed, historically the United States was almost alone among advanced countries in failing to provide some form of relief from double taxation of corporate income. A key provision of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (JGTRRA) reduced the double tax by reducing the individual income tax rates for both dividends and capital gains.

Proponents of JGTRRA argued that it would lead to more dividends being paid by corporations. Was this prediction correct? One study reported that in the first three months after the law was passed, corporate boards of directors increased dividends by 9 percent at their first opportunity following enactment. A subsequent study found that the percentage of publicly traded firms paying dividends began to increase precisely when the new law became effective in 2003. This percentage had been declining for more than 20 years. The study found that nearly 150 firms started paying dividends after the tax cut, adding more than $1.5 billion to total quarterly dividends. The most notable example of a company initiating payments is Microsoft Corporation, which previously had not paid dividends in spite of accumulating large cash reserves. Many firms already paying dividends raised their regular dividend payments, and a smaller number of firms made special one-time dividend payments to shareholders.

Overall, the response has been unprecedented in the recent history of tax changes. Based on statistical analysis of the historical relationships between dividends and tax rates, another study estimated that over time, dividends will increase by 31 percent, about $111 billion in additional annual dividends at 2002 levels.

Excess Burden

Because taxes distort economic decisions and lead to inefficient use of resources, they cause reductions in economic welfare that exceed the amount of tax collected. These costs above and beyond the revenues collected are called the "excess burden" of the tax system. Higher marginal tax rates lead to more distortion in behavior, and therefore to greater excess burden. In addition, the more responsive taxpayers are to higher marginal tax rates, the greater the excess burden will be. A recent study estimated that the excess burden associated with increasing the individual income tax by one dollar is 30 to 50 cents. In other words, the total burden of collecting $1.00 in additional income taxes is between $1.30 and $1.50, not counting compliance costs.

Income Taxation Versus Consumption Taxation

The main bases available for Federal taxation are income and consumption. Economists define *income* as the increase in an individual's ability to consume during a period of time. By this definition, anything that allows a person to consume more is income, including compensation for services, interest, rents, royalties, dividends, alimony, and pensions. This broad measure of income also includes noncash benefits, such as health insurance provided by an employer, and increases in the value of stock and other assets. While the base of an income tax is the increase in *potential* consumption (i.e., income), a consumption tax applies only to the portion of income that individuals *actually* consume.

Tax reform proposals generally follow either the principle of taxing consumption or the principle of reforming the existing system to conform more closely to a pure income tax. In thinking about this distinction, it is important to note that the current system already has many features of a consumption tax: investment income is exempt from tax when it is saved in certain forms, such as IRAs; unrealized capital gains are not taxed; and small businesses can immediately deduct the cost of a certain amount of new investment, as would be the case under a consumption tax. Thus, characterizing the current system as an income tax is something of a misnomer; it is more of a hybrid between an income tax and a consumption tax.

Before turning to the main prototypes in the following section, this section examines the choice between income and consumption taxation from the standpoint of key criteria for evaluating a tax system: fairness, growth, and simplification.

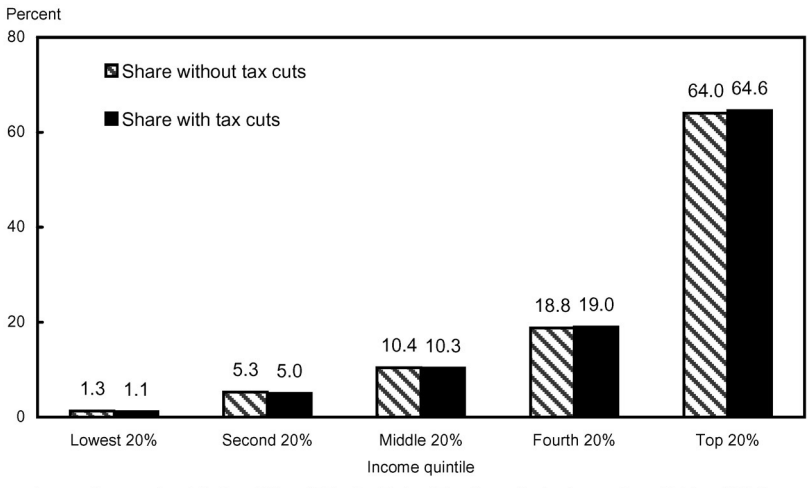
Fairness

A traditional standard for fairness is that taxes should be levied according to individuals' ability to pay. Thus, proponents of income taxation argue that it is fair because income best reflects the ability to pay taxes. In addition, a common view is that individuals with higher incomes should pay a greater proportion of their income in taxes—the tax system should be progressive. As shown in Box 3-3, the current income tax system is highly progressive.

Box 3-3: What Is the Current Distribution of the Tax Burden?

A major criterion for judging a tax system is whether it is fair. One way to examine this question is to look at the shares of the tax burden borne by taxpayers in various parts of the income distribution. Nearly two-thirds of the total Federal tax burden is borne by the top 20 percent of taxpayers. This includes individual and corporate income taxes, payroll taxes, and excise taxes, but not the effects of temporary economic stimulus provisions that expired at the end of 2004. As shown in Chart 3-1, the share of taxes of the top 20 percent increased as a result of the tax cuts enacted since 2001.

Chart 3-1 **Share of Federal Taxes With and Without Tax Cuts, 2004**
The share of taxes of the top 20 percent increased as a result of the tax cuts enacted since 2001.

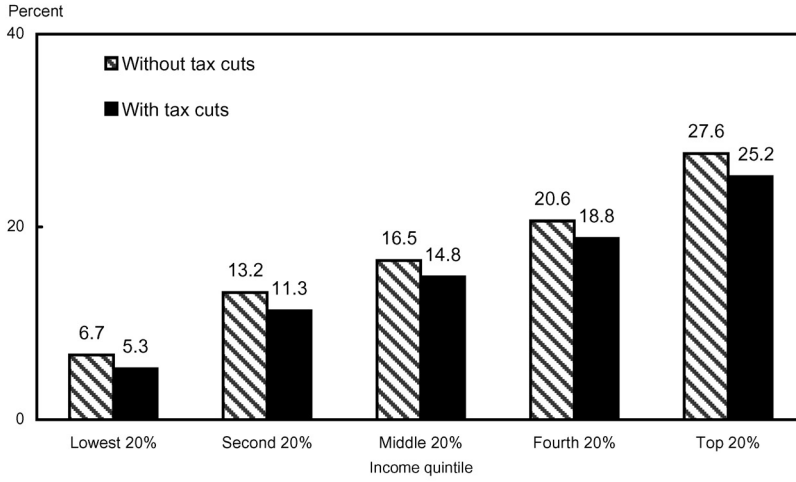


Source: Congressional Budget Office, "Effective Federal Tax Rates Under Current Law, 2001 to 2014," August 2004.

Another way to look at fairness is in terms of taxes as a percent of income. As shown in Chart 3-2, Federal taxes take a larger share of income for higher-income groups, both before and after the tax cuts.

Box 3-3 — *continued*

Chart 3-2 **Effective Federal Tax Rates With and Without Tax Cuts, 2004**
Effective tax rates are higher for higher income groups, both with and without tax cuts.

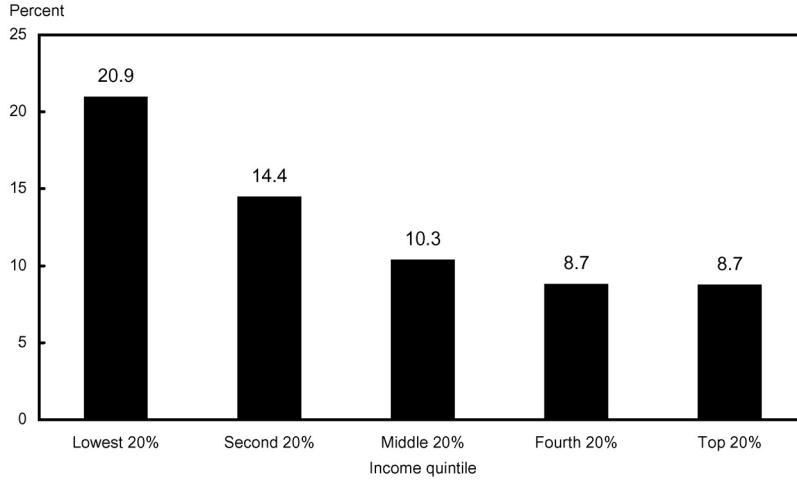


Source: Congressional Budget Office, "Effective Federal Tax Rates Under Current Law, 2001 to 2014," August 2004.

The bottom 40 percent of the population received the largest percentage reductions in total Federal taxes (Chart 3-3). After the tax cuts, the bottom 40 percent of the population paid no income taxes, and, on balance, received money back from the income tax system.

In summary, the tax relief passed during the President's first term increased the overall progressivity of the Federal tax system.

Chart 3-3 **Percent Reductions in Total Federal Taxes, 2004**
The bottom two income quintiles received the largest percent reductions in total federal taxes.



Source: Congressional Budget Office, "Effective Federal Tax Rates Under Current Law, 2001 to 2014," August 2004.

Critics of consumption taxes often argue that they are *regressive*, that is, they represent a higher proportion of the income of lower-income families. Conventional analyses use an annual measure of income as a measure of ability to pay and assume that the burden is borne by consumers. They generally show that a proportional tax on consumption would be highly regressive. Annual incomes, however, often vary substantially from year to year, so one year's income may not be a good indicator of ability to pay. When a lifetime measure of income is used, the regressivity of consumption taxes appears less pronounced.

Some studies question whether income is the most appropriate basis for measuring fairness. One reason for taxing consumption is the belief that it is a better measure of lifetime ability to pay than annual income. If so, progressivity should be measured with respect to consumption rather than income, and an inclusive flat rate consumption tax would be proportional by definition. In addition, as discussed below, there are ways to tax consumption while addressing concerns about distributional fairness. Furthermore, increased economic activity from a more efficient tax system could be sufficient to improve the economic welfare of all income groups.

Finally, when considering the fairness of taxes, it is important to keep in mind that the ultimate burden of a tax is not necessarily borne by the taxpayer who writes the check to the government. In particular, the burden of taxes paid by corporations is ultimately borne by individuals in their roles as stockholders, workers, and consumers. A common view of economists is that in the short run, before there is time for economic adjustments, the burden of increases in corporate income taxes is borne entirely by shareholders. Thus, under this view, most of the corporate income tax burden is borne in the short run by high-income households, because the ownership of corporate stock is highly concentrated in high-income households. Over time, however, at least part of the burden of corporate taxes is likely to be shifted to owners of noncorporate businesses, workers, and consumers. Such shifting of tax burdens can significantly affect perceptions of the fairness of particular taxes. For example, the corporate income tax might be viewed as less fair if the burden is seen as resulting in lower long-run wages for workers rather than being incurred by well-to-do corporate shareholders.

Effects on Growth of the Economy

Increasing economic efficiency and promoting growth of the economy are important goals for tax reform. A tax system that inflicts fewer distortions on economic decisions would improve the efficiency of the use of resources in the economy and thus improve the general welfare. One source of inefficiency is *tax preferences*, that is, provisions that provide more generous tax treatment of certain types of income and expenditures than would be accorded under a

more uniform or pure version of the tax. Such preferences cause investment funds to flow to tax-favored lines of business at the expense of potentially more productive investment and thus reduce the overall output of the economy.

Consumption tax proponents argue that a consumption tax would be more conducive to growth than an income tax even in the absence of tax preferences. A consumption tax would be more neutral with respect to investment decisions since new investments would be immediately deductible (expensed). As noted above, the current income tax is not neutral among investments, and it is inherently more difficult to achieve neutrality under an income tax. By removing the tax on the returns to saving and investment, a consumption tax would increase saving and investment. Over time, this would increase the stock of capital. With a larger stock of capital, workers would be more productive, and output and wages would rise. Some recent research estimates that changing to a tax on consumption could increase the net national saving rate by 16 to 43 percent after a year and by 12 to 31 percent after 14 years, depending on the type of tax adopted. National output per capita would decrease by 0.5 percent or increase by up to 4.4 percent after a year and increase by 0.5 to 6.3 percent after 14 years. The research suggests that wages would increase by 0.8 to 1.4 percent after 14 years.

Reform of the income tax could also promote economic growth. Income tax reform could lead to a more uniform, broad-based, low-rate income tax that would reduce distortions in economic decisions. The above research suggests that such an income tax reform would increase the saving rate by 10 percent after one year and by 6 percent after 14 years and that national output per capita would increase by 3.8 percent after one year and by 4.4 percent after 14 years.

However, even if there are long-run economic gains from a tax reform proposal, these must be weighed against the costs of transition from the current tax system to the new one. Taxpayers would incur costs adjusting to compliance under a new system and the IRS would incur start-up costs developing rules, forms, and administrative procedures. In addition, major tax reform could result in significant gains or losses for some taxpayers when the prices of assets change. If losers were to be fully compensated for their losses, the potential gains from reform would be reduced. None of the preceding analysis implies that tax reform should not be undertaken. Rather, the key point is that transition issues need to be taken into account when assessing the costs and benefits of the various reform proposals.

Finally, tax reform could impose large transition costs on state and local governments. Some tax reform proposals call for repeal of Federal income taxes. Since most state income taxes rely on the Federal tax as a starting point, states would either have to find another source of revenue or administer their income taxes on their own. Other proposals would impinge on the traditional state reliance on sales taxes by adding a Federal tax on this base.

Simplification

Proponents of consumption taxes argue that they would be simpler than income taxes. Some consumption tax prototypes, such as a national retail sales tax or a value added tax, would be simpler for individuals because the point of collection would be shifted from individuals to businesses. This feature is not unique to consumption taxes, however, because it would be possible to design a comprehensive income tax that could be collected at the business level. Consumption taxes would also be simpler because allowing immediate deduction for all purchases would eliminate the need to keep track of depreciation deductions over time and to make distinctions among various types of property. In addition, the complexities associated with taxing capital gains would be eliminated, since capital gains are not part of a consumption tax base.

Proponents of income taxes point out that the current income tax system could be greatly simplified, and that starting from scratch, one could design a much simpler system. They also note that it is unfair to compare an idealized consumption tax with the current system. Thus, either a consumption tax or a reformed income tax could be much simpler than current law, but there may be some additional simplification potential under a consumption tax.

Tax Reform Prototypes

The previous section examined some general issues of tax reform. This section considers the most prominent consumption tax prototypes and potential reforms of the current system. The President has not endorsed any specific proposal, and this chapter does not advocate the adoption of any particular prototype for reform.

Consumption Tax Prototypes

If tax reform takes the path of taxing consumption rather than income, there are four basic types of consumption taxes to consider: the retail sales tax, the value added tax (VAT), the flat tax, and the consumed income tax. This section begins with a brief description of the four taxes and then discusses each in more detail.

The simplest consumption tax to understand is the *retail sales tax*, which imposes tax liability when an individual purchases goods or services for consumption. Retail sales taxes are levied by most states and many local governments.

The starting point for thinking about *value added taxes* is to note that most goods are produced in stages. For example, a farmer grows wheat and sells it to a miller, who grinds it into flour and sells it to a baker, and so on until a loaf of bread is delivered to a grocery store to be sold to consumers. Instead

of being collected all at once at the final sale to consumers, the value added tax is levied on the value added to the good or service at each stage of its production. At each stage, the tax base is receipts for the sale of goods and services less purchases of goods and services from other firms (Box 3-4).

Box 3-4: The Equivalence of Sales Taxes and Value Added Taxes

The retail sales tax and value added tax provide different methods of taxing the consumption of goods and services. Consider a simple example of bread produced and sold to households. A farmer grows wheat and sells it to a miller for $300. The miller grinds the wheat into flour and sells it to a baker for $600. The baker transforms the flour into bread and sells it to the grocer for $800. The grocer sells the bread to consumers for $1,000.

Business	Purchases	Sales	Value added	20% value added tax	20% sales tax
Farmer	$0	$300	$300	$60	$0
Miller	300	600	300	60	0
Baker	600	800	200	40	0
Grocer	800	1,000	200	40	200
Total	1,700	2,700	1,000	200	200

Now consider a 20 percent tax on consumption. Under the retail sales tax, the grocer would compute the tax as 20 percent of sales and owe $200 to the government. The farmer, miller, and baker would not pay sales tax because they sold only to other businesses for resale.

A 20 percent value added tax collects the same total revenue one step at a time as value is added to the product at each stage. The miller pays a VAT of $60, calculated by subtracting purchases of $300 from $600 of sales and paying the 20 percent tax rate on the difference of $300. The other businesses would compute their tax in the same way. The total tax would add up to $200, the same amount as under the retail sales tax.

A European VAT (called a credit-invoice VAT) is calculated by imposing the tax on the full value and then giving a credit for VAT paid at the previous stages. The grocer would compute the $40 VAT as 20 percent of sales of $1,000 (or $200) less tax credits of $160 shown on the receipts for purchases of $800 from the baker. The other businesses would compute their tax in the same way.

Consider what happens if the grocer fails to file and pay the amount of tax that is owed. Under the sales tax, the full amount of tax is lost to evasion. But under the VAT, only the tax on the last stage would be lost. In addition, the invoices at each stage provide a paper trail that helps improve compliance.

Because the sum of value added at each stage equals the value of the final product, taxing value added at each stage gives the same overall result as taxing final products at the retail level. Therefore, the VAT is just another way of taxing the same base as the retail sales tax. From an economic standpoint, they are equivalent.

The *flat tax* consists of a business tax and an individual level tax, both of which use a single flat tax rate. Calculation of the business tax base begins with a computation like that of the VAT, receipts less purchases from other firms. Next, wages are deducted from the business tax base. If wages are then taxed at the same flat rate under the individual tax, the result is the same as the VAT and retail sales tax. Therefore the key difference is that wages are taxed at the individual level rather than being included in the business tax base. This difference allows for building progressivity into the system by providing an exemption of, say, $40,000 for a family of four.

Under a *consumed income tax*, taxpayers would first calculate their income as they do under the current income tax. Then they would be allowed a deduction for any saving during the year. Since consumption is equal to income minus saving, this too is a consumption tax.

These seemingly quite different taxes are equivalent ways of taxing the same base: consumption. As discussed in the following sections, the choice among them is affected by various administrative and compliance issues as well as the availability of mechanisms for obtaining distributional fairness.

National Retail Sales Tax

Sales taxes are levied by all but five states, and provide nearly 38 percent of state tax revenues. Most state sales taxes are levied at rates between 4 percent and 6 percent. Many states, however, exempt or apply a lower rate to food purchases, prescription drugs, and certain other "necessities" to improve the perceived fairness of the tax and also exempt most services.

Under a retail sales tax, individuals would no longer have to file tax returns because taxes are remitted to the government only by retail businesses. This is an important feature of retail sales taxes and other transactions-based taxes, which shift the burden of complying with the tax system from individuals to businesses. Since there would be many fewer tax filers, proponents argue that total compliance costs would be much lower than under the current system.

Under a retail sales tax, only final sales to consumers should be taxed since the intent is to tax consumption. Taxing business-to-business sales can result in cascading, a situation in which the tax is imposed multiple times before the consumer level. Nevertheless, states currently obtain about 40 percent of their sales tax revenues from business-to-business sales, although many business-to-business sales are exempted. The economic distortions associated with cascading can be severe at higher tax rates, and thus a national retail sales tax

would have to differ from state taxes by not taxing such sales. A related problem is that it is sometimes difficult to distinguish final sales for consumption from sales for use in production. For example, how would a store selling a computer know for certain whether it is being purchased for resale (exempt), for use in another business (exempt), or for home entertainment (taxable)? This issue would arise with many dual-use products and services.

To replace a significant portion of Federal tax revenues, tax rates for a national retail sales tax would have to be much higher than current state and local rates. The exact rate would depend on which Federal taxes were to be replaced and on whether education expenses, prescription drugs, medical expenses, and other necessary goods and services would be taxed. Some recent research suggests that to replace revenues from the individual and corporate income taxes, a national sales tax rate would have to be at least 30 percent if the tax base were that of a "typical state" and business-to-business sales were exempt. Such high rates could create strong incentives for tax evasion and avoidance. Some tax economists believe that sales tax rates over 10 percent could be problematic because of the incentive for evasion and avoidance.

Concerns about the impact of sales taxes on lower-income households could be addressed by exempting certain necessary goods and services or by providing a refundable tax credit sufficient to cover a certain amount of tax. Exemptions and preferential rates to address equity concerns, however, increase the complexity of sales taxes and lead to uneven taxation of consumption. Refundable credits could require the filing of some type of tax return by lower income households. However, this would defeat one of the main goals of the retail sales tax, which is reducing administrative burdens on households. In any case, both solutions would require higher tax rates to achieve a given amount of revenue. Uneven taxation and high tax rates would undermine a principal potential benefit of this type of reform: reducing economic distortions and promoting growth.

Value Added Tax (VAT)

Value added taxes are used in all European Union countries and in more than 100 countries around the world. European countries, which generally adopted VATs in the 1960s or early 1970s, typically impose a standard rate of 16 to 20 percent and a lower 5 to 10 percent or zero rate on products such as food and drugs. It is important to note that countries adopting VATs have not used them to replace income taxes; they are in addition to individual and corporate income taxes.

VATs avoid the problem of cascading taxes by allowing credit for the VAT paid on purchases. European VATs also create a paper trail that is believed to improve compliance. In spite of these advantages, VATs have not received serious consideration in the United States. Similar to the sales tax, VATs are

viewed as regressive, at least when annual income is used as the measure of ability to pay. Critics of the VAT are not mollified by the fact that it is possible to impose lower VAT rates on commodities such as food. Another concern is that VAT tax rates would tend to increase over time as has occurred in Europe because the VAT is such an efficient and largely hidden tax.

The Flat Tax

Reducing the tax burden for low-income households is cumbersome under the sales tax and VAT because they are collected at the business level. One of the advantages of the flat tax is that it allows for progressivity by providing a personal exemption based on family size.

The exemption leads to a fundamental trade-off in designing a flat tax. A higher exemption level means more families at the bottom of the income scale pay no tax and the distribution of the tax burden is more progressive. But the higher the exemption, the higher the tax rate required to raise any given amount of revenue. A higher rate reduces the anticipated gains in economic efficiency. The Treasury Department estimated in 1996 that a 22.9 percent tax rate would be required to raise as much revenue as the individual and corporate taxes, while keeping the Earned Income Tax Credit and exempting $40,700 income (at 2003 levels) for a family of four.

The flat tax would be simpler than the current tax system. The individual tax is simple because it applies only to compensation for labor services and tax liability varies only with family size. The business level tax is simpler than the current corporate income tax. For example, since all purchases are deductible immediately, there is no need to keep track of depreciation deductions over a period of years or to distinguish between current expenses and capital costs. The flat tax would also reduce the costs of tax planning. Applying the same tax rate to all types of businesses and to both individual and business income is important because it eliminates many opportunities for avoiding taxes by changing the organizational form of a business or by shifting income to entities subject to lower tax rates and deductions to entities with higher rates. The double tax on corporate income and the associated distortions would also be eliminated.

A pure flat tax would eliminate many popular deductions, including those for home mortgage interest and charitable contributions. Retaining these deductions would require a higher tax rate and more complicated tax forms, and thus lose some of the gains in economic efficiency and simplification. In addition, some critics argue that even with a large exemption, the flat tax is likely to shift tax payments away from the highest income groups and toward lower- and middle-income groups. Finally, there would still be many complexities and opportunities for tax avoidance and evasion. Suppose, for example, that a business owner bought a computer for personal use. If the

owner claimed it was for business, he or she could deduct the entire cost of the computer.

There are many variants of the basic flat tax idea. For example, some proposals would allow for greater progressivity by using multiple tax rates in the individual tax. Other proposals would retain some deductions, such as those for charitable contributions or mortgage interest. Each variation sacrifices some of the efficiency gains and basic simplicity of the flat tax to achieve other goals.

Consumed Income Tax

Under a consumed income tax, taxpayers first compute income as they do under the income tax. Then taxpayers are allowed an unlimited deduction for net saving during the year. A consumed income tax is comparable to a traditional IRA for which contributions are deductible and withdrawals are subject to tax, but would have no limits on contributions or penalties on withdrawals. To prevent taxpayers from simply borrowing money and claiming a deduction for putting the proceeds into a savings account, any borrowing would be added to income and thus be taxable.

The consumed income tax offers more flexibility than the flat tax in allocating the burden among income classes because the individual tax base is broader and most proposals include a progressive rate structure. The primary disadvantage is complexity. It retains the complexity of the current system because taxpayers start by computing income as they would under current law. Then a second procedure to compute saving net of borrowing adds an additional layer of complexity.

Reform Within the Current System

A change to any of the consumption tax proposals would scrap the current tax system and replace much or all of it with a new one. Businesses and individuals would have to learn how to comply with and best arrange their affairs under the new system. A new administrative apparatus would be required for some proposals. While sales taxes have long been used in this country and VATs in many other countries, these are imposed at lower rates than would be required to replace all Federal revenues and are used along with, rather than as replacements for, income taxes.

Given the costs of transition to an entirely new tax system, some proposals focus on reform within the current structure. Starting from the current system would reduce transition and adjustment costs and considerable benefits could be obtained by simplifying and rationalizing tax provisions that overlap or are otherwise overly complex. Advantages of the prototypes and the tax principles discussed above could guide the direction of reform.

The Administration's tax program has already achieved significant reforms within the current system. Achievements include lowering marginal tax rates, reducing the double tax on corporate income, simplification, and improved fairness for families. This section discusses possible additional reforms that would provide simplification, improve fairness, or promote economic growth.

Lower Tax Rates and Broader Base

The principle behind the Reagan Administration's major tax reform in 1986 was to reduce tax rates and broaden the tax base by eliminating deductions and tax credits. The Tax Reform Act of 1986 was largely successful in this effort. Individual income tax rates were collapsed into two rates, 15 percent and 28 percent, with the top rate falling from 50 percent to 28 percent. The corporate tax rate was reduced, from 46 percent to 34 percent. Lowering rates reduced the distortions of the tax system and is often credited with increasing work effort and entrepreneurial activity and reducing tax avoidance activities. The overall reform was revenue neutral and slightly progressive. Even though the top marginal tax rates were reduced, progressivity was enhanced because high-income taxpayers lost many tax preferences.

While the achievements of the 1986 reform have eroded over time, the basic principles of lower rates and a broader base benefited the economy and could be useful in guiding reform within the current system.

Rationalizing Saving Incentives

Income taxes create a bias against saving because taxpayers who choose to save for later consumption have a larger total lifetime tax burden than those who do not save. To offset this bias, current law includes a variety of provisions that promote saving. Some are targeted at individual saving for retirement, some at employer plans for employee retirement, and some at saving for specific purposes, such as education and medical expenses.

The multitude of special purpose saving options encourages taxpayers to establish small pools of savings that can only be used for one purpose. Taxpayers have less flexibility since saving intended for one purpose cannot be used for another (except by paying a penalty). Taxpayers are likely to be unaware of all the options available, frustrated trying to decide which options are best for them, and confused by the detailed requirements. Since many incentives are available only to certain taxpayers, the multitude of options may add to perceptions that the tax system is unfair because some taxpayers are eligible, but others are not. Moreover, the large number of special accounts may be an impediment for lower-income and less sophisticated taxpayers concerned about making the wrong choices, which can have sizable penalties associated with them.

The current set of saving incentives could be combined into a simpler system with one type of account for individual retirement saving, one for employer-sponsored retirement saving, and one for lifetime saving for anticipated future education, health, home purchases, or other expenses. The President's budgets have included proposals for Retirement Savings Accounts (RSAs), Employer Retirement Savings Accounts (ERSAs), and Lifetime Savings Accounts (LSAs). Under these proposals and after a transition period, the savings incentives of over 90 percent of households would no longer be adversely affected by the tax system.

Double Taxation of Corporate Income

Corporate income is taxed first at the corporate level and then a second time under the individual income tax as dividends or capital gains. The tax relief enacted in 2003 reduced the double tax by lowering individual income tax rates for both dividends and capital gains. The current provisions expire after 2008, however. Thus, tax reform could include a permanent extension of current provisions or go further and completely eliminate double taxation of corporate income.

Depreciation Rules

As discussed above, the logic of an income tax requires that firms be able to deduct the amount by which their physical investments depreciate in value each year. Current law allows deductions for different types of equipment and buildings over nine recovery periods from 3 to 39 years. A 2000 Treasury Department report on depreciation concluded that the current system is based on outdated recovery periods, does not account for new industries and technologies, and favors some assets while penalizing others. As a result, the system distorts investment decisions and results in an inefficient allocation of capital in the economy.

There are several approaches that reform could take. One option is to rationalize the current depreciation system to make it more neutral in its effects on investment decisions. An effort to bring depreciation rules closer to economic depreciation would raise a number of difficult measurement issues, however. Another approach would simplify the current system by reducing the number of recovery periods and grouping investments into broader categories.

A third approach is to increase investment incentives and move part way toward a consumption tax by increasing the generosity of depreciation allowances. For example, a temporary bonus depreciation provision in the 2002 tax bill allowed taxpayers to deduct 30 percent of the cost of an investment in the first year with the remaining 70 percent of the cost to be deducted over the life of the investment. That is, 30 percent of the cost was deducted immediately as under a consumption tax, while 70 percent was

depreciated as under an income tax. First-year bonus depreciation was increased to 50 percent in 2003 and 2004.

These approaches have the potential to improve the allocation of capital and increase incentives for investment. The cost of increased incentives would have to be balanced against other objectives, such as keeping income tax rates low.

The Alternative Minimum Tax (AMT)

The AMT is a separate tax system requiring taxpayers to compute their income tax liability a second time under different rules and then pay the AMT if it is higher than the regular tax. As a result, the AMT adds considerable complexity, and dealing with it must be an important element of any tax reform. The predecessor to the current AMT was enacted in 1969 to ensure that high-income taxpayers with substantial amounts of tax preferences would at least pay a moderate sum in taxes. Unlike many income tax provisions, Congress did not index the AMT for inflation. Later, Congress increased AMT tax rates from 21 percent to 24 percent in 1991 and to 26 percent and 28 percent in 1993. With higher rates and no indexing for inflation, it was only a matter of time before large numbers of taxpayers would be affected. During the last several years, Congress has passed several temporary measures to keep the number of AMT taxpayers from growing too rapidly. However, under current law, the number of taxpayers paying the AMT is expected to grow rapidly from 3 million in 2004 to 38 million by 2010. Most of the newly-affected taxpayers will not be those with the highest incomes. One study projects that under current law, over half of all taxpayers with incomes of $75,000 to $100,000 (in $2003) and 94 percent of married taxpayers with two children in that income range will be subject to the AMT by 2010.

Because taxpayers have to compute their taxes twice to see if they have to pay the AMT, it is a major source of complexity. Further, the lowest rate under the AMT is 26 percent, a higher rate than would otherwise be faced by middle-income families. Finally, while some tax preferences are added back into the tax base, many features of the AMT are inconsistent with sensible tax principles. For example, some costs of earning income are not deductible and personal exemptions are treated as a tax preference under the AMT.

Alternatives for AMT reform include repeal or limiting its effect to high-income taxpayers by increasing exemption levels and lowering AMT tax rates. Significant changes to the AMT would be costly, however, as various estimates suggest that the 10-year cost of full repeal would be nearly $1 trillion.

Simplification

Many provisions in the current tax system overlap, conflict, or are otherwise overly complex. The Congressional Joint Committee on Taxation and others have produced lists of such provisions. Elimination or simplification of such provisions could substantially reduce compliance burdens and distortions of

the current system. In addition, some would broaden the tax base thus allowing for further reductions in tax rates.

An example of the potential for simplification was provided when Congress recently enacted legislation similar to an Administration proposal for a single definition of a dependent child in determining when taxpayers can claim several widely-used tax benefits. Previously, five different standards for a dependent child applied under different tax provisions, leading to confusion and inadvertent errors. This reform will benefit many lower- and middle-income households by providing a single set of rules and reducing burdensome record-keeping requirements.

While there are many complex provisions, among the prime candidates for simplification are the capital gains rates affecting certain special types of gains, taxes on dependent children with small amounts of investment income, and provisions that phase out certain tax benefits at higher income levels.

Conclusion

This chapter has examined problems of the current tax system and examined some of the major options for tax reform. The President has not endorsed any specific proposal. Well-designed reforms, however, should be able to simplify the system and enhance both fairness and economic efficiency.

Although tax reform has been discussed for many years, it is a particularly pressing need at the current time. Increasing numbers of taxpayers will be affected by the alternative minimum tax, which will be a major source of frustration and complexity. In addition, the tax reductions enacted since 2001 will expire in a few years unless they are extended or a new, reformed tax system is adopted. If these provisions are allowed to expire, the result will be substantial increases in taxes on taxpayers in all income groups, with the largest percentage increases being imposed on lower- and middle-income households. Taken together, these looming problems provide a natural opportunity to rethink the entire system of taxation.

CHAPTER 4

Immigration

In recent decades, the United States has experienced a surge in immigration not seen in over a century. Immigration has touched every facet of the U.S. economy and, as the President has said, America is a stronger and better Nation for it. Immigrants today come from countries around the world and work in diverse occupations ranging from construction workers and cooks to computer programmers and medical doctors.

Immigrants have settled in all parts of our Nation and have generally succeeded in finding jobs quickly, helped in large measure by the flexibility of the U.S. labor market. One indicator of this success is that foreign-born workers in the United States have a higher labor force participation rate and lower unemployment rate than foreign workers in most major immigrant-receiving countries.

While flexible institutions may speed the economic integration of the foreign-born, the distribution of the gains from immigration can be uneven. Less-skilled U.S. workers who compete most closely with low-skilled immigrants have experienced downward pressure on their earnings as a result of immigration, although most research suggests these effects are modest. Also, communities contending with a large influx of low-skilled immigrants may experience an increased tax burden as immigrant families utilize publicly provided goods such as education and health care.

U.S. immigration policy faces a complicated set of challenges, perhaps more so now than ever before. Policy should preserve America's traditional hospitality to lawful immigrants and promote their economic contributions. Yet these goals must be balanced with the Nation's many needs, including the imperative for orderly and secure borders. These challenges have only grown in a post-9/11 world. The persistence of undocumented immigration and problems with employment-based immigration suggest that the United States needs to better enforce immigration laws and do more to address the demand for immigrant workers and the need for national security. The President's proposed Temporary Worker Program and increased funding for internal enforcement recognize these problems and would implement necessary reforms.

The key points in this chapter are:

- The flexibility of the U.S. labor market helps immigrants succeed.
- A comprehensive accounting of the benefits and costs of immigration shows that the benefits of immigration exceed the costs.
- Much immigration occurs outside the realm of immigration law; a temporary worker program and better enforcement of current laws would be expected to result in many improvements, including a reduction in the number of undocumented immigrants.

Immigration and Economic Growth

Immigrants have contributed enormously to U.S. population and employment growth. The foreign-born have grown among all occupations and regions of the country and have spread beyond traditional immigrant centers and into areas where previously few immigrants had lived. Following common practice, this chapter uses the terms *immigrant* and *foreign-born* interchangeably and adopts the Census Bureau's definition of foreign-born to mean any person who is in the United States legally or illegally who was not a U.S. citizen at birth (not born in the United States or of U.S. parents). This usage differs from that of the U.S. Citizenship and Immigration Services, which uses the term *immigrant* to refer to a subset of the foreign-born population, namely *lawful permanent residents* (see below for an explanation of the different immigrant categories).

Immigrants and Employment Growth

The foreign-born are associated with much of the employment growth in recent years. Between 1996 and 2003, when total employment grew by 11 million, 58 percent of the net increase was among foreign-born workers. That immigrants contributed so much to net employment growth is not surprising: immigrants contributed almost as much to growth in the working-age population (51 percent) as they did to growth in employment. Almost all employment growth among immigrants was among those who arrived in the United States between 1995 and 2003. (Employment growth in this chapter is based on the Current Population Survey or "household" survey because it provides information on place of birth and citizenship status—see Box 1-2 in Chapter 1 of the 2004 *Economic Report of the President* for a discussion of the payroll versus household surveys.)

While employment of the foreign-born grew among all occupations, immigrant contributions to job growth were especially large in the service occupations and precision production, craft, and repair (a category that includes mechanics, repairers, and construction workers) (Table 4-1). In some occupations, natives were leaving even as the foreign-born were entering. For instance, employment of natives as operators, fabricators, and laborers fell by 1.4 million between 1996 and 2002, while employment in such occupations grew by 930,000 among the foreign-born. This should not be taken as evidence that the foreign-born displace native workers; rather, it reflects the fact that immigrants have made up all of the growth in the low-skilled workforce. As education levels rise among younger U.S. workers and older U.S. workers retire, the number of low-skilled natives is declining.

TABLE 4-1.—*Foreign-Born Share of Employment Growth by Occupational Category, 1996 to 2002*

Occupational category	Employment growth (thousands)		Foreign-born as percent of total	Occupation examples
	Total	Foreign-born		
Total	9,667	5,575	57.7	(1)
Executive, administrative, and managerial	2,801	504	18.0	Managers, administrators
Professional specialty	3,158	852	27.0	Doctors, scientists, teachers
Technicians and related support	585	181	30.9	Health and science technicians
Sales	837	480	57.3	Salespeople, cashiers
Administrative support, including clerical	-177	296	(1)	Clerks, secretaries, bookkeepers
Service	2,032	1,253	61.7	Janitors, kitchen workers, grounds workers
Precision production, craft, and repair	1,044	900	86.2	Mechanics, construction workers
Operators, fabricators, and laborers	-518	930	(1)	Machine operators, bus and truck drivers
Farming, forestry, and fishing	-97	178	(1)	Farmers, farm workers

[1] Not applicable.

Note: Since data in this table end with 2002, total growth here is less than the 11 million increase mentioned in the text, which is measured from 1996 to 2003. Data relate to persons aged 16 and over.

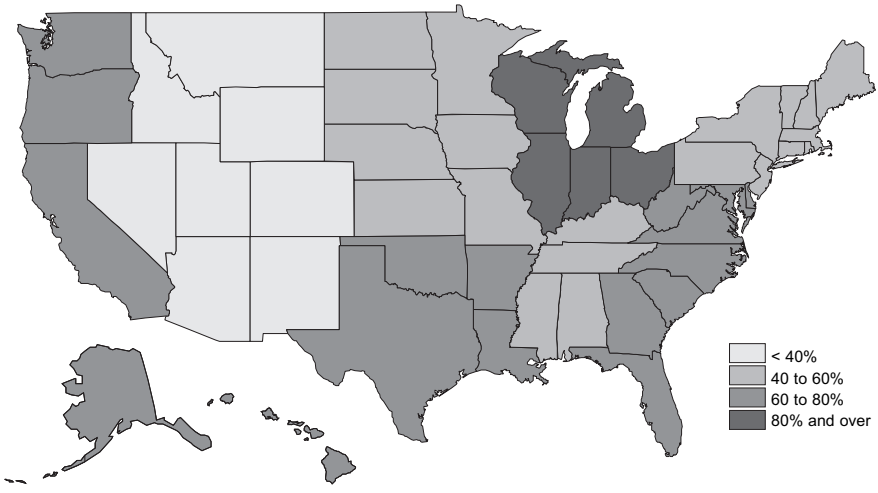
Source: Department of Labor (Bureau of Labor Statistics).

Immigrants and Regional Growth

Immigrants are not spread evenly across the United States but instead are concentrated within certain states and cities. In 2000, 59 percent of the foreign-born lived in just four states: California, New York, Texas, and Florida, compared with only 29 percent of natives. Fully 21 percent of the immigrant population lived in the metropolitan areas of New York and Los Angeles alone, compared with 5 percent of the native-born. The foreign-born are concentrated in certain areas, not only because of the economic opportunities in these regions, but also because new immigrants often prefer settling in cities in which their fellow countrymen already reside. This enables new immigrants to live among people who share their language and culture, as well as to use ethnic networks to find jobs and learn about life in the United States.

While recent immigrants continue to settle disproportionately in cities and states with large immigrant populations, both recent and earlier waves of immigrants have increasingly pursued economic opportunities in areas where few immigrants had lived previously. From 1996 to 2003, some of the fastest job growth among the foreign-born took place in regions of the country where few immigrants had worked at the beginning of the period (Chart 4-1). In the East North Central region (Indiana, Illinois, Michigan, Ohio, and Wisconsin), for example, immigrants accounted for 84 percent of employment growth between 1996 and 2003, even though the foreign-born were only 5 percent of workers in this region in 1996, compared to 11 percent nationwide. Even in the East South Central states (Alabama, Kentucky, Mississippi, and Tennessee), immigrants were only 2 percent of workers in 1996 but accounted for 47 percent of job growth during this period.

Chart 4-1 **Foreign-Born Share of Employment Growth by Census Division, 1996 to 2003**
The foreign-born contributed 58 percent of growth in employment from 1996 to 2003.



Note: Data relate to persons aged 16 and over.
Source: Department of Labor (Bureau Labor Statistics).

How Many Immigrants?

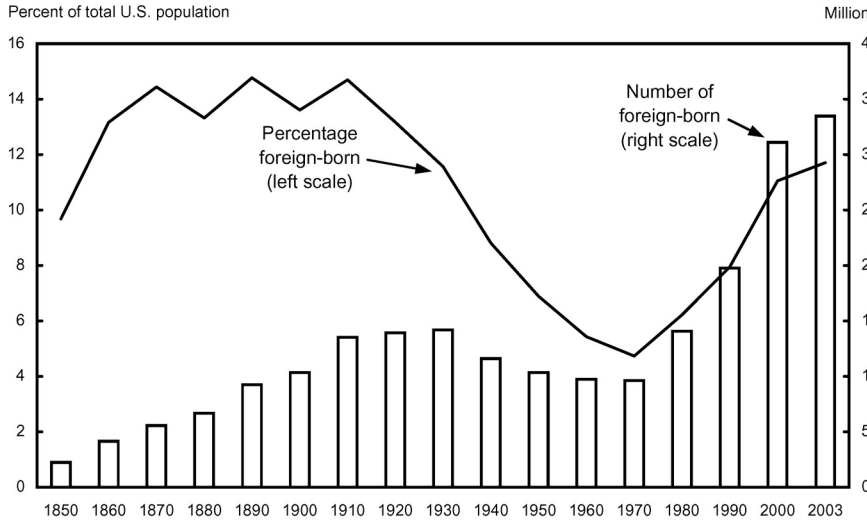
The foreign-born have contributed to population growth almost as much as they have contributed to employment growth. Population growth is the combination of natural growth (births minus deaths) and net immigration (immigrants minus emigrants). Since 1970, immigrants have constituted an increasing share of the rise in population. The U.S. population grew by 21.6 million between 1996 and 2003, with 41 percent of that increase from immigration.

By 2003, 33.5 million residents of the United States had been born in other countries, and the foreign-born share of the population had risen from 5 percent in 1970 to 12 percent in 2003 (Chart 4-2). Nonetheless, as a share of the population, the foreign-born are still less prevalent than at their peak in 1890, when they accounted for 15 percent of U.S. residents.

Legal and Illegal Immigrants

The 33.5 million immigrants living in the United States can be divided into four groups: *naturalized American citizens*, immigrants who have become citizens by passing a citizenship test and fulfilling other requirements; *permanent residents*, immigrants who have "green cards" and the legal right to reside permanently in the United States but have not become naturalized citizens; *temporary residents,* people admitted to the United States temporarily for a specific purpose, including visitors, students, and temporary workers (referred to as *nonimmigrants* by immigration authorities); and *undocumented*

Chart 4-2 **Number and Share of Foreign-Born in U.S. Population, 1850–2003**
In 2003, the number of immigrants reached a record level, but the foreign-born as a percent of total U.S. population was still below its peak of 15 percent in 1890.



Note: Data assume no undercount of foreign-born. Including an estimated undercount, the number of foreign-born in 2003 was about 34.9 million.
Source: Department of Commerce (Bureau of the Census).

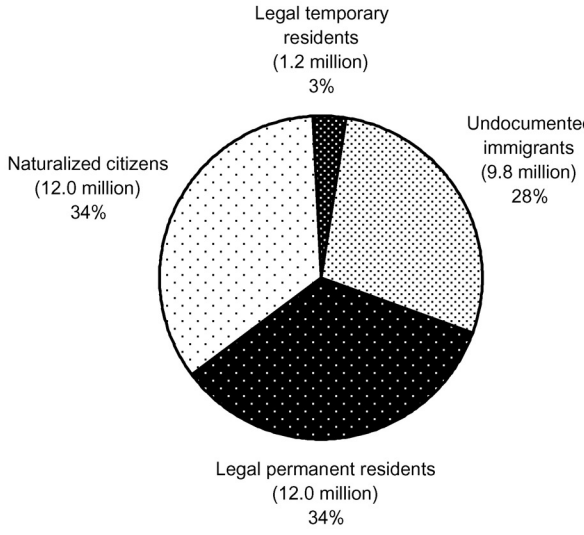
immigrants (also called *illegal* or *unauthorized immigrants*), people residing in the United States illegally.

The number of foreign-born in the United States is measured primarily through the decennial Census and, since 2000, updated annually using the American Community Survey. The Census is believed to undercount the number of foreign-born, especially among undocumented immigrants. Taking into consideration the undercount in the undocumented immigrant population and other factors, a 2004 study estimates that the foreign-born population was 34.9 million, or 1.4 million higher than the official 2003 estimate. Chart 4-3 illustrates this study's estimated breakdown of immigrants by their immigration status. Legal non-citizens are about 38 percent of immigrants, with 12.0 million permanent residents and 1.2 million temporary residents. An additional 34 percent are naturalized citizens, and the remaining 28 percent are undocumented immigrants.

From Which Tempest-Tossed Shores?

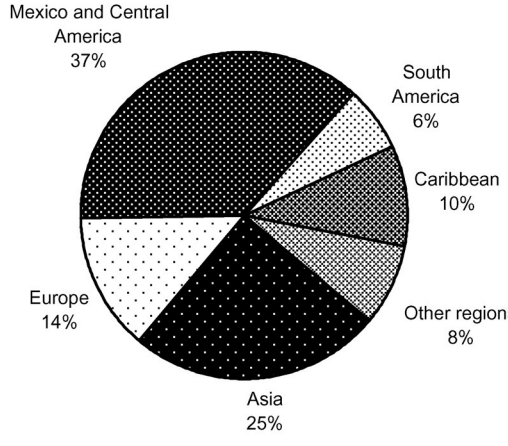
When Emma Lazarus wrote *The New Colossus* in 1883, immigrants were overwhelmingly from Europe. Only a handful of immigrants were from Asia or Latin America. The situation is reversed today. Over half of the foreign-born population was born in Latin America (Chart 4-4). Of those from Latin America, over two-thirds are from Mexico or Central America. The next

Chart 4-3 **Foreign-Born Population by Immigrant Status, 2003**
Of the 34.9 million immigrants estimated to be in the United States in 2003, about 72 percent were in the country legally.



Source: Urban Institute.

Chart 4-4 **Foreign-Born Population by World Region of Birth, 2003**
The majority of the foreign-born come from Mexico and Central America and Asia.



Source: Department of Commerce (Bureau of the Census).

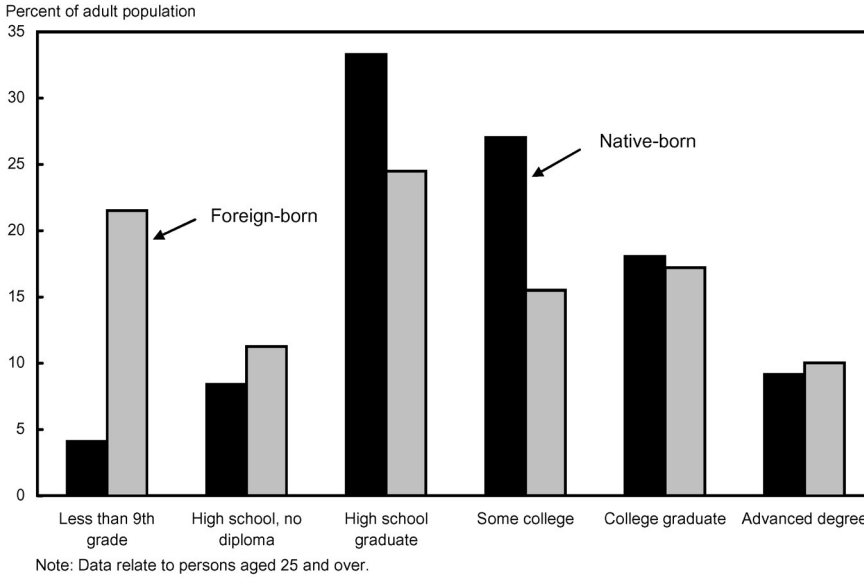
largest group of immigrants was born in Asia, with China, the Philippines, and India the most prevalent Asian countries of birth. An additional 14 percent of the foreign-born come from Europe, and the remaining 8 percent were born in other areas of the world (mainly Africa, Oceania, and Canada).

Immigrant Education and Earnings

The foreign-born are disproportionately represented among those with little schooling. Over one-fifth of immigrants have less than nine years of education, compared with only 4 percent of the U.S.-born population (Chart 4-5). The foreign-born are also slightly overrepresented among people with an advanced degree (a master's, professional, or doctoral degree): 10 percent of the foreign-born, but only 9 percent of U.S. natives, hold an advanced degree. This difference in advanced degrees is greater for men. Although native- and foreign-born women are equally likely to hold an advanced degree, 12 percent of foreign-born men but only 10 percent of native men have an advanced degree.

Schooling levels are correlated with region of origin. Immigrants from certain world regions tend to be highly educated while those from other world regions tend to have little schooling. For example, 25 percent of Asian-born men in the United States hold advanced degrees, whereas only 10 percent

Chart 4-5 **Educational Attainment, 2003**
The foreign-born are more likely than natives to lack a high school diploma or to hold an advanced degree.



Note: Data relate to persons aged 25 and over.
Source: Department of Commerce (Bureau of the Census).

failed to graduate from high school. In contrast, only 2 percent of male immigrants from Mexico or Central America have a master's degree or higher, while 42 percent completed less than nine years of schooling and an additional 22 percent attended high school but did not graduate.

Partly as a result of lower average education levels, the typical immigrant earns less than the typical native. In 2003, median immigrant earnings were $511 per week, or 74 percent of the median earnings of natives (Table 4-2). Within education groups, immigrants earn 82 to 94 percent of natives' wages, with the smallest earnings gap among college graduates. This earnings gap narrows over time as most immigrant cohorts experience faster earnings growth than natives with similar education.

TABLE 4-2.—*Median Weekly Earnings by Educational Attainment, 2003*

Educational attainment	Native-born	Foreign-born	Foreign-born as percent of native-born
All levels	$688	$511	74
Less than a high school diploma	430	369	86
High school graduate, no college	569	467	82
Some college, no degree	647	576	89
College graduate	971	909	94

Note: Data relate to full-time wage and salary workers aged 25 and older.
Source: Department of Labor (Bureau of Labor Statistics).

As a result of lower education levels and earnings and larger families, immigrants are more likely than natives to be poor. In 2003, 16.6 percent of immigrants were poor compared to 11.5 percent of U.S. natives. Despite higher poverty rates, immigrants are more likely to participate in the workforce than natives, with 78 percent of male immigrants with less than a high school education participating in the labor force compared to 47 percent of their native counterparts. Among undocumented male immigrants, 96 percent are estimated to participate in the labor force.

The Role of Labor Market Institutions

U.S. immigrants are much more likely to work than immigrants in most other industrialized nations, a distinction which may in part be due to labor market institutions. Labor market institutions refer to the constraints that govern the employer-employee relationship, including the policies that influence the firm's decision to hire and the worker's decision to work. The demand for workers is influenced by the regulations that determine

employment costs, including wage floors set by unions or the government, non-wage costs such as payroll taxes, and laws that limit turnover such as rules against firing workers. The supply of workers is likely affected by the institutions that provide welfare and unemployment benefits, with more generous programs associated with fewer incentives to work and hence a lower labor supply or more unemployment.

The United States is regarded as having relatively flexible labor markets, which allow individual employers and workers greater discretion in setting working conditions. This contrasts with highly-regulated labor markets in which wage-setting and benefits determinations are often centralized. This section compares the United States with some other Organization for Economic Cooperation and Development (OECD) countries to see whether there is a correlation between the extent of labor market regulations and the unemployment rate of immigrants relative to natives.

Institutions and Immigrant Unemployment

Labor market regulations influence the level and flexibility of wages and affect new workers' chances of finding employment. In standard economic analysis, unemployment results when total worker compensation—the sum of wages and benefits—exceeds the market rate. This happens either when compensation is fixed and cannot fall in response to increased labor supply, or when wage floors and mandated benefits set worker compensation at a level above the market rate. In both cases, immigrants may be more likely than natives to be unemployed as a result.

If immigrants are less productive than natives, then regulations that increase compensation for entry-level workers would be expected to affect foreign workers more than natives. Immigrants may be less productive on their initial arrival because they may lack the language skills, educational background, or institutional knowledge that natives can draw upon to enhance their job performance. A lower entry-level wage could compensate for these shortcomings and would be expected to be followed by faster wage growth as the immigrant learns new skills and gains experience. Several studies have found that lower initial earnings among immigrants are in fact correlated with higher rates of earnings growth.

Rules against firing workers are common in more-regulated markets and can reduce new hiring, especially of immigrant workers. Immigrants might initially be perceived as more risky hires because employers may not know how to evaluate immigrants' educational backgrounds, for example, or may not be able to gauge their language proficiency. As a result, immigrants may have to search longer for a job than would otherwise similar native workers.

Immigrants may overcome communication, cultural, and other barriers (including discrimination) by starting their own businesses. Entrepreneurship, however, may be out-of-reach for some immigrants in highly-regulated markets, which are often characterized by high business start-up costs and less access to capital. At the same time, generous unemployment insurance in more-regulated economies and welfare programs for refugees and asylum seekers may discourage immigrants from looking for jobs in the first place.

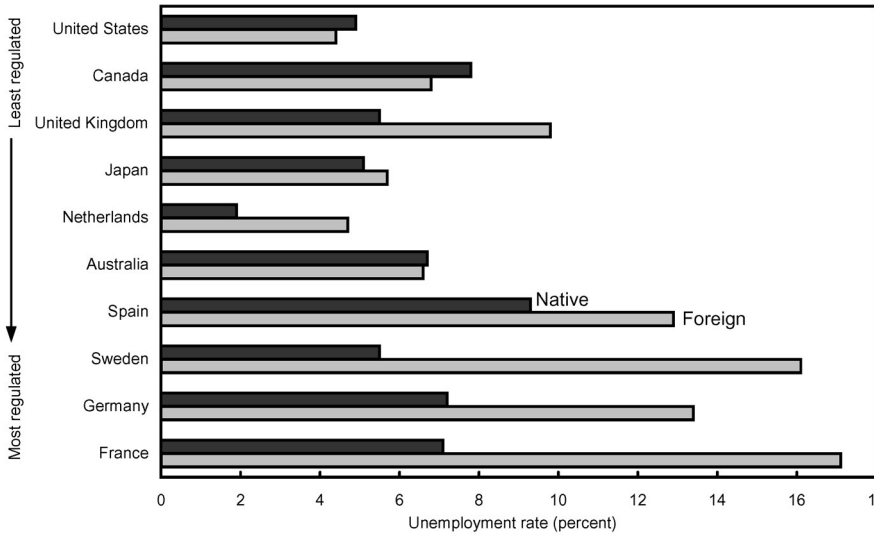
The composition of employment growth is another important difference between the United States and some Western European countries that may influence immigrant unemployment rates. In the United States, the fast-growing U.S. service sector provides greater opportunities to new workers than does the service sector in many other countries. In Germany, where immigrants are disproportionately employed in the service sector, the sector's relatively slow growth may have limited immigrant job opportunities. The lack of growth in low-skill service jobs could simply be another consequence of high-cost and high-tax markets, although some researchers point to cultural or lifestyle differences as limiting the demand for things like fast food.

Immigrants in countries with highly-regulated labor markets tend to have higher unemployment rates relative to natives than immigrants in countries with flexible labor markets, such as the United States. Chart 4-6 shows the average unemployment rates of native versus foreign males in major immigrant-receiving OECD nations during 2000-2001. The countries are ranked according to the competitiveness of their labor markets, with less-regulated countries at the top of the chart and more-regulated countries at the bottom. Immigrant unemployment rates are generally lower and more similar to native unemployment rates in less-regulated labor markets, such as in the United States, than in highly-regulated labor markets such as those in Spain, Sweden, Germany, and France. Male immigrants in France, for example, had a 17 percent unemployment rate in 2000-2001, 10 percentage points higher than natives. Male immigrants in the United States, meanwhile, had a 4.4 percent unemployment rate, 0.5 percentage points lower than U.S. natives.

Unemployment Rates Among Immigrant Youth

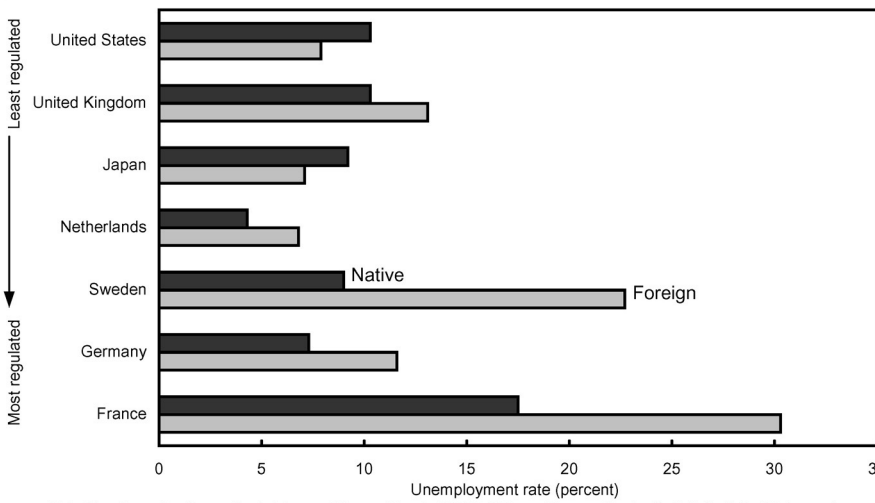
Labor market inexperience may exacerbate the negative consequences of rigid labor market institutions, perhaps more so for immigrants than natives. Chart 4-7 compares unemployment rates among foreign and native youth (aged 15 to 24) for a subset of the countries above. Relative unemployment rates among immigrant youth (both men and women) are higher in heavily regulated labor markets. In Sweden, immigrant youth have more than twice the unemployment rate of native youth. In France, foreigners aged 15–24 have a 30 percent unemployment rate, compared to 18 percent for similarly aged natives.

Chart 4-6 **Male Unemployment Rate by Nativity, 2000–2001**
Less-regulated countries tend to have lower unemployment rates for immigrants relative to natives.



Note: Countries ordered according to labor regulation rankings in *IMD World Competitiveness Yearbook*. Data for Australia, Canada, and United States are for foreign-born versus native-born; all other countries are for foreigner versus national. Data are for males aged 15–64 (15 and over for Australia, Canada, and Japan). Data for Canada are for 2001; for Japan, 2000.
Sources: Organization for Economic Cooperation and Development and Japan Ministry of Internal Affairs and Communications.

Chart 4-7 **Youth Unemployment Rate by Nativity, 2000**
Less-regulated countries tend to have lower unemployment rates for immigrant youths relative to native youths.



Note: Countries ordered according to labor regulation rankings in *IMD World Competitiveness Yearbook*. Data for United States are for foreign-born versus native-born; all other countries are for foreigner versus national. Data are for persons aged 15–24 (16–24 for United States).
Sources: Department of Commerce (Bureau of the Census), Organization for Economic Cooperation and Development, and Japan Ministry of Internal Affairs and Communications.

Caveats to Consider

Many other factors that vary across countries affect these statistics. While in the United States, "foreign" implies that the person was born abroad, that is not the case in Europe or Japan where "foreigner" refers only to those who are not citizens. Either group can be bigger depending on how much countries restrict access to citizenship; in some countries even second- and third-generation immigrants are not citizens. In Germany and Japan, for example, relatively few immigrants become citizens while much larger shares of immigrants naturalize in the Netherlands and Sweden. As a result of these differences and holding all else equal, foreigners in Germany would be more comparable to natives in Germany, shrinking the difference in the unemployment rates as compared with foreigners in the Netherlands and Sweden who would tend to be made up of relatively new immigrants.

Differences in immigration policies across countries also affect the comparison of immigrants' labor market outcomes. Australia, for example, admits the majority of its immigrants based on employment skills; its immigrants would be expected to be better prepared for the job market than would immigrants in countries which prioritize foreigners who are refugees or asylum seekers, or family members of natives and prior immigrants, as in the United States. Indeed, Australian immigrants have similar unemployment rates as Australian natives (Chart 4-6). U.S. immigrants also have low unemployment rates, however, even though U.S. immigration policy is principally based on family ties. The last section of this chapter describes U.S. immigration policy in more detail.

Benefits and Costs of Immigration

The gains from immigration are analogous to the gains from trade (see Chapter 8, *Modern International Trade*, for a discussion explaining how countries gain from trade). In classical trade theory, countries benefit from trading when they differ in some way. Similarly, the more different immigrants are from natives, regardless of whether they have fewer or more skills, the bigger are the economic gains from immigration. The skill composition of immigrants comes into play in other ways, however. First, it determines which native workers gain by immigration and which lose. Second, it determines whether immigration positively or negatively affects government revenues and expenditures.

Labor Market Impact of Immigration

Standard economic theory suggests that an increase in the supply of labor, such as an influx of immigrant workers, would be associated with lower wages, other things being the same. Empirical estimates of how much native

wages fall in response to immigration, however, are typically small. The magnitude of the wage impact is mitigated by two factors: how substitutable immigrant workers are for natives and the response of existing factors of production such as capital and labor to the influx of immigrants.

If foreign workers are not substitutable for natives, then immigration would be expected to have little impact on the wages of natives. For example, an immigrant with unique skills, such as a highly specialized scientist, or an immigrant who speaks little or no English, is unlikely to compete directly with most U.S. workers. Instead, recent immigrants may be the most adversely affected by the inflow of more immigrants. A new immigrant with limited English skills, for example, will likely compete closely with other recent immigrants with poor English ability and in jobs that do not require institutional, technical, or advanced language skills, such as janitorial services or child care. If immigrants become concentrated in certain states or cities, natives might also respond by moving to locations with relatively less competition from immigrants. Although research findings suggest so-called *native flight* may have occurred in the 1980s, the experience of the 1990s suggests the opposite—that immigrants and natives were drawn together by economic growth.

The supply of capital might also change with immigration. An increase in the supply of labor means that each unit of capital becomes more productive and thus more valuable. As a result, capital may flow into areas where there has been immigration even while output in those areas shifts toward production of goods and services that are relatively more labor intensive. This increased investment and production shift may in turn raise the demand for labor and push wages partially back up.

Several economic studies have attempted to measure the wage impact of immigration on natives and previous immigrants—a challenging task because it is necessary to take into account all other factors that might plausibly affect wages, such as the responses by capital and labor outlined above. Such studies also have to take into account that immigration itself is driven by favorable economic conditions such as high or rising wages. With those caveats in mind, a typical finding is that, on average, immigration has little effect on native wages. Box 4-1 reviews one of these studies in more detail. Generally, estimates suggest that a 10 percent increase in the share of foreign-born workers reduces native wages by less than one percent. Recent studies that look at wage effects by skill levels typically find larger negative effects on less-skilled than medium- or high-skilled native workers. Adverse wage effects on previous immigrants have been found to be on the order of 2 to 4 percent. It should be noted that these studies typically identify the effect of immigration on natives by comparing labor market outcomes of natives in response to differences in immigration across regions and over time. Analysis done at the national level relies primarily on variation in immigration over time and finds larger adverse effects.

Box 4-1: Wage Impacts of Immigration

The labor market effects of immigration can be identified by using real-world events in which immigration occurs suddenly and is not driven by economic factors. One such study measures native wages in Miami before and after the Mariel Boatlift in which approximately 125,000 Cubans arrived between May and September of 1980. This influx added 45,000 workers, or 7 percent, to Miami's labor force in just a few months. Despite the fact that a relatively high fraction of the new immigrants were low-skilled, these immigrants had virtually no effect on the wages or unemployment rates of less-skilled workers in Miami.

This result could have been driven by labor and capital responses. For example, natives and other immigrants who would otherwise have moved to Miami to fill low-skill jobs may have decided not to do so because of the rapid influx of Cuban immigrants over this period. In addition, textile and apparel firms, industries that are well-suited to utilize low-skilled labor, expanded in Miami, thereby cushioning the adverse wage impact on Miami workers.

Fiscal Impact of Immigration

Immigrants—like all natives—affect the *public finances*, the revenues and expenditures of local, state, and Federal governments. Immigrants contribute money to public coffers by paying sales and property taxes (the latter are implicit in apartment rents). Immigrants working "on the books" further contribute through income and payroll taxes. Immigrants consume publicly provided goods and services such as roads, police and fire protection, and public schools. If they are eligible, some legal immigrants, such as naturalized citizens and lawful permanent residents who have lived in the United States for five years or more, may also receive assistance from programs such as food stamps, Temporary Assistance to Needy Families (TANF), and Medicaid. Supplemental Security Income (SSI) is generally restricted to citizens and to lawful permanent residents who have worked in the United States for at least 10 years. The fiscal impact of immigration is the difference between how much immigrants pay in to the government and the value of the public services they consume.

Some studies have calculated the fiscal impact of immigrants on an annual basis and looked at whether the cost of providing public goods and services to immigrant households increases the tax burden on native households in a given year. Such studies have found that, while immigrants do not impose a net higher tax burden at the Federal level, natives in states with a heavy concentration of

immigrants from Latin America do realize an increased overall tax burden. Another approach in estimating the fiscal impact of immigration is to compute the expected lifetime fiscal impact of immigrants who come to stay permanently and their children, grandchildren, and future descendants. A 1997 study found that the net present value of immigrants' estimated future tax payments exceeded the cost of services they were expected to use by $80,000 for the average immigrant and his or her descendants. Accounting for the 1996 welfare reform, which restricted eligibility and imposed time limits, this figure increased to $88,000. The value of services slightly exceeded taxes paid by the original immigrant, but the contributions of the immigrant's descendants more than made up the difference.

The average impact masks two facts. First, immigrants typically do not impose a net cost at the Federal level where most of the proceeds from payroll taxes accrue, but rather at the state and local level through their use of public schools and health care. Second, the average fiscal impact also masks the fact that the fiscal effect of immigrants (like that of natives) varies by education level. How much immigrants pay in and how many services they utilize depend largely on whether they are families headed by skilled or unskilled workers. Immigrants with a high school degree or better and their descendants contribute more in taxes than they use in public services, which produces the overall positive impact mentioned above. But the average net present value of the fiscal impact of an immigrant with less than a high school education is negative $13,000. The impact of the original immigrant with no high school diploma is negative $89,000, which is largely offset by the positive $76,000 in contributions by the immigrant's descendants.

Fiscal contributions and receipts are also a function of an immigrant's legal status and the same net present value would not apply to an undocumented immigrant or someone residing in the United States temporarily. More than half of undocumented immigrants are believed to be working "on the books," so they contribute to the tax rolls but are ineligible for almost all Federal public assistance programs and most major joint Federal-state programs. Over time, however, if low-income immigrants attain legal status, they may become eligible for more welfare programs. The U.S.-born children of an immigrant, legal or illegal, are automatically citizens and eligible for government programs.

Immigrants and Public Assistance

Immigrant households, despite the restrictions on their eligibility, are more likely than native households to participate in public assistance programs. In 2003, 16.7 percent of native households used a major welfare program, compared with 25.5 percent of households with a foreign-born household head. Major welfare programs in this case include TANF, SSI, food stamps, public housing, and Medicaid. Immigrant families, which includes families

with U.S.-born children, are more likely to use welfare as a result of their higher poverty rates and lower rates of health insurance coverage. Medicaid alone accounts for almost all the difference in the rates of public assistance for these two groups. This is partly due to the fact that immigrants are more likely to work in jobs without health insurance. Only 45 percent of immigrants have employment-based coverage, compared to 62 percent of natives.

Immigrants and Social Security

While the number of immigrants with relatively low education levels tends to put a strain on government budgets, several other immigrant characteristics have the opposite effect. First, compared to native workers, immigrants are relatively young when they arrive. Green card recipients are overrepresented in the age groups between 10 and 39. Immigrants also have higher fertility rates than natives. The influx of younger people and higher birth rates expand the labor force and slow the ongoing decline in the ratio of workers per retirees. This, in turn, contributes to the financing of pay-as-you-go entitlement programs, such as Social Security and Medicare.

Many of these workers who have contributed to the Social Security system return to their home countries and never file for benefits. In the case of Mexico, millions of Mexicans have worked in the United States and returned home, but only 37,000 non-U.S. citizens residing in Mexico received Social Security benefits in 2004. Undocumented immigrants without a valid Social Security number cannot receive Social Security benefits, but as long as the employer reports their earnings to the Social Security Administration (SSA), their earnings are subject to withholding of Social Security taxes. The SSA cannot identify undocumented workers, but keeps track of the earnings of all workers who have mismatched or invalid Social Security numbers in the so-called Earnings Suspense File (ESF). The ESF was valued at $463 billion in 2002.

Totalization agreements are another way that foreign workers can affect Social Security. Totalization agreements are binational treaties where U.S. workers' earnings abroad count toward their Social Security contributions and similarly for foreign workers employed in the United States. Totalization agreements exist with 20 countries.

Additional Benefits to Immigration

Calculations of the net benefits of immigration are typically made from the natives' point of view, hence the focus on fiscal and labor market impacts. But immigration also benefits the immigrant and his or her family, who enjoy increased income and improvements in their quality of life. Some of the increased income may be sent home in the form of remittances, benefiting family members who remain behind in the immigrant's country of origin. In

addition, as migrants leave the country-of-origin, economic opportunities may arise for others who stay put. If there is enough emigration, as in the case of Mexico, the decrease in the supply of labor could even be enough to raise wages.

Migrant remittances can have important economic benefits in the origin country. In 2003, remittances from the United States to Latin America exceeded $30 billion. Remittances raise income, reduce poverty, and lower income volatility in the recipient country, an important consideration in countries where economic crises are more common. Studies of Mexican migrants have found that remittances are used for both day-to-day consumption, such as food and housing, as well as for investments in human and physical capital, such as starting a business, buying land, or building a home. The United States has led efforts to facilitate remittances. At the G-8 Sea Island summit in Georgia in June 2004, the President secured support for a plan to help developing countries by improving data on remittance flows and by reducing the costs of international money transfers.

In the long run, international migration can also lead to institutional change in the origin country. The fact that people are mobile means that countries facing high emigration may try to retain or lure their citizens back. For example, according to news reports, Mexico launched a crackdown on corrupt customs agents who preyed on migrants as they returned home. As part of the crackdown, Mexico appointed a border czar in 2001 and strengthened the Paisano Program, which helps Mexicans return home for the holidays without being harassed or extorted. The U.S. and Mexican governments also established Partnership for Prosperity, a large-scale binational public-private economic development initiative. Meanwhile, Federal and state government officials in Mexico launched programs such as *Dos por Uno* and *Tres por Uno* to match remittance money going to infrastructure projects, such as paving roads in migrant communities.

Immigration Policy

In a typical year, about two-thirds of new lawful permanent residents are admitted into the United States or adjust immigration status based on their family relationship with a U.S. citizen or permanent resident. (*Adjustment of status* refers to foreigners inside the United States who apply for green cards so they can stay here permanently.) While family-based immigration is prioritized in U.S. immigration policy, employment-based immigration has grown in importance in recent years largely through an increase in the number of skilled temporary workers. Nonetheless, existing employment-based programs suffer from many problems, including outdated processes for labor certification and inflexible numerical caps. Immigration systems are also strained by the need

for security measures, such as more extensive background checks on applicants. At the same time, immigration continues to occur outside official channels in the form of undocumented immigration.

According to the most recent estimates, there are about 10 million undocumented immigrants in the United States, the majority of whom are low-wage workers. More than one-half of undocumented immigrants are from Mexico. One of the most pervasive features of undocumented immigration is that it is overwhelmingly driven by supply and demand: immigrants want to work in the United States, and many American employers want to hire them. Such a simple fact, however, has complex economic, humanitarian, and security-related implications.

Many undocumented immigrants endure a perilous journey to make it to the United States. To obtain work, some undocumented immigrants resort to using false documents, such as fake Social Security cards or green cards. They live in fear of deportation and may hesitate to contact law enforcement if they become victims of crime or abuse. Once workers are here, additional undocumented immigration may take place as family members and friends join the workers. As families grow, the children born in the United States to undocumented immigrants are U.S. citizens. Network-based migration and the natural rate of population increase have created hundreds of thousands of "mixed status" families, in which children, siblings, and parents have a different immigration status.

Current U.S. Immigration Policy

Throughout the nineteenth and into the early twentieth century, the United States had a generally "open door" policy toward immigration. Most newcomers were admitted with the exception of those barred by the Chinese Exclusion Act of 1882, prohibitions against prostitutes and felons, and a few other exclusions. World War I, however, ushered in an era of restricted immigration—a policy that has persisted to the present day. The National Origins Act of 1924 allowed immigration under country quotas that heavily favored northern Europeans. The Immigration Act of 1965, which provides the framework for current policy, abolished national-origins quotas and based immigration policy largely on "family reunification." While the Immigration Act of 1990 increased the cap on employment-based green cards, such green cards make up fewer than 15 percent of the total number of green cards issued in a typical year.

Current immigration law provides for five major bases for obtaining permanent residency in the United States—immediate relatives of citizens, other family members, employment immigrants, "diversity" immigrants, and refugees and persons granted political asylum. Immediate relatives include the parents, spouses, and minor children of citizens; other family members

include siblings and adult children of citizens, as well as spouses and children of permanent residents; employment immigrants are workers brought in to work for U.S. employers; diversity immigrants come into the United States or adjust status through the "green card" lottery where priority is given to persons from certain underrepresented countries, such as many African nations; and refugees and persons granted asylum (also called *asylees*) qualify for permanent residence because they face persecution in their home countries. Refugees and asylees differ only in their location: refugees apply for admission to the United States from abroad, while asylees apply for asylum from within the United States.

All major permanent residence categories except immediate relatives of citizens are subject to numerical limits: approximately 226,000 for other family members, 140,000 employment immigrants, 55,000 diversity immigrants, and 10,000 asylees. Uncapped immediate relatives of citizens averaged 402,000 per year in 2000–2003. While there is no explicit limit on the number of green cards allotted for refugees, the number of refugees who can adjust status is limited by caps on refugee admissions that are set each year by the President in consultation with Congress. The cap on refugee admissions is 70,000 in fiscal year 2005.

Despite the overwhelming demand for permanent residence in all these categories, thousands of allotted green cards are not being issued. Processing backlogs are keeping green card issuances below their numerical caps and contributed to a 34 percent decline in the number of new lawful permanent residents in 2003. At the end of fiscal year 2003, there were 1.2 million adjustment of status cases pending a decision.

As a result of numerical limits and backlogs, green card applicants filing as "other family members" can expect to wait from 4 years (for unmarried adult children of citizens) to over 12 years (for siblings of citizens). Waits are longer for family-sponsored immigrants from certain overrepresented countries, such as India, Mexico, and the Philippines, because family-sponsored green card issuances to any single country cannot comprise more than 7 percent of the total. In February 2005, Filipinos who immigrated as siblings of U.S. citizens had waited 22 years for their green cards.

Employment-Based Immigration

Foreign workers come to the United States through employment-based green cards, as described above, or with temporary worker visas. For these purposes, there are at least 140,000 employment-based slots for permanent residency available each year (the actual cap varies with the number of green cards issued in the family program) and a variable number of temporary worker visas. Employment-based green cards typically require the worker to have at least a college degree or special skills; only 10,000 green cards are

reserved for less-skilled workers. The allotment for employment-based green cards includes the principal worker and any family members. Nevertheless, for many years, the number of green cards issued fell far short of the 140,000 cap. During the height of the economic boom in the late 1990s, average annual employment-based green cards numbered only about 80,000, consisting of about 36,000 workers and 45,000 spouses and minor children.

The current situation is similar in that employment-based green card issuances are below their caps again, although this time not for a lack of demand. As of January 2005, there were 271,000 employment-based applications for adjustment of status pending, with about 191,000 of these backlogged by the Department of Homeland Security (DHS).

A multitude of factors contribute to difficulties within the employment-based green card program. Background checks and the sheer volume of pending applications limit processing speed, as do cumbersome requirements regarding the labor certification process. Labor certification for permanent employment requires a firm to undergo an extensive, government-supervised search for U.S. workers before the petition to hire a foreign-born worker can be approved. Once the Department of Labor (DOL) certifies that no qualified U.S. worker is available for the position and the wages and working conditions of existing workers will not be harmed by bringing in an additional foreign worker, then DHS and the Department of State can proceed with processing the green card application. In addition to the DHS backlogs mentioned above, there is a backlog of over 300,000 applications for labor certification at DOL. The labor certification process typically takes several years to complete and has been criticized as being time-consuming, costly, and complicated.

The problems with labor certification have resulted in calls for reforms and action by the Administration. In 2002, the Administration proposed to move to a streamlined application process under which the employer would recruit domestic workers *before* petitioning to hire a foreign worker. The final rule regarding the new labor certification system was published in the Federal Register on December 27, 2004. Under the new system, firms attest to appropriate recruitment procedures and DOL has the authority to audit all applications. DOL can order supervised recruitment for employers found to have abused the program. DOL expects that this simplification of the recruitment process and other changes, such as electronic filing and automated processing, will greatly reduce the time needed to process labor certification applications.

The waits and costs associated with traditional processing for employment-based permanent residency have likely prompted employers to make greater use of temporary worker visas. The number of visas issued to temporary workers has more than doubled in the last decade, rising from 251,000 in 1992 to 593,000 in 2003. In contrast, the number of employment-based green cards issued in 2003 was actually below the number issued in 1992,

despite the tremendous growth in the labor force during this time. Temporary worker programs include the H-1B program for skilled workers, H-2A for agricultural workers, and H-2B for other less-skilled workers. Skilled temporary workers can also be admitted as intra-company transferees (L-1 visas) and, from Canada and Mexico, as North American Free Trade Agreement (or NAFTA) workers (TN visas).

There are many reasons for all parties—employer, employee, and the government—to prefer temporary worker visas. Temporary work visas are issued for a limited period of time and are typically restricted to one employer, so both employee and employer make a short-term commitment. The application process is simpler and thus generally less costly and timelier. In contrast to permanent residents, who can apply to be naturalized after five years' residence in the United States, temporary work visa holders are not eligible to apply for citizenship. They are also ineligible for most forms of public assistance. Temporary workers can apply for a green card, however, if they qualify and their employer agrees to support their application.

The unprecedented number of pending applications for employment-based green cards is believed to stem from the high number of temporary workers that came in under the H-1B program for skilled personnel in the late 1990s. In fiscal year 2004, the cap on H-1B workers in the private sector reverted from a temporary cap of 195,000 to the permanent cap of 65,000 workers per year. This quantity has proven insufficient to meet demand. In 2004, the government ran out of H-1B visas in February, seven months before the end of the fiscal year. In fiscal year 2005, the cap of 65,000 H-1Bs was reached in one day. In light of the shortage of H-1B visas, legislation was passed as part of the November 2004 Omnibus spending bill to provide an additional 20,000 H-1B visas per year to foreign students graduating from U.S. universities.

Undocumented Immigration

The influx of low-wage workers, many of whom come illegally, is partly a result of an immigration policy which, while having several employment-based immigration programs to address the need for skilled workers, has relatively few slots for low-skilled workers. The supply of green cards and temporary worker visas typically allows fewer than 100,000 low-skilled workers to come in each year. The sum is made up of 10,000 green cards and 66,000 H-2B visas for other low-skilled workers. In addition, about 14,000 agricultural workers were admitted with H-2A visas in 2003. In contrast, according to the Current Population Survey, the number of low-skilled foreign workers—workers who lack a high school degree—increased by about 225,000 per year between 1996 and 2003. Moreover, while H-2B visas for less-skilled workers have run out in both fiscal years 2004 and 2005, no increase or exemptions to the H-2B cap have been passed.

The demand for foreign labor is not new. When the railroads were being built in the nineteenth century, Mexican workers were recruited to expand the workforce in the Southwest and Chinese workers immigrated to work in the West. During World War II, labor shortages arose as U.S. men left their jobs to join the armed forces. In 1942, the U.S. and Mexican governments initiated the Bracero Program, which allowed Mexican workers to come in and fill seasonal jobs in agriculture. The need for workers did not end with the war, however, and the Bracero Program was kept in place until 1964, bringing in an average of about 200,000 workers per year. European countries, such as France and Germany, faced similar increases in labor demand following the war and instituted guest-worker programs around that time.

The end of the Bracero Program in 1964 and the imposition of quotas on legal immigration from the Western Hemisphere in 1977 eliminated many of the legal avenues by which to enter the United States from Latin America. The ensuing flow of undocumented immigration continues to this day. The Immigration Reform and Control Act (IRCA) of 1986 was an attempt to deal with this problem by providing for legalization of undocumented immigrants, increasing funding for the Border Patrol, and making it illegal to hire undocumented workers. To allow for additional worker inflows, IRCA also established the H-2A visa program for temporary agricultural workers. However, H-2A visas require employers to undergo a burdensome labor certification process and follow extensive rules and, as a result, the program is little used.

The passage of IRCA failed to stop illegal immigration. Undocumented immigration surged with U.S. growth in the early to mid-1990s. Contributing factors were likely the forces of network migration, which may have intensified following IRCA, and the 1994–1995 Mexican economic crisis. In response to the resurgence of undocumented immigrant inflows, border enforcement along the U.S.–Mexico border was dramatically increased starting in 1993.

The President's proposed Temporary Worker Program (TWP), announced on January 7, 2004, seeks to address the economic and security issues surrounding the flow of undocumented workers into the United States, as well as the associated humanitarian concerns. The TWP would give temporary visas to foreign workers who fill jobs for which employers can show they are unable to hire Americans. This would create an additional legal avenue to match workers, including low-skilled workers, with U.S. employers. The visas would last three years and, as long as the worker is employed, could be renewed at least once. The program would also offer incentives for workers to return home by setting up tax-preferred savings accounts where money could be withdrawn for use in the home country. The U.S. government would also work toward developing agreements with foreign nations to ensure TWP workers' U.S. earnings would be recognized by the public retirement programs in their respective countries.

The TWP would allow new foreign workers to come in each year in accordance with labor market demand. In addition, TWP eligibility would be extended to undocumented workers who were present and working in the United States on January 7, 2004, when the President made his announcement. The President also stated that there would continue to be increases in border security and, under TWP, tough penalties would be imposed on employers who continued to hire undocumented workers.

The President has proposed to more than double the funding dedicated to worksite investigations. In this multi-pronged approach, TWP has many advantages. It recognizes that an orderly and legal flow of workers will likely increase national security and brings employers and undocumented workers into compliance with the law. Employers will be able to legally hire the workers they need once they demonstrate that no willing and able American worker is available. Workers will be less likely to lie about their immigration status, rely on false documentation, or work under assumed names. Workers who abide by the rules of the program will not have to fear deportation. They will be able to return home for visits to their families and have their U.S. earnings count toward their future retirement benefits.

The challenges for a program such as this are twofold: to ensure that undocumented immigration does not continue—either in its current form or as temporary workers overstay—once the temporary worker program is implemented, and to minimize administrative burdens on employers who participate. If the goals of the program are achieved, there should be reduced demand for undocumented workers, leading to less illegal immigration.

Conclusion

Immigrant workers range from the seasonal agricultural laborer to the Nobel prize-winning scientist. They are the doctors and nurses who serve inner cities and rural areas, the professors who teach in our universities, and the taxi drivers and hotel workers that travelers rely upon. Immigrants also fill jobs that simply allow Americans to go to work every day, such as housekeeping and child care.

From an economic standpoint, one important lesson to take away from how the Nation has dealt with the unprecedented surge in immigration over the last decade is the role of U.S. labor market institutions. Flexible labor markets are important in generating job opportunities for workers, and immigrants are no exception. The work ethic of U.S. immigrants bolsters their economic contributions. Summing up the economic benefits and costs of immigration shows that over time, the benefits of immigration exceed the costs. Adjustment of the economy and native workers to immigration takes time, however, and the adjustment period can present challenges.

The lessons learned from recent decades can guide immigration reform and make laws more consistent with economic realities and American values. Under the President's proposed Temporary Worker Program, employers who show they cannot find an American worker to fill a job opening will be able to legally hire a foreign worker. This simple guiding principle, combined with better enforcement of immigration laws, has the potential to reduce undocumented immigration, bolster national security, and improve on the myriad employment-based immigration programs in effect.

CHAPTER 5

Expanding Individual Choice and Control

A farmer prepares the soil, plants seeds, and tends her crops. Her wheat will not be ripe for months. How does she know she will reap the fruits of her hard work? A businessman buys a factory, hires engineers, and purchases steel, rubber, and glass, with the intention of manufacturing cars. How does he know he will enjoy the benefits of his effort and investment? A pharmaceutical firm invests millions now to develop a new drug that may, much later, help to cure cancer. How does it know it will receive a return on its research expenditures?

Property rights provide the crucial link between people's effort and their reward. They are the instrument society uses to establish people's control over things. In practice, these go by many names, such as deeds, titles, permits, vouchers, allowances, or accounts. Patents and copyrights are also property rights, establishing control over inventions, books, songs, and other creative concepts. The essential idea is the same in each case: the owner of the property right controls how something valuable is used.

Property rights have a profound effect on the choices people make. In addition to giving them the incentive to maintain and invest in things, people will use resources more prudently if they own them. Property rights are essential for markets to function. The lack of a clear title might prevent a car purchase. A home buyer is unlikely to sign on the dotted line if she is not sure that the seller actually owns the house. Without property rights, would-be entrepreneurs cannot secure loans they might need to help their businesses grow.

The key points of this chapter are:

- Property rights are essential to the efficient operation of markets, which in turn allocate resources to their most highly valued use. Clearly defined rights are important in avoiding overuse of resources and in encouraging the improvement of resources.
- The thoughtful application of property rights has already brought about a number of policy improvements, such as reducing air pollution in a low-cost way, protecting fisheries from overexploitation, and facilitating greater school choice.
- Providing people with ownership and individual choice and control of assets could help address several current concerns, including Social Security reform and the encouragement of international development.

The Meaning of Property Rights

When used in economics, the term *resource* refers not just to natural resources, such as land or clean air, but to anything of value, such as skills. A *property right* refers broadly to the arrangements society uses to assign people control over resources. Property rights give a homeowner control over his house, a farmer control over her land, and an inventor control over his ideas.

That control is defined using a bundle of specific rights. The bundle is commonly thought to consist of three main elements: the right to exclusive use of the resource, the right to income derived from the resource, and the ability to transfer those rights. Property rights can include a range of those elements, from weak rights (which might only include the right to use the resource) to strong rights in all three elements. For example, someone living on a river might acquire the right to use the water flowing past her property, but not the right to divert it and sell it to others. A car owner, on the other hand, acquires the right to use the car, to sell the car, and to realize any gain from the sale.

Even an *exclusive* right to control and use a resource, however, does not mean an *unrestricted* right to use it. A car buyer gets the keys and the title, but does not acquire the right to drive it at any speed or park it anywhere he wishes; the car must be driven within the limits of the law. Property rights typically come with restrictions on the use of the resource in question.

The Economic Effects of Property Rights

Property rights have a host of economic effects. Three especially important effects are illustrated here. The first is the effect of property rights on the use of a resource at one point in time. The second is the effect of property rights on incentives to maintain and improve a resource over time. The third is the effect that property rights have as a prerequisite for exchange.

The classic illustration of the effect of property rights at one point in time involves numerous cows grazing on limited pastureland. If access to the pasture is open to any and all cattle ranchers, then the pasture is an *open access resource*, a resource no person or group of people has an exclusive right to use. Individual property rights to the pasture are not established, and all ranchers compete to use it. In this case, each rancher might be expected to allow his cows to graze without limit, because each rancher bears only a fraction of the cost of additional grazing. That added grazing, however, is costly to other ranchers because less grass is available for their cows. Any individual rancher does not directly bear the full cost imposed on other ranchers, and will not take this cost into account when deciding how much to let his cows graze. The common grazing pasture thus becomes overused.

This phenomenon, known as the "tragedy of the commons," is likely to occur for scarce resources for which access is open. A motorist entering a crowded freeway does not take into account the effect her car has on the space available for other cars, so freeways become overused at peak times.

The commons problem would be solved if someone owned the pasture or had control over grazing. If the owner allowed only his cows to graze, then he would have an incentive to consider the effect of one cow's overgrazing on his other cows. He would voluntarily restrict their grazing. The owner could also limit access to the pastureland and charge other ranchers for grazing their cows, according to the amount of grass their cows ate. Because it was costly to them, each rancher would then reduce the amount of time his cows grazed. In either case, ranchers conserve on the scarce resource of pastureland because someone owns the land. Assigning property rights to the owner of the pasture not only encourages conservation of the resource, but also resolves the conflict among ranchers over the use of scarce land.

A second key effect of property rights is that they provide incentives to invest in, maintain, and improve resources over time. To appreciate this effect, think of a farmer using land that is not owned, but who nonetheless improves it by weeding, reducing erosion, and controlling pests. She then plants wheat and cultivates it. Without property rights, she has no legal right to prevent someone else from harvesting her wheat crop when it ripens. If she knows in advance that this might happen, she is unlikely to improve the land in the first place, and is unlikely to work it in the future. Alternatively, if she has property rights to the land, she knows she will reap the benefit of her efforts, and will invest in the land. Property rights provide an incentive to invest in resources over time, and society will be better off as a result. Homeownership provides another example, as discussed in Box 5-1.

Box 5-1: The Benefits of Homeownership

Homeownership provides one illustration of how property rights promote investment that benefits society. Researchers have shown that homeownership has many benefits beyond the economic advantages of owning a home. For example, the children of parents who are homeowners are less likely than children of renters to drop out of high school, or to have children as teenagers. Both of those effects are largest for children of low-income households. Children living in homes that are owned by the resident attain math and reading achievement that is measurably higher. Additionally, homeowners are more likely to be involved in their communities. Homeowners are more likely to know the identity of the head of their local school board, to vote in local elections, and to work to solve local problems. In short, homeowners are

Box 5-1 — *continued*

more likely to invest in their communities. The national homeownership rate set a record of 69.0 percent in 2004, up 0.7 percentage point from 2003. The minority homeownership rate was also at a record high of 51.0 percent, up 1.5 percentage points from 2003.

The President's policies have focused on dismantling barriers to homeownership, especially among low-income and minority homeowners. On December 16, 2003, the President signed into law the American Dream Downpayment Act of 2003, which helps low-income families with their downpayment and closing costs. His housing agenda includes increasing the supply of affordable homes through the Single-Family Affordable Housing Tax Credit, increasing support for self-help homeownership programs like Habitat for Humanity, simplifying the home-buying process, and increasing home-buying education. These initiatives will further help to achieve the President's goal of increasing the number of minority homeowners by at least 5.5 million before the end of the decade.

A third effect of property rights stems from their transferability. Transferable property rights (along with the enforcement of contracts) underpin market exchange. Clearly defined property rights give people certainty about what they can trade and keep. A market exists when valuable items are exchanged, or when money is given in exchange for an item. Without clearly defined, transferable property rights, markets will operate either poorly or not at all.

Well-functioning markets are socially beneficial for several reasons. Markets ensure that transactions benefit both parties. People will voluntarily give up their right to a resource only when they receive something of greater benefit in return. Markets ensure that resources are allocated to those who value them the most.

Because markets generate prices, they also play a central role in coordinating the behavior of buyers and sellers. Prices provide information about the strength of demand for a good or service and the cost of producing it. They also create incentives to act on that information. If the price of a good rises, suppliers know to, and have an incentive to, shift scarce resources into

producing more of that good. Similarly, demanders know to cut back on consumption of the good, and have an incentive to do so. This process ensures that there is no enduring shortage or surplus of the good; the correct amount is produced and consumed. This socially beneficial situation is based on a well-functioning system of private property rights.

The historical record over the last several centuries indicates the importance of strong property rights. The countries that are rich today are those that had sufficiently strong property rights in place to encourage industrialization. Evidence suggests that societies that have protected property rights over time are more prosperous.

The different experiences of North and South Korea provide an example. Prior to the division of the Korean peninsula in 1948, the North and the South were similar to one another economically, geographically, ethnically, and culturally. Following the Korean War, the North abolished private property in land and capital, while the South maintained a system of private property.

South Korea enjoyed one of the fastest surges of economic growth in history, and is considered an Asian "miracle" economy. South Korean gross domestic product grew from $85 billion in 1983 to $605 billion in 2003, an increase of more than sevenfold in only two decades. By 2004, South Korea's GDP per capita was estimated to be over 13 times greater than North Korea's. Although a number of factors contributed to South Korea's superior growth, its stronger protection of property rights is recognized as a key factor. As the next section illustrates, even countries with relatively strong property rights systems benefit by extending them into new domains.

The Success of Property Rights in Addressing Policy Issues

The property rights concept has been creatively expanded and applied to help solve vexing policy issues. The use of property rights in practice illustrates the economic effects discussed earlier. Although there are many examples of how property rights help solve policy problems, three are offered here: pollution permits to help reduce air pollution in an efficient manner, individual transferable quotas that help conserve fisheries, and school voucher programs to help improve school performance. Each case is an example of assigning property rights to people with the best information and incentives to use the resources in question.

Addressing Air Pollution Through Tradable Permits

Clean air is another example of an open access resource; overuse manifests itself as air pollution. In the absence of government regulation, firms do not pay for the air they pollute. This problem can be addressed by defining property rights.

Title IV of the 1990 Clean Air Act Amendments introduced a property rights regime for air quality by establishing a national *cap-and-trade* system for sulfur dioxide (SO_2) emissions. SO_2 is a pollutant produced when a fuel containing sulfur, such as coal or oil, is burned, as is done to create electricity, for example. These emissions are not only associated with a wide array of health concerns, but are also a key component of acid rain. Title IV's cap-and-trade program works by capping the total amount of allowable SO_2 emissions from power plants nationwide and requiring that an emitting facility own a permit for each unit of pollution emitted. The cap sets the total level of allowable emissions of SO_2 from the power sector. The government also creates a system of rigorous emissions measurement and enforcement.

Under the Title IV program, SO_2 permits can be bought and sold by emitting facilities and by third parties. Trading allows firms with a high cost of reducing pollution to purchase credits from firms whose emissions can be reduced at lower cost, giving the industry an incentive to consider cleanup cost differences both across and within firms. The air cleanup will be accomplished at a lower cost than if all plants were directly required to meet an emissions standard that leads to the same overall level of pollution reduction. Using permits or allowances, the government does not need to tell firms how to lower pollution—it simply decides how much pollution needs to be reduced in the aggregate, and leaves it to the firms to decide how best to achieve that goal.

This example illustrates an additional benefit of pollution permits: they not only create valuable incentives, but also give control over decisions to the party that has the *best information* on how to clean up at the lowest cost. Individual firms are likely to have much better information than regulators about the idiosyncrasies of each plant. Pollution permits decentralize decision making, give control to the party with the best information, and provide incentives to act on that information.

The SO_2 trading program has been successful both at reducing emissions and at achieving those reductions at a lower cost than direct plant-level emissions standards. Emissions were initially reduced almost 30 percent more than the required level, compliance has been over 99.9 percent, and the annual cost savings from this approach has been estimated at hundreds of millions of dollars per year. A similar program exists in the eastern United States to control nitrogen oxide emissions, which contribute to regional ozone and smog problems.

In 2002, the President proposed "Clear Skies" air quality legislation that would expand the use of this approach to achieve additional control of SO_2 and nitrogen oxides and to control mercury emissions. The mandatory program would establish caps on power plant emissions of sulfur dioxide, nitrogen oxides, and mercury in 2018 that are roughly 70 percent below 2000 levels.

Consistent with this legislative approach, in December 2003, the EPA proposed the Clean Air Interstate Rule for states in the eastern half of the United States whose sulfur dioxide and nitrogen oxide emissions contribute to fine particle and ozone pollution in downwind states. The proposal would require states to regulate power plant emissions and provides states with a model cap-and-trade system similar to the regional nitrogen oxide program described above. The rule would reduce emissions of sulfur dioxide from power plants in those states by approximately 70 percent, and nitrogen oxide to approximately 65 percent below 2002 levels. Additionally, under the Clean Air Mercury Rule, the EPA proposed the first-ever regulatory action to reduce mercury emissions from coal-fired power plants, and proposed a cap-and-trade approach as a way of achieving these reductions. The program would cut mercury emissions by nearly 70 percent when fully implemented. Both the Clean Air Interstate Rule and the Clean Air Mercury Rule are based on an approach of establishing tradable emissions allowances in order to reduce pollution in an effective and cost-efficient manner.

Addressing Overfishing Through Property Rights

Another industry that benefits from the creation of well-defined property rights is commercial fishing. In the absence of regulation, fisheries are an open access resource. Because fishermen do not own the stock of fish in the sea, the fish they leave in the water may be caught by others, and there is no guarantee that they will be there to catch in the future. Even though many fishermen desire healthy fish populations for future use, individual conservation efforts are less effective due to this tragedy of the commons. Consequently, some fish stocks have declined worldwide, and fishermen must expend more effort and resources to catch the remaining fish. Today, an estimated 70 percent of the world's fish species are either fully exploited or depleted. In the North Atlantic region, populations of cod, hake, haddock, and flounder have fallen by as much as 95 percent.

Overfishing leads to an array of economic problems. Because fish are less able to reach maturity and reproduce, fish that are caught tend to be of lower value. Fish become harder to catch as their stocks are depleted, and intense competition for the remaining fish creates additional waste. In 1993, the United Nations estimated that $124 billion was spent attempting to harvest $70 billion worth of fish. When a fishery collapses, many fishermen lose their jobs and their communities suffer. The collapse of the Atlantic cod stocks in

the mid-1990s left more than 40,000 people unemployed in the Canadian Maritime Provinces.

Governments have traditionally regulated fisheries with *command-and-control* approaches, which mandate many aspects of fishing by law. The requirements govern various aspects of the fishing industry, such as the technology used, the length of fishing seasons, and fishing locations. These approaches are not only difficult to enforce but they do not provide incentives for fishermen to curb their fishing efforts. Command-and-control approaches also require constant government intervention in order to set new specifications for technological innovations, while fishermen are prevented from shifting to lower-cost fishing methods by taking advantage of these innovations.

A property rights approach to fisheries management can effectively prevent overfishing while increasing the profits of fishermen. One such system is to issue *individual transferable quotas* (ITQs) to fishermen, which grant them exclusive rights to harvest fixed percentages of the total allowable catch. (While ITQs may be considered to create property rights, they are not "property interests" for purposes of the takings clause of the Fifth Amendment of the Constitution.) Like pollution permits, ITQs are transferable, ensuring that the fish will be caught by the most efficient and least wasteful boats, while all owners of a fishery can reap the benefits of a healthy and profitable fish stock.

Unlike command-and-control approaches, ITQ programs end the incentive for fishermen to "race to fish." This observation is well demonstrated by Alaska's sablefish and halibut fisheries where, prior to the introduction of property rights, the fishing season was progressively shortened to prevent the annual catch from exceeding its cap. Fishermen responded to the shortened season by increasing the number of vessels in their fleets and using more gear in an all-out effort to catch as much as possible before the overall cap was reached. These "frantic derbies" led fishermen to take undue risks by heading out in dangerous weather, and led to a glut of fresh fish on the market during the few short weeks of harvest and scarcity the rest of the year. Alaska's halibut and sablefish ITQ programs, implemented in 1995, ended the race for fish and increased season length from less than 5 days per year to 245 days per year. Commercial fishermen have since enjoyed increased profits, decreased costs of gear and fishing crews, and a safer and more stable industry. The availability of high-quality halibut year-round has benefited consumers, and environmental benefits have been realized in connection with decreased halibut mortality.

ITQs have also been adopted in New Zealand, Iceland, Australia, Canada, and Papua New Guinea, among other countries. They have improved fish stocks while also increasing the profitability of many fisheries. New Zealand's extensive system of ITQs was introduced in 1986 and, as of 1996, it accounted for more than 85 percent of that country's total commercial catch. New Zealand fish stocks are now healthy, and increases in quota prices

provide evidence of increased profitability. There is evidence that New Zealand's ITQs have also encouraged investment in scientific research. Testimony to the ability of ITQs to mitigate overfishing and change the fishers' approach came when a New Zealand Ministry of Agriculture official commented, "It's the first group of fishers I've ever encountered who turned down the chance to take more fish."

One challenge in designing an ITQ program is determining the initial allocation of shares. To make the system politically viable, some areas have provided shares to the current users of the fishery in proportion to their recent catch levels. An alternative is to auction off the initial shares, which would raise money for the public and ensure that, from the start, the shares go to fishermen who value them the most.

Despite practical issues in designing ITQ programs, they hold tremendous promise for managing our Nation's fisheries in a manner that allows for increased efficiency in fishing, fewer economic and safety risks for fishermen, and fresher and higher quality seafood for consumers. The President supports the further adoption of ITQ systems to manage our Nation's fisheries, and the Administration has called for new national guidelines to facilitate the implementation of these programs while maintaining regional flexibility and ensuring fair and equitable quota allocations.

School Voucher Programs

The creation of property rights can be used to encourage better use of resources even when there is no "tragedy of the commons" problem. School voucher programs illustrate such benefits. Under many voucher systems, eligible families receive money from their state or school district to pay for their children's education at a participating private school. Typically, low-income families are eligible to receive vouchers.

When vouchers are not available, choosing a different school may come at the high cost of paying the full tuition for a private school or physically moving to a new district, if the district does not already offer a public school choice program. By lowering the cost of private sources of education, vouchers produce two main benefits. Most directly, families eligible for the vouchers are better off because they have greater ability to select the school they prefer most. Second, a well-designed voucher program can make all students in a school district better off. If the availability of vouchers increases competition, then the school has an incentive to provide a better education so that fewer students leave. To the extent that schools then provide a higher quality education in a more cost-effective manner, all the students who remain in the school are better off, even those who are not eligible for a voucher.

The degree to which a voucher system benefits all the students in a school system depends on the share of students who are eligible for a voucher, the

size of the voucher, and the extent to which schools' resources depend on the number of students who use a voucher. The number of eligible students and the amount of the voucher determine how many students will consider switching schools. When more students are eligible and when schools are competing for them, the gains from competition will be realized more quickly. Few students actually need to switch schools to motivate schools to improve. Instead, schools are motivated by the potential for competition, which depends on the number of students who are seriously *considering* switching, rather than the number who actually switch. The incentives involved and the potential for competition also depend on how much money is attached to the voucher.

Evidence indicates that voucher systems do indeed benefit both the students who use them and those who do not. A study of the voucher program in Milwaukee found that, after several years, the performance of students who used vouchers had risen 11 percentile points in math and 6 percentile points in reading relative to where they would have been if they had remained in their local public schools. A gain of 6 percentile points means that the students performed better than an additional 6 percent of the overall population of test takers.

The students who remain in the public schools also benefit significantly. As an example, consider the case of the Milwaukee voucher program. The program has been in place since 1990 and was expanded in 1998 to allow up to 15 percent of students to use a voucher. For the 2002–2003 school year, students from low-income families received a voucher for up to $5,783 (over 50 percent of city per-pupil spending). Since the voucher amount is sufficient to cover the cost of private elementary schools, but not most secondary schools, more than 90 percent of all voucher users since the 1998–1999 school year have been in grades one through seven. Consequently, studies of the Milwaukee program have focused on elementary school students. After the introduction of vouchers, test scores of fourth graders at schools where the largest proportion of students were eligible for vouchers improved by 8.1, 13.8, and 8.0 percentile points in math, science, and English, respectively, over the students at comparison schools that were largely unaffected by vouchers.

This improved performance was not simply due to increases in school spending. The key measure of a school's efficiency—student achievement divided by per-pupil spending—increased significantly in the schools where the highest fraction of students were eligible for vouchers. In these schools, student performance rose by between 0.9 and 1.7 percentile points per thousand dollars in per-pupil spending. By making public schools more efficient, vouchers can help to close the efficiency gap between public and private schools. The private schools that accept voucher recipients usually have the same achievement levels as the public schools they draw students from, but spend significantly less per student on average. Based on their lower costs, voucher-accepting private

schools are four times as efficient as the local public schools from which they receive students. Drawing from five studies of voucher programs, one researcher notes that, while public schools spent an average of $9,662 per student, voucher-accepting private schools spent only $2,427.

While students on average are better off under a well-designed voucher program, one might still be concerned that many students are worse off. A common worry with vouchers is that the most-motivated students will use them, leaving the remaining students with a lower-quality peer group. One researcher of the Milwaukee system concludes that, even if a student's peer group dropped from the 90th percentile of the district to the 10th percentile, the student remaining in the school would still be at least as well off under the voucher program because the effect of the increased school performance would overwhelm this adverse change in the peer group. The decline in a student's peer group is merely hypothetical, since studies of the Milwaukee system have found little evidence that the best students leave. In fact, instead of being the best students at a school, future voucher users performed moderately below average in math and reading before they switched schools.

Vouchers are only one form of school choice. Additional forms include charter schools and plans that allow students to attend other public schools. When these programs are well designed, they too can produce efficiency gains by causing schools to compete with one another for students.

Vouchers are consistent with expanding property rights because they provide families with additional control over resources—financial resources in this case. The available evidence indicates that this change in property rights has produced positive outcomes for school systems that use well-designed voucher programs.

The Application of Property Rights to Current Policy Issues

Areas of current concern in which property rights could be usefully applied or extended include personal retirement accounts, health savings accounts, and Millennium Challenge Accounts.

Personal Retirement Accounts

Social Security is currently funded on a pay-as-you-go basis in which the present generation of workers funds current retirees' benefits. Social Security's financial viability is thus linked to the Nation's demographics. Increased life expectancies and lower birthrates have gradually reduced the worker-to-beneficiary ratio from 16-to-1 in 1950 to 3.3-to-1 today, with projections of 2-to-1 by 2040. Projecting future tax revenues and payouts, Social Security will begin running

deficits instead of surpluses by 2018, and Social Security assets and reserves will be depleted by 2042.

Social Security is no longer a bargain for younger workers. A single male worker with average earnings who was born in 2000 will receive a real return of only 0.86 percent annually after Social Security pays what it is able to pay him. For workers earning the maximum amount taxed ($90,000 in 2005), the real annual return is *minus* 0.72 percent on the benefits Social Security can actually pay.

The Social Security system can be less advantageous for divorced individuals who do not share in the benefits of a previous spouse. To qualify for spousal benefits under the current system, a marriage must last ten years. Fully one-third of all marriages end prior to the ten-year eligibility requirement.

The President believes that personal retirement accounts must be part of a comprehensive solution to strengthen Social Security. He has proposed that younger workers be given the option to set aside part of their payroll taxes in a personal retirement account. A personal retirement account provides ownership and control, and offers younger workers the opportunity to build a "nest egg" for retirement that the government cannot take away. At retirement, the money in an account would be available to the retiree to supplement traditional benefits under a reformed Social Secuity system. Procedures would be established to govern how account balances would be withdrawn at retirement. This would involve some combination of annuities to ensure a stream of monthly income, phased withdrawals indexed to life expectancy, and the ability to withdraw as a lump sum any funds above a poverty-protection threshold. At death, any balance in the account could be passed on to loved ones, including widows, children, and grandchildren. The ability to inherit personal accounts would enhance the financial security of many surviving spouses and children.

Personal retirement accounts give younger workers the opportunity to receive a higher rate of return than they receive under the current system. Workers would have the flexibility to choose from several different low-cost, broad-based investment funds and would be able to adjust investment allocations periodically. Account options and management would be similar to that of the Federal employee retirement program, known as the Thrift Savings Plan (TSP). Money in personal retirement accounts would be invested in a mix of broadly diversified bond and stock funds. Workers could also choose a "life cycle portfolio" that would automatically adjust the level of risk as the individual aged by gradually shifting the allocation of investment funds to weight the portfolio more heavily toward bonds. To guard against sudden market swings on the eve of an individual's retirement, investment in a life cycle portfolio would be automatic when a worker reaches age 47, unless the worker and his or her spouse specifically opt out. Personal retirement accounts would have

low administrative costs, estimated by the Social Security Administration actuaries as roughly 30 basis points, or 0.3 percentage point. These costs are much lower than the average costs associated with investments in stock or bond mutual funds. Most of these fees would be for record keeping rather than investment management.

By giving citizens greater control over their retirement assets, property rights can make an important contribution to improving the U.S. retirement system.

Health Savings Accounts

Many employees currently have access to flexible spending accounts through their employers. Using these accounts, employees can use before-tax dollars to pay for doctor co-payments, medications, dependent care costs, or insurance deductibles that they otherwise would pay for with after-tax dollars. With flexible spending accounts, the employee must select a certain amount of money to put into the account before the start of the year, during the enrollment period. The employer, usually through a regular payroll deduction, then deposits that amount into the account.

Flexible spending accounts are good for workers. Like employer contributions to health insurance coverage, flexible spending account contributions are excluded from taxable income, allowing workers to use pre-tax dollars to pay for uncovered medical costs. They also give employees added choice in obtaining and paying for health-related services that are not typically covered by insurance. They have a disadvantage, however: if workers overestimate their health care needs, and funds are not used before the end of the plan year, the remaining money is lost. Most companies operate on a calendar year, so the money typically must be used by December 31. This can create a year-end rush to spend any remaining funds, even if the purchases are of marginal value. Those who underestimate their spending will face a shortage of pre-tax funds if there is no money in the account.

The use-it-or-lose-it feature weakens employee property rights in flexible spending accounts. In December 2003, the President signed health savings accounts (HSAs) into law. HSAs are actual savings accounts, owned by employees. Money in the account can accumulate tax-free and can be invested, similar to an individual retirement account. Unlike flexible spending accounts, HSAs do not expire at the end of the year. Because the account belongs to workers, HSAs do not tie the tax-advantaged treatment of health care spending to a specific employer. They are portable. Workers own the accounts and can take them from job to job or into retirement. HSAs also can be passed on to heirs. These features, which extend from enhanced property rights, are important advantages of HSAs.

Participants in HSAs must be covered by a high-deductible health insurance plan (a minimum annual deductible of $1,000 for individuals and $2,000 for families). Contributions can be made each year up to the amount of the policy's annual deductible. The maximum contribution is the lesser of the deductible amount under the high-deductible health insurance plan or (for 2005) $2,650 for individuals or $5,250 for family coverage. These dollar limits will be adjusted for inflation each year. Individuals over age 55 can make extra contributions with the same tax advantages. Participants can withdraw funds as needed for deductibles and co-payments, as well as for over-the-counter drugs, long-term care insurance, and health insurance premiums when unemployed. Amounts withdrawn for any other purpose are subject to taxation plus a 10 percent penalty. Once employees reach age 65, they can take money out without penalty for any reason.

HSAs have major potential benefits. They can reduce health care spending because, for amounts up to the deductible, people will choose to consume the level of care that best suits their needs, rather than consuming the amount of care provided by their health coverage. HSAs also are likely to increase the number of insured because, using HSAs, premiums are paid with pre-tax dollars. This effectively makes high-deductible health care plans less expensive for the individual purchasing them.

The benefits of HSAs can be extended in a number of ways. More than half of the uninsured are small-business employees and their families. The President has proposed giving small-business owners a refundable tax credit for contributions made to their employees' HSAs. He also has proposed extending the benefits of HSAs to low-income Americans by providing a $1,000 direct government contribution to their HSAs, combined with a refundable tax credit up to $2,000 to help purchase a high-deductible health plan.

Millennium Challenge Accounts

Strengthening property rights systems creates a variety of benefits in the context of international development, some of which are described in Box 5-2, which discusses land titles in developing countries. To encourage economic growth and poverty reduction in the developing world, the President established the Millennium Challenge Account (MCA). The MCA represents a significant change in the provision of economic development assistance to developing nations. The MCA is based on the insight that development assistance is most effective when funds flow to countries that have policies and institutions that promote growth. Only those countries that have taken concrete steps to improve their own economies and governance structures, and thus ensure that aid will be effective, are eligible for MCA assistance.

To receive grant assistance, a country must abide by three key principles: economic freedom, just governing, and investment in people. Those principles

Box 5-2: The Benefits of Land Titles

Well-defined land titles exist in the United States and other industrialized countries, but they are lacking in many other countries. In Haiti, for example, 68 percent of urban residents and 97 percent of rural residents live in housing to which no one has clear title. By one calculation, the total value of real estate occupied, but not owned, in the developing world and former communist countries is at least $9.3 trillion. Many countries are trying to close this gap. The Peruvian government, for instance, awarded over 1.2 million land titles to families in the 1990s.

When titles are clear and secure they can be transferred, investment can be rewarded, and houses can be rented or used as collateral. Both rural and urban property is worth more when ownership is well defined. After rural land was titled in Brazil, Indonesia, the Philippines, and Thailand, its value rose between 43 and 81 percent. When urban land was titled in the Philippines, its value rose by 14 percent in Manila and by 58 percent in Davao. In both Guayaquil, Ecuador, and Lima, Peru, urban land values rose by about 25 percent.

Secure land titles have profound effects on families. Adults can work at jobs outside the home because they no longer need to spend time physically guarding their informal claims. In Vietnam, families with secure titles worked away from their farms nine weeks more, on average, than those without secure titles. In Peru, adults in households with land titles worked outside the home 20 hours more per week than those without titles.

Because adults were working more, Peruvian children did not need to work as much. Land titling in Peru resulted in about a 28 percent reduction in the probability of child labor. Argentine children living in titled parcels enjoyed better weight-to-height scores (a measure of health status), lower teenage-pregnancy rates, and less repetition of school grades than children living in untitled parcels.

Families invest more in their homes and land when they have secure titles. A titling program in Argentina caused new property owners to improve the quality of their residences by 25 percent. Argentine families holding clear titles had significantly better roofs, walls, and garden areas than those without clear titles. In Lima, Peru, almost half of families holding titles invested in improvements to their land, compared with 13 percent of those without titles.

Business people also invest more when they have titles. In Romania, Russia, Poland, Slovakia, and Ukraine, entrepreneurs who believe their property rights are secure reinvest between 14 and 40 percent more of their profits back in their businesses. Farmers in Thailand holding titles invested so much more in their land that their output was 14 to 25 percent higher than those without titled land.

Box 5-2 — *continued*

Secure land titles also facilitate borrowing because the land can then be used as collateral for a loan. Farmers in Thailand borrowed between 50 percent and five times more if they had title to their land. Farmers in Costa Rica, Ecuador, Honduras, and Jamaica received larger loans on better terms if they held secure land titles. Residents of Lima, Peru used secure land titles to obtain loans to purchase microbuses, construct small factories, and invest in other small businesses.

Finally, secure land titles facilitate the renting and leasing of property. Owners without a title may be reluctant to rent or lease their land for fear the tenant will assert an ownership claim. They may prefer to leave it vacant or rent it to family members only. The landless poor thus have better access to land when it is titled. When secure titles were created in the Dominican Republic, the number of plots leased out increased by 21 percent. Leasing also increased the access poor families had to land, as 17 percent more households gained access. The percentage of poor who are tenants increased by 40 percent, and the area rented to them grew by 67 percent.

are in turn measured by a set of 16 quantitative indicators, including a measure of a country's civil and political liberties, rule of law, regulatory burden on businesses, control of corruption, and the number of days needed to complete any legal requirements to start a business. Such indicators are closely related to the strength of a country's property rights enforcement. Although the MCA has many goals, it encourages and rewards property rights enforcement through focus on both governing justly and economic freedom.

The MCA is also consistent with a property rights approach to development assistance because it allows countries greater ownership (that is, more control) over how they use the resources they receive. Countries receiving MCA assistance must be active partners in the development programs funded by the MCA. Each country that qualifies to receive aid constructs a detailed proposal of how the aid will be used, and then negotiates and signs a compact with the Millennium Challenge Corporation (MCC), which administers the MCA on behalf of the U.S. government. Not surprisingly, some countries are including property rights programs in compact proposals, citing how important property rights are to sustained economic growth. The compact must specify a limited number of clear, quantifiable goals, with concrete benchmarks, as well as the time needed to achieve those goals. Funding for all or part of a particular MCA compact may be scaled back or ended for failure to meet specific benchmarks. The MCA program does not impose a

development plan designed by others, but instead recognizes that recipient countries themselves are in the best position to evaluate their own needs.

The MCA has the added advantage of encouraging countries to adopt growth-promoting policies and institutions in order to qualify for this type of aid. The MCC announced the selection of 17 countries eligible for fiscal year 2004 and 2005 funding, including Armenia, Benin, Bolivia, Cape Verde, Georgia, Ghana, Honduras, Lesotho, Madagascar, Mali, Mongolia, Morocco, Mozambique, Nicaragua, Senegal, Sri Lanka, and Yemen. Although the first compacts for development assistance are still in process, the competitive process for selection has already prompted efforts by several countries to improve their institutions. For example, one country has publicly stated that it passed anti-corruption legislation to help it qualify for MCA funding.

Conclusion

In a society governed by the rule of law, ownership of resources is determined by the assignment of property rights. The term property rights refers to a bundle of rights that include the right to use a resource, to capture the income from the resource, and to transfer those rights. The assignment of property rights determines who has control over resources. That is, property rights determine who has the power to do what with which resources.

Using property rights to address policy problems is consistent with the principles of a free society because it assigns decision-making authority to individual decision-makers, rather than to central authorities. By giving firms, individuals, and families the authority to make decisions about the use of their own resources, property rights give control to those entities that have both the best information and the strongest incentives to use those resources efficiently.

Property rights solve the "tragedy of the commons" problem by encouraging owners to reduce the intensity of resource use. If an open access resource, such as fisheries or the air, is overused, assigning property rights to that resource will encourage its conservation. Ownership of a resource also encourages owners to invest in and improve the resource.

Property rights have important economic effects because they underpin market operation. Markets are socially beneficial because they allocate resources to their highest valued use and because they provide valuable price signals to both buyers and sellers. Without well-defined and enforced property rights, markets will work poorly or will not work at all.

Property rights analysis can illuminate similarities in policy solutions that may at first seem very different. There are numerous examples of the success of property rights in addressing policy problems, including air pollution,

overfishing, and poorly performing public schools. Property rights have facilitated cleanup of the air at low cost, have allowed fish stocks to recover, and have improved the performance of schools in those areas where they have been used effectively. Property rights can be used to help address other policy issues.

CHAPTER 6

Innovation and the Information Economy

Innovation is a primary engine of economic growth. Many commonplace features of modern life, such as personal computers, the Internet, e-mail, and e-commerce, have developed and diffused throughout the economy within a short span of years. Our Nation's growing prosperity depends on fostering an environment in which innovation will flourish.

The innovative process involves the invention, commercialization, and diffusion of new ideas. At each of these stages, people are spurred to action by the prospect of reaping rewards from their investment. In a free market, innovators vie to lower the cost of goods and services, to improve their quality and usefulness, and—most importantly—to develop new goods and services that promise benefits to customers. An innovation will succeed if it passes the market test by profitably delivering greater value to customers. Successful innovations blossom, attracting capital and diffusing rapidly through the market, while unsuccessful innovations can wither just as quickly. In this way, markets allow capital to flow to its highest-valued uses.

This engine of growth can falter, however, if government policies distort the market signals that guide innovative activity. Well-meaning policies to promote the diffusion of a service or foster entry into new markets can have unintended consequences. A policy to subsidize an existing service so that more people will consume it can deter development of innovative new services that people might otherwise prefer. In addition, pioneering investors forced to share the fruits of their investment with new entrants would find it less profitable to invest in the first place, and a new market may never be developed. When government regulation, instead of a competitive process, "picks the winners," people tend to lose.

This chapter provides an overview of recent developments in one especially innovative sector of the economy: information technology. The main points in this chapter are:

- Information technology is a key contributor to economic growth and productivity, and its importance to the economy is growing.
- Competition drives the broad diffusion of innovative low-cost, high-quality information services. This has held true in markets for mobile wireless telephones, satellite television, and dial-up and broadband Internet services.
- As circumstances change and industries evolve, existing government regulations may need rethinking. In particular, economic regulations

aimed at correcting an absence of competition may lose their rationale when competition from new technologies emerges.

- People are motivated to invest by the prospect of earning returns on their investment. Government thus has an important role to play in defining and protecting property rights in intellectual and physical capital so that entrepreneurs will be spurred to innovate.

Growth of the Information Economy

Information technology (IT) has made enormous contributions to recent economic growth. IT comprises four categories of industry: (1) hardware (such as semiconductors and computers), (2) software/services (such as prepackaged software and data processing), (3) communications equipment (such as household audio and video equipment), and (4) communications services (such as telephone services and cable and other pay television services).

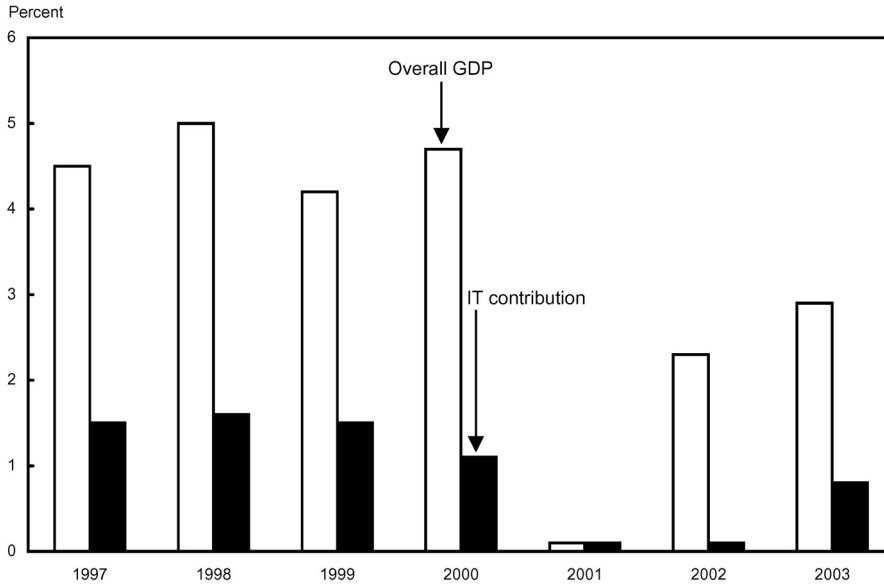
IT has made many workplace tasks easier, boosting people's productivity. One recent study finds that labor productivity in the nonfarm business sector grew at an annual rate of 2.4 percent from 1996 through 2001, and attributes nearly three-quarters of this growth to the accumulation of IT capital together with improvements in how people use this capital. IT has likewise contributed significantly to growth in our prosperity. Real gross domestic product (GDP) grew 2.9 percent in 2003, of which 0.8 percentage point was attributable to IT (Chart 6-1).

Growth in Computer and Internet Use

A key part of the growing information economy is that more people are using computers and communicating over the Internet. At the time of an October 1997 survey, 37 percent of households owned a computer. The corresponding figure for an October 2003 survey was 62 percent. Internet use from home nearly tripled over these six years from 19 percent of households in 1997 to 55 percent in 2003. In the workplace, recent growth in Internet and e-mail usage has also been dramatic. A survey found that in August 2000, 26 percent of employed persons aged 25 and over used the Internet and e-mail at work, while an October 2003 survey found the figure to reach 45 percent.

Explosive growth in Internet use has been a nationwide phenomenon. In 2001, only one state had more than 70 percent of its population using the Internet from any location. In 2003, five more states had reached the 70 percent level, and only one state fell below the 50 percent mark. At 57.2 percent, Internet use in 2003 among people living in rural areas was virtually on a par with the national average of 58.7 percent. Demographically, Internet use increases with both income and educational attainment.

Chart 6-1 **Growth in Gross Domestic Product Due to the Information Technology Sector**
Information technology contributes substantially to overall economic growth.



Source: Department of Commerce, *Digital Economy 2003.*

E-mail is the most common online activity, with more than 87 percent of Internet users aged 15 and over sending and receiving e-mail in 2003. The next most popular online activity, at more than 76 percent of Internet users in 2003, is searching for information about products and services. Two-thirds of Internet users obtained news, weather, and sports information online, and more than half made purchases online in 2003.

E-Commerce Tops $1 Trillion

Transactions conducted online—e-commerce—exceeded $1.1 trillion in 2002. Business-to-consumer e-commerce, reckoned as the sum of transactions in retail trade and in selected service industries (such as publishing, broadcasting, and telecommunications), reached $85 billion in 2002 (Chart 6-2). Retail trade e-commerce alone amounted to $44 billion in 2002, with nonstore retailers—those selling primarily through "clicks" rather than "bricks"—accounting for nearly three-quarters of this total. Online retail sales have continued to grow rapidly. In the third quarter of 2004, retail trade e-commerce was more than 21 percent higher than in the third quarter of 2003.

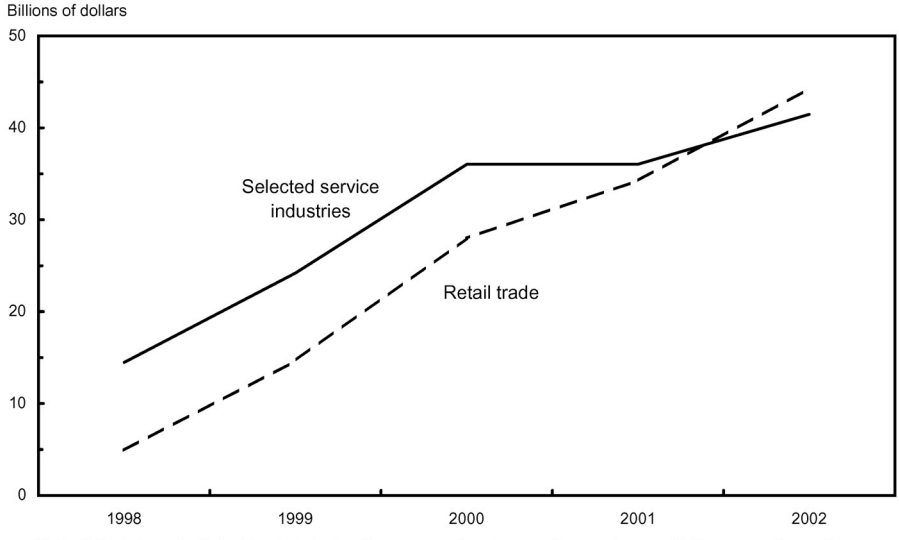
Consumers have gained from shopping online in at least two ways. First, comparison shopping has become quicker and easier online. A consumer can visit a succession of retail Web sites at virtually zero cost. Collecting a similar amount of information by visiting brick-and-mortar retail stores would be far

more time-consuming and costly. A consumer need not even canvass retail Web sites individually; "shopbot" sites can gather such information on the consumer's behalf. As the cost of comparison shopping has fallen, price competition has intensified, both among Internet retailers and between Internet retailers and brick-and-mortar stores.

A number of recent studies have attempted to gauge the consumer benefits from such intensified competition. Studies of the markets for books, automobiles, and life insurance have generally found that comparison shopping online helps consumers obtain significantly lower prices, resulting in savings estimated to be in the many hundreds of millions of dollars per year. Intensified competition between online retailers and brick-and-mortar retailers means that even consumers who do not shop online may be reaping rewards from the spread of e-commerce.

A second way in which consumers have benefited from e-commerce is in the greater variety of goods available online. For example, the number of book titles available at one major online bookseller is 23 times greater than the number of titles stocked in a major chain retail superstore. Greater variety means that consumers can match purchases more closely to their individual tastes. A recent study of book sales suggests that the consumer gains from greater variety online are even larger than the gains from intensified price competition.

Chart 6-2 **Business-to-Consumer E-Commerce**
Online commerce by consumers is growing rapidly.



Note: Selected service industries include travel arrangement and reservation services, publishing, securities and commodity contract intermediation and brokerage, computer systems design and related services, and others.

Source: Department of Commerce (Bureau of the Census).

Changed circumstances, such as new retailing methods, can pose challenges to existing regulatory frameworks, or even undermine the original rationale for regulation. As the Internet changes how we live and work, government should be attuned to these changes and adapt. The Internet is having an impact on regulation given the growth of e-commerce, as illustrated in Box 6-1, and the growth of broadband voice and data services, as discussed in a later section.

Although business-to-consumer online sales have captured much popular attention, these are dwarfed by business-to-business e-commerce, which in 2002 accounted for more than 90 percent of all online transaction volume. Manufacturing shipments transacted online were $752 billion in 2002, a 3.8 percent increase over 2001 (Chart 6-3). Online merchant wholesale trade increased by 11.7 percent from the 2001 level, to reach $320 billion in 2002.

Box 6-1: Airline Computer Reservation Systems

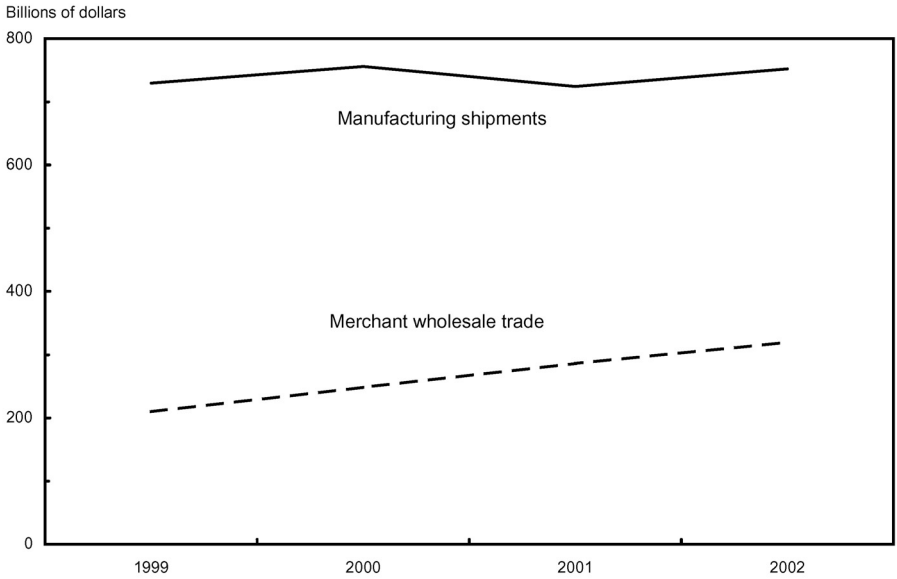
In the first half of 2004, the Administration deregulated airline computer reservation systems (CRS), which travel agents have used to book airline flights for travelers. Regulatory restrictions imposed in the 1980s became obsolete as people gained new information sources over the Internet. CRS centralize flight information across carriers and provide easy booking capabilities to travel agents. Following airline deregulation in the late 1970s, travel agents came to depend on CRS for the latest schedule and fare information. At the time, CRS were largely owned by individual airlines. This ownership raised concerns that CRS-owning airlines might put rival airlines at a disadvantage in the system so that travel agents would book a greater share of flights with the CRS-owning airline. CRS suppliers might also lock travel agents in by requiring long-term contracts and by structuring the programs to raise switching costs. To address these issues, the Civil Aeronautics Board instituted a series of regulations in 1984, which prevented a CRS-owning airline from setting up its systems in a way that disadvantaged other airlines or other CRS.

While the CRS rules may have been beneficial two decades ago, subsequent industry changes have made the regulations largely anachronistic through ownership changes and the development of travel search engines on the Internet. The airlines have completely divested the CRS, so concerns about discrimination against unaffiliated airlines are no longer warranted. Equally important, the advent of the Internet has provided carriers with an alternative avenue for disseminating their fare and schedule information to consumers. The growth of the travel search engines has also enabled consumers to quickly compare rates across airlines. The development of these direct-to-consumer channels has reduced the need for travel agencies and has

Box 6-1 — *continued*

reduced travel agencies' need for CRS, because they too can use the Internet. These changes work to place greater competitive pressure on the CRS vendors, which reduces the concern about their market power. In light of these changes, the Administration acted to deregulate the CRS market in the first half of 2004. Deregulation already appears to be having a positive effect—industry news reports indicate that CRS prices have fallen and are expected to continue to fall as old contracts expire and new ones are negotiated.

Chart 6-3 **Business-to-Business E-Commerce**
Online commerce between businesses exceeds $1 trillion.



Source: Department of Commerce (Bureau of the Census).

In 2002 online transactions among businesses were larger than business-to-consumer e-commerce not only in absolute terms, but also as a fraction of total value. Only 1.4 percent of retail trade revenues were transacted online in 2002. By contrast, 11.7 percent of all merchant wholesale trade and nearly one-fifth of all manufacturing shipments were transacted online in 2002.

Illegal Acts on the Internet

The Internet provides tremendous opportunities to improve the way we communicate, learn, entertain ourselves, and buy and sell goods and services. Unfortunately, theft, vandalism, and fraud are also moving online. From an economic perspective, these activities are costly because they violate the property rights of people, reducing their incentives to create new goods and diverting resources from productive uses as people spend time trying to undo the damage caused by computer viruses and Internet worms. More fundamentally, the growth in such activity could threaten public confidence in using the Internet for productive purposes. As in the offline world, where locks and inventory control tags deter property right violations, private sector responses can make cybercrime more difficult. Government must also act to protect property rights and ensure that the Internet and other new technologies are safe venues for commerce.

Cybersecurity

The growing reliance on the Internet means that computer users are exposed to new threats. Viruses and Internet worms impair computers and prevent authorized users from gaining timely, reliable access to data or a system. Attacks in cyberspace can maliciously modify, alter, or destroy data or a computer system. Attackers access computers without authorization to view or copy proprietary or private information, such as a credit card numbers or trade secrets. At a deeper level, concerns have grown about how unauthorized control over large numbers of systems by those with malicious intent can pose threats to the security of sensitive information or to the functioning of critical infrastructures. In terms of prevention, the private sector is best equipped to take steps against evolving cyber threats. The private sector owns most of the computer systems and networks and can, in many cases, capture the benefits from investments in improved security. Private sector surveys suggest that organizations are spending increasing amounts on IT security. The President's *National Strategy to Secure Cyberspace* also makes clear the Federal government's important role in promoting cybersecurity.

Fraudulent Spam and Spyware

Scams to defraud people are another type of property rights violation. The Federal Trade Commission (FTC) has found that *spam* (unwanted, typically commercial e-mail), in addition to being a nuisance, is mostly deceptive and fraudulent. Of 1,000 pieces of spam examined by the Commission, 84.5 percent were deceptive on their face or advertised an illegitimate product or service. As in the offline world, consumer awareness online is the first line of defense in combating fraud. The anonymity and scope of the Internet can make

it difficult for law enforcement agencies to track down sources of fraudulent spam and *spyware* (which collects information from the victim's computer). Such activity is growing quickly and posing significant costs to victims and companies. The President signed into law the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN-SPAM Act), which establishes a framework of administrative, civil, and criminal tools to help America's consumers, businesses, and families combat unsolicited commercial e-mail. The problems associated with spam cannot be solved by Federal legislation alone, but will require market responses in the development and adoption of new technologies. The Federal government has also stepped up the pursuit of purveyors of fraudulent spam and spyware. For example, in a joint law enforcement initiative, the FTC and the Department of Justice (DOJ) have brought actions to shut down operations that hijacked logos from online businesses to con hundreds of consumers into providing credit card and bank account numbers. December 2004 saw the formation of a new public-private consortium that includes financial services firms, Internet service providers, IT vendors, and law enforcement to fight Internet-based fraud.

Copyright Infringement

Copyrights encourage the development of goods such as books, songs, and videos that are much costlier to produce initially than to replicate. Digital technologies and the Internet have made possible high-quality reproduction of music and video at nearly zero cost, and facilitated extensive unauthorized use through mechanisms such as file-sharing networks. Industry is exploring technological remedies to combat theft, but the Federal government is also playing a role. The Attorney General has made enforcement of intellectual property laws a high priority of the DOJ. The DOJ has expanded its Computer Crime and Intellectual Property Section and created the Cyber Division of the Federal Bureau of Investigation. In 2004, the DOJ launched Operation Digital Gridlock, the first Federal enforcement action ever taken against criminal copyright theft on *peer-to-peer networks* (that allow groups of computer users with the same networking program to interconnect and directly access files from one another's hard drives).

Competition Versus Economic Regulation

An overly high price or low quality by a supplier opens the door to profit opportunities for the supplier's rivals. Rivals can expand their sales by undercutting price or offering superior quality or service. In this way, competition drives suppliers to provide customers the greatest possible value consistent with covering costs. Pursuit of profit opportunities also draws firms to enter

or develop new markets, which can lead to quantum leaps in consumer welfare. A pioneering firm that develops a new service, for example, may for a time reap high returns on its investment. But the high returns tend to draw other firms to enter and thus intensify competition in the new market. As competition drives down the innovative service's price, the service will become more broadly adopted by consumers. This pattern has unfolded time and again in diverse sectors of the economy.

The promise of competition might not be fulfilled, however, if scale economies in an industry are so great that only a single firm can supply the market cost-effectively. A firm operates under *economies of scale* when its average cost of supplying a good falls as the firm expands its scale of operations. Economies of scale can arise, for example, if the up-front costs of setting up a business are large. Once the groundwork of the business has been laid, the incremental cost of the good—the cost of supplying each additional unit—may be low. Examples of industries in which suppliers compete in the midst of scale economies include automobiles, software, and pharmaceuticals. Prices in such markets can fall over time, as firms enter the market and competition drives prices down toward the good's incremental cost. But a firm will only enter a market if it expects to earn enough of a margin above its incremental cost on enough sales to cover its ongoing overhead costs and recover its up-front costs of entry. In rare cases, up-front costs may be so large, and competition after entry so intense, that no entrant could profitably challenge the incumbent supplier's monopoly. Such industries are called *natural monopolies*.

Natural monopolies are a rare exception to the competition that to a greater or lesser degree characterizes most markets. Industries commonly given the natural monopoly label have tended to have a highly capital-intensive infrastructure, such as the telephone system, cable television, railroads, and the electricity distribution grid. A rationale for the economic regulation of these industries has been that competition and its benefits would not naturally arise. A monopolist has an incentive to restrict output and raise price above the competitive level. In the absence of competition, regulation may offer the prospect of a substitute, although a poor one, for the competitive process. Ideally, the aim of economic regulation would be an industry outcome of low prices and high quality that approaches what competition would have accomplished, had competition been possible.

However, natural monopoly does not necessarily mean economic regulation is needed to protect consumers from monopoly prices. While natural monopoly means that competition *in the field* is unlikely to arise, there could still be vigorous competition *for the field*—that is, competition among firms to attain the position of monopolist. Municipalities can and do exploit competition for the field, for example, by auctioning a monopoly franchise, to extract concessions from the winning monopoly provider.

Traditional, Rate-of-Return Regulation

Under traditional, rate-of-return regulation, the regulator estimates the firm's capital base and incremental cost. This approach allows the firm to charge prices just high enough to yield a rate of return that would have attracted capital to the industry, had the industry been open to competitive entry.

The traditional approach to regulation presents several difficulties. First, measuring a firm's capital base and incremental cost involves substantial auditing effort and uncertainty for the regulator. Judging the appropriate rate of return is also difficult, as it involves gauging the riskiness of capital investments in the industry. An especially problematic aspect of traditional regulation, though, is its effect on incentives. A firm in a competitive industry, and even an unregulated monopolist, has an incentive to trim its costs to a minimum so that it can capture the highest possible profit. A firm subject to rate-of-return regulation has no comparable incentive to keep costs down. The higher the firm's incremental costs, the higher the prices the regulator will generally allow the firm to charge to cover those costs. A key problem is that the firm has an incentive to choose overly capital-intensive technologies, because this increases the capital base to which the regulator applies the firm's allowable rate of return.

Price-Cap Regulation

Many Federal and state regulators have turned from traditional regulation to price-cap regulation of industries considered to be natural monopolies. Prior to 1984, all states regulated telephone service on a rate-of-return basis. By September 2004, 37 states had switched to some form of price-cap regulation. Under *price-cap regulation*, the regulator sets an initial price or basket of prices that the firm can charge for its goods. The price caps are then updated over time, by a positive factor to account for inflation and a negative offset to account for the firm's perceived ability to trim its costs through productivity improvements. If the regulated firm succeeds in trimming costs by more than than the productivity offset in the price cap, its profits will increase. The hope is that price-cap regulation may avoid some of the perverse incentive effects of traditional regulation, by de-linking the regulated firm's returns from its costs. Several recent studies have found that, in comparison with rate-of-return regulation, price-cap regulation is associated with improvements in the technical efficiency of telecommunications providers, as well as greater investment in modernizing switches and deploying fiber-optic cable.

Price-cap regulation is far from ideal, however, and in fact faces problems similar to those of traditional regulation. In setting the initial price cap, the regulator must measure the firm's capital base and incremental costs, as well as determine a rate of return that the capped prices should yield. This is identical to the process in traditional rate-of-return regulation. In setting an

inflation factor for the price cap's growth, the regulator must assess both the rate at which the firm's input costs are likely to grow and the rate of productivity growth the firm is capable of achieving. Given difficulties in gauging these rates, the regulator must make periodic adjustments to the price-cap mechanism in light of industry outcomes. But if the regulated firm underperforms, is it because the regulator miscalculated, or because the firm failed to pursue productivity improvements diligently?

Both rate-of-return and price-cap regulation suffer to some degree from information problems. A regulator cannot know with precision all of the economic factors relevant to setting prices. In practice, these types of regulation can lead to shortages, high costs, slowed innovation, or a combination of all of these shortcomings. Where vigorous competition is feasible, market forces can guide firms to deploy their resources in ways that benefit customers far more effectively than could a price-setting regulator.

Advancing technology is providing competitive inroads to a number of industries once considered natural monopolies. Satellite television offers a competitive alternative to cable television service (Box 6-2), and wireless telecommunications are competing with wireline telephone services. Such technology-induced competition can be expected to increase as cable companies begin to offer voice communications and telephone companies roll out video services.

Box 6-2: Satellite Television

Virtually all cable system operators hold franchise monopolies over cable television service within their local service territories. Only a few communities have issued multiple franchises, allowing for "overbuild" competition between cable system operators in the local market. A number of studies have found that cable rates in the 1980s were roughly 20 percent lower in markets with cable overbuild competition than in comparable markets served by cable franchise monopolists.

The rise of satellite TV services since the mid-1990s has also put competitive pressure on cable system operators. A study of thousands of cable systems across the United States finds that, controlling for a variety of other factors, a cable system's penetration rate (cable subscribers as a ratio of homes passed by cable) tends to be lower in areas where satellite reception is better. This is consistent with satellite TV providing more competition to cable TV where a larger fraction of households has access to satellite reception. While satellite TV has taken market share away from cable TV, the overall penetration of pay TV services among U.S. households has grown as satellite TV services have grown. As of June 1998, 78 percent of households with televisions subscribed to pay TV service.

Box 6-2 — *continued*

By June 2003, this had grown to 88 percent. A recent study indicates that the introduction of satellite TV led to substantial gains for consumers. However, ongoing antitrust oversight of the pay TV industry remains important. In 2002, both the FCC and the DOJ acted to block the merger of the two primary satellite TV providers to prevent a loss of competition in pay TV services.

Telephone Service: A Natural Monopoly?

Natural monopoly arguments have traditionally offered a rationale for economic regulation of telephone service. It can be costly for entrants to reproduce the incumbent local networks of copper wires or "loops" that connect nearly every U.S. household to telephone service. Over the past two decades, however, the wireline (land line) telephone monopoly has yielded to encroaching competition from the entry of alternative suppliers of long-distance service in the 1980s, the explosive growth in mobile wireless telephone service over the past decade, and the recent introduction of voice communications over the Internet. Such proliferating competition has posed challenges to the economic regulation of telephone services.

Long-Distance Services

Prior to 1984, both local and long-distance telephone service in the United States was supplied primarily by a single firm, AT&T. As part of a 1982 antitrust settlement with the DOJ, AT&T was broken up in 1984 into a number of regional exchanges providing local service and one long-distance provider that retained the AT&T name. The breakup separated local telephone service, which remained rate-regulated because of its natural monopoly characteristics or for jurisdictional reasons, from long-distance service and equipment manufacturing—businesses viewed as potentially competitive. Thereafter, competition in long-distance service progressed with the entry and expansion of alternative providers.

Between 1984 and 2002, per-minute long-distance prices fell by more than 80 percent after adjusting for inflation. This resulted in part from the FCC lowering per-minute access charges on long-distance calls, savings that were passed through to long-distance customers as a result of the emerging competition among long-distance providers. At the same time, the proportion of

U.S. households connecting to local telephone service grew from 91.4 percent in 1984 to 93.3 percent in 1990. A study of telephone demand over this period found that much of this increased penetration in telephone service could be explained by the drop in long-distance prices. This reflects the fact that consumers value connecting to the local telephone network for the ability to place long-distance calls as well as local calls.

Goods tend to be supplied efficiently when prices reflect costs. If a price is higher than the true cost of supplying an additional unit of a good, too little of the good will be consumed relative to what would yield the greatest net benefits to consumers and producers. Telephone charges pegged to the volume of call traffic tend to discourage call volume. This can lead to less than efficient utilization of the telephone network, if price exceeds the network costs of putting through an additional call or minute of calling. By the same token, price reductions toward unit cost encourage more efficient utilization of the network and increase the value consumers derive from connecting to the network.

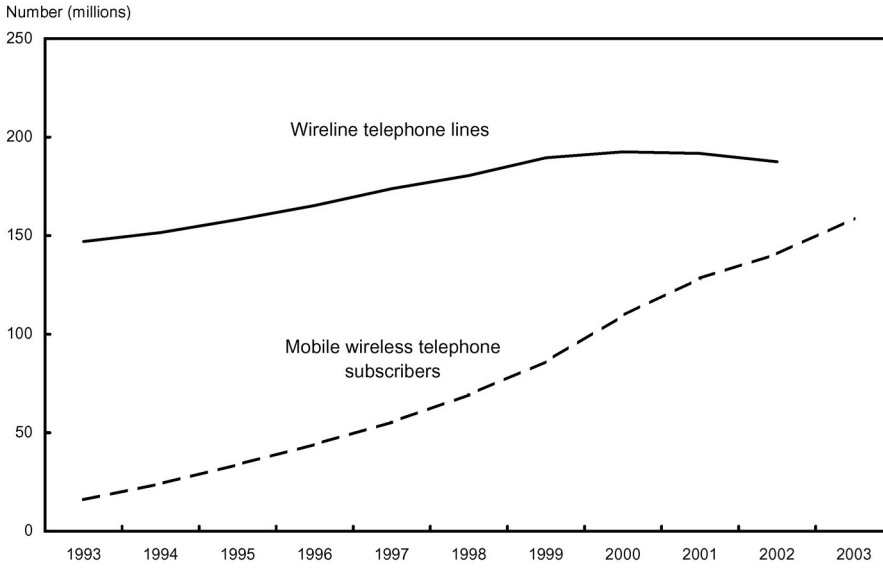
Mobile Wireless Telephone Services

Whatever the prospects for competition in telephone service may have been in decades past, substantial competition has emerged in recent years, and more is on the way. Mobile wireless telephone service has grown by nearly 26 percent annually, from 16 million subscribers in the United States in 1993 to more than 158 million in 2003 (Chart 6-4). Nationwide, 54 percent of the population subscribed to wireless service at the close of 2003. In contrast, nationwide wireline telephone penetration was nearly 95 percent in 2003, but the number of wireline telephone lines peaked in 2000, at 192.5 million lines, and fell by about 5 million lines over the next two years. Some of this decline likely reflects consumers choosing to switch from wireline to mobile wireless telephone service.

Compared to wireline service, wireless service offers the convenience of mobility and accessibility. Growing wireless penetration has been driven by a rapid drop in wireless prices. The average price per minute of mobile wireless telephone service fell from 47 cents in 1994 to about 11 cents in 2002 (Chart 6-5). Sharpening competition has helped drive the falling average price per minute of mobile wireless telephone service over the past decade.

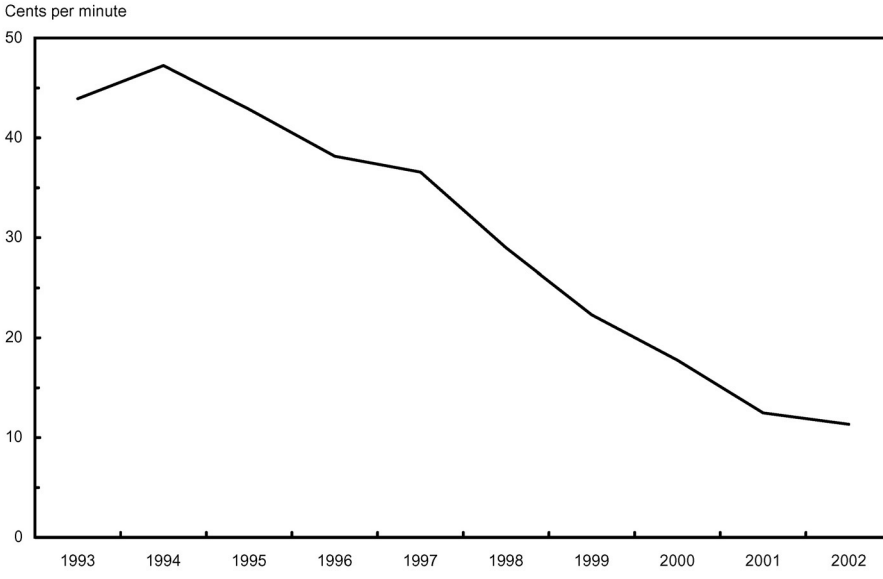
Wireless telephone services are carried over radio spectrum. *Spectrum* generally refers to a broad range of frequencies of electromagnetic radiation, which encompasses visible light. Frequencies higher than those of visible light include ultraviolet light and x-rays, while lower frequencies include first infrared light and then, as wavelengths grow longer, radio waves. *Radio spectrum* refers to the lower range of frequencies, which carry broadcasting and mobile communications services. If two transmitters at the same geographic location were to use the same frequency at the same time, they would *interfere* with each other,

Chart 6-4 **U.S. Wireline and Mobile Wireless Telephone Service**
As wireless telephone service has grown rapidly, the number of traditional telephone lines has begun to decline.



Source: Federal Communications Commission.

Chart 6-5 **Average Price Per Minute of Mobile Wireless Telephone Service**
The price of wireless service has fallen rapidly.



Sources: Federal Communications Commission and Council of Economic Advisers.

garbling their transmissions. To limit such interference problems, the Federal government licenses rights to use specified bands of spectrum at specified locations. Federal government users of spectrum are licensed through the National Telecommunications and Information Administration (NTIA). All other spectrum users are licensed through the FCC.

In the early 1990s, government-issued spectrum licenses for wireless telephone service were limited to just two cellular providers in each cellular market area. A series of FCC-run auctions beginning in 1995 provided additional spectrum for digital personal communications services (PCS), enough to support as many as eight wireless providers. By the end of 1999, 88 percent of the Nation's population could choose from three or more wireless providers and 35 percent could choose from at least six. By the end of 2003, these figures were up to 97 percent and 76 percent, respectively.

Talking on the Internet: Voice over Internet Protocol

Local exchange telephone networks are facing growing competition from Internet-based telephone services. Unlike traditional circuit-switched telephone calls, communications using Voice over Internet Protocol (VoIP) break the call stream into data packets sent over the Internet, turning your computer into an alternative to traditional telephone service. Much of the current volume of VoIP calls originates and terminates on public switched telephone networks, by callers using digital subscriber line (DSL) broadband services. But VoIP services are spreading to other network facilities, such as those of cable television systems. According to news reports, several of the country's largest cable system operators plan to roll out VoIP services within their service territories, which would make them available to millions of households. News reports indicate that Wireless Fidelity (Wi-Fi) broadband service providers are also exploring VoIP services. Looking ahead, electric utilities that develop broadband over power lines service could also provide VoIP services. All of these recent developments, together with the rapid growth in mobile wireless telephone service, suggest that the monopoly access to household voice communications that local telephone exchanges have had for nearly a century is yielding to intensifying competition.

The prospect of growing VoIP traffic has raised concerns in some quarters that this emerging competition may undermine the current structure of regulating telephone services. A basic rationale for the economic regulation of telephone service has been the natural monopoly argument, that is, that competition for telephone service was unlikely to arise. Economic regulation then offered the prospect of an alternative way, although a problematic one, of achieving some of the benefits of competition that customers have enjoyed in most other markets. But with competition now emerging, the natural

monopoly rationale for the economic regulation of telephone service is beginning to fall away. Squelching competition as a threat to the existing regulatory framework would turn matters on their head. Regulation should adapt to changing market realities in ways that allow innovation to flourish and consumers to choose among alternatives, while ensuring national security, homeland security, law enforcement and public safety.

Realizing the Promise of Broadband

Broadband services offer download speeds much faster than dial-up Internet access, enabling innovative features such as streaming video and VoIP. For example, fiber-optic cable to the home can provide speeds of more than 100 megabits per second. Broadband services have quickly been embraced by the public, growing from 2.8 million *high-speed lines* (defined as connection speeds over 200 kilobits per second in at least one direction) in December 1999 to more than 32.4 million lines in June 2004. This represents an annual growth rate of 72 percent. In the first few years after inception, broadband penetration among U.S. households has outpaced the earlier diffusion of dial-up Internet, mobile wireless telephones, personal computers, videocassette recorders, and color television.

Universal, Affordable Access to Broadband

Last March, the President announced a national goal of universal, affordable access to broadband services by 2007. The Administration's ongoing efforts to achieve this goal reflect a belief in the powers of competition and private sector innovation to bring the benefits of broadband to consumers. As experience in the telephone industry has shown, competition offers the most robust and reliable means of broadly diffusing important technologies. The Administration has taken steps to unleash the power of free markets to deliver broadband services by removing disincentives to invest, strengthening property rights, and allowing consumers rather than the government to choose the technologies that best meet their needs.

Removing Disincentives to Invest

Competition in broadband service is growing. Already, many communities have two providers of broadband service. In 1999, 33.7 percent of the zip codes in the United States had at least two high-speed Internet access providers. By the middle of 2004, the fraction had risen to 80.5 percent. So far, competition in broadband has primarily been between DSL services provided by telephone companies and cable modem services provided by cable television system operators. Cable's share in high-speed lines has grown

from 51.3 percent in December 1999 to 57.3 percent in June 2004. One avenue by which telephone companies could compete more effectively in broadband service is through investment in fiber-optic cable, which offers faster connection speeds than can generally be achieved over the copper wires of the traditional telephone network. According to news reports, fiber-optics will allow telephone companies to offer television in addition to very high-speed broadband services, similar to the current offerings of many cable television operators.

While fiber-optic high-speed lines have more than doubled between December 1999 and June 2004, other forms of broadband delivery have grown at an even faster pace, so that fiber's share in high-speed lines has fallen. Part of the reason may be that regulatory uncertainty has impeded fiber-optic investment. The Telecommunications Act of 1996 requires telephone companies to provide portions of their network facilities for sale or lease at regulated rates to competing local exchange companies. This process is known as "unbundling" network elements. Until recently, it remained unclear whether the Act's unbundling requirements would extend beyond copper loops to also cover fiber-optic cable. People are motivated to invest by the prospect of reaping returns. In residential neighborhoods, an unbundling requirement that would force investors to share the fruits of their investment in fiber-optic cable with competitors could blunt incentives to invest in fiber-optics. The result might not be more competition, but rather less innovation. The Administration supported the FCC's decisions in 2003 and 2004 to exempt fiber-optic loops from unbundling requirements when this technology is deployed to residential neighborhoods, including fiber-to-the-home, fiber-to-the-curb, and fiber-to-multi-dwelling-units. According to news reports in the wake of these rulings, a number of major telephone companies have announced plans to invest several billion dollars in deploying fiber-optic cable to reach more than 20 million households within three years.

Setting Interference Standards

The Administration has also helped to lower barriers to the development of new competition in broadband service. Broadband over power lines (BPL) holds the promise of adding a "third wire" into the home to compete with cable modem and DSL services. However, BPL generates radio waves that can interfere with the operation of wireless systems. The Administration has helped the FCC develop policies to address BPL interference issues. Beginning in 2003, the Commerce Department's NTIA undertook a detailed technical examination of interference risks posed by BPL, by conducting millions of measurements on test equipment. The NTIA submitted a report and set of specifications to the FCC, which adopted final rules on BPL technical requirements in October 2004. Setting appropriate interference

standards prevents those who deploy BPL technology from significantly infringing on the spectrum rights of others, while allowing the technology to enhance the broadband service options available to homes and businesses.

Strengthening Spectrum Rights

Another potential source of competition in the provision of broadband service is third generation, or "3G," wireless technologies. Wireless technology may revolutionize broadband competition by eliminating reliance on wires and cables. The technology may hold particular value for areas with sparse customers, where wire- and cable-based communications networks may be particularly expensive to deploy.

The rising demand for wireless services may at some point strain the limits of available spectrum. Aspects of the Federal government's system of allocating spectrum licenses can make it difficult for promising new technologies to displace lower-valued uses of spectrum. In May 2003, the President established the *Spectrum Policy Initiative* to reform spectrum management for the twenty-first century. In June 2004, the Department of Commerce provided two reports including policy recommendations to the President, and in November the President directed Federal agencies to implement the reports' recommendations. In particular, the President directed the Secretary of Commerce, in coordination with other Federal agencies, to develop a plan within one year for identifying and implementing incentives to promote more efficient and effective use of spectrum, while protecting national and homeland security, critical infrastructure, and government services.

One of many issues is the extent to which spectrum currently in government hands could be released for commercial use. In July 2002, the Department of Commerce produced a plan in concert with the FCC and Department of Defense to release for commercial use a broad swath of radio spectrum, while accommodating critically important spectrum requirements for national security. In December 2004, the President signed into law a piece of legislation to establish a spectrum relocation fund that will compensate government agencies for putting spectrum they have used up for auction. This will facilitate making Federal spectrum available when there are higher-valued private sector uses and provide a better mechanism for relocating Federal spectrum-dependent systems, with less uncertainty for both Federal users and industry.

Making more spectrum available for private use is not the only way to promote the development of promising new wireless technologies that provide high-speed Internet and other services. Spectrum policy could also enable spectrum used by the private sector to become available for higher-valued uses without making incumbent users worse off. As discussed in Chapter 5, *Expanding Individual Choice and Control*, assigning tradable property rights allows providers of the higher-valued uses to compensate incumbent holders

for their property rights. The Administration has encouraged the FCC to allow greater use of secondary markets, through which licensees could sublease their spectrum. The FCC adopted spectrum leasing rules in October 2003.

Simplifying Federal Rules

To promote widespread deployment of broadband networks, the Administration has worked to ensure that broadband providers have timely and cost-effective access to *rights-of-way*—the legal right to pass through property controlled by another—including access to conduits, corridors, trenches, tower sites, and undersea routes. Such passageways often cross large areas of land owned or controlled by the Federal government. The Administration has established a Federal Right-of-Way Working Group under the Department of Commerce to explore ways to simplify the tangle of Federal agency regulations broadband providers must navigate in seeking rights-of-way over Federal lands. The Working Group issued a report with a set of recommendations. In April 2004, the President instructed Federal government agencies to implement these recommendations.

Conclusion

The information technology sector has been a vibrant part of our economy and there is every indication that it will continue to be. The continued strength of this sector depends on fostering an environment in which innovation will flourish. In a free market, innovators compete to lower the cost of goods, improve their quality and usefulness, and develop entirely new goods that promise quantum leaps in consumer welfare. People are motivated to invest in developing new ideas and the infrastructure to enter new markets by the prospect of earning returns on their investment. Government thus has an important role to play in defining property rights in intellectual and physical capital so that people will be spurred to invest and innovate, as well as ensuring the development of an environment in which public safety and national security are protected. Government efforts to hasten the spread of innovative technologies should focus on lowering regulatory barriers that impede market provision. But government should avoid "picking winners" among emerging services. Doing so could entrench services that may become outdated as the marketplace evolves and hinder people from choosing the services they truly prefer. At this time, it is hard to predict the range of technologies that will emerge to deliver high-speed data services, or even what the scope of these services will be. As people vote with their dollars, the market winners that emerge will be those technologies and services that deliver customers the greatest value.

CHAPTER 7

The Global HIV/AIDS Epidemic

Societies worldwide face the challenge of curbing the acquired immunodeficiency syndrome (AIDS) epidemic. The disease has already killed over 25 million people, and currently over 40 million people are living with the human immunodeficiency virus (HIV), the virus that causes AIDS. The impact of HIV/AIDS varies across the world, both in terms of the scale of the epidemic and the ability to treat infected individuals. Less-developed countries are particularly hard-hit on both accounts. Almost two-thirds of all people with HIV live in sub-Saharan Africa, a region that makes up only one-tenth of the world's population. At the same time, few infected individuals in the region receive adequate treatment for the disease. In addition to the devastation from the immense loss of life, the disease also has economic consequences that intensify the humanitarian crisis.

President Bush has made fighting the worldwide AIDS epidemic a priority of U.S. foreign policy, and he has taken bold action against the crisis through his Emergency Plan for AIDS Relief. Understanding the unique challenges presented by this epidemic is essential to designing policies to prevent the spread of the disease and to treat those who are already infected. This chapter discusses the nature of the crisis, its consequences, and what governments can do to create affordable access to existing treatments while encouraging research toward the development of new medical therapies to combat this disease. The key points of this chapter are:

- AIDS is a global problem with far-reaching consequences. While the disease's impacts on human health and mortality are widely recognized, the AIDS epidemic also has devastating economic consequences that exacerbate the humanitarian crisis.
- A comprehensive and integrated approach of prevention, treatment, and care is essential to quelling the epidemic. In poor countries, treatment affordability and the lack of health care infrastructure are major concerns. Compassionate pricing policies and aid from developed nations can play an important role in expanding access to treatment.
- To continue the development of better treatments and to work toward eradication of HIV/AIDS, drug companies need to maintain the highest possible quality of research. Intellectual property laws are important to ensuring appropriate incentives for innovation to create the next generation of therapies and to develop a safe and effective vaccine.

A Global Crisis

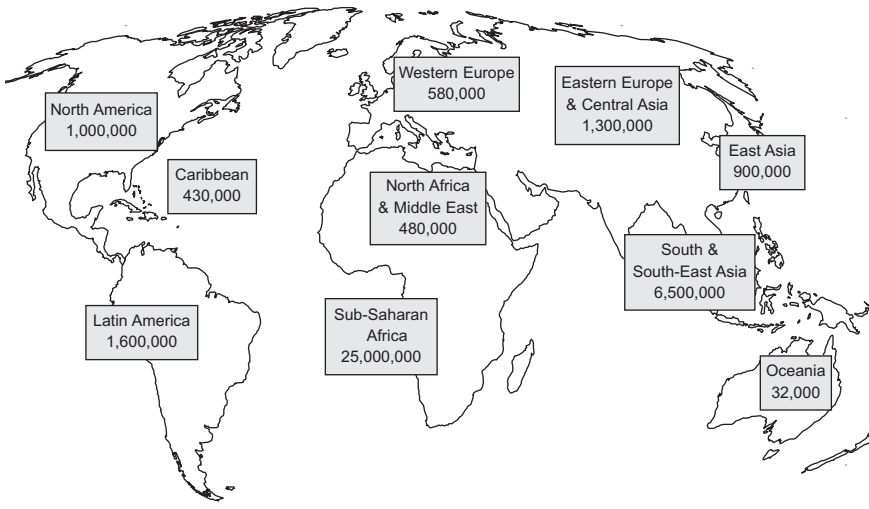
The scale of HIV/AIDS is far worse than forecasts initially indicated over a decade ago. In 2003, there were more new cases of HIV/AIDS than in any other single year since the disease emerged, with almost 5 million people becoming infected around the globe. Roughly 2.9 million people died of the disease in 2003 alone.

In the United States, AIDS is the fifth-leading cause of death in people 25–44 years of age. The U.S. Department of Health and Human Services (HHS) estimated that over 400,000 people in the United States were living with AIDS in 2003, and approximately 850,000–950,000 people were living with HIV. The number of AIDS cases continues to increase among minority populations, and African Americans accounted for 50 percent of new HIV/AIDS diagnoses in 2003. One of the most disturbing statistics surrounding the disease is that approximately 180,000–280,000 people in the United States are living with an undiagnosed HIV infection. Patients who are unaware of their infection are less likely to take precautions to prevent the spread of the disease and are unable to begin effective treatment. Furthermore, of the estimated 670,000 people who are diagnosed with HIV/AIDS, roughly one-third may not be receiving treatment. Taken together, the estimates of those untreated and untested suggest that close to half a million people in the United States are living with HIV without treatment.

HIV/AIDS infection levels in some parts of the world greatly exceed those in the United States. The Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates that 4.8 million people worldwide were newly infected with HIV in 2003, which is the highest number of new infections in any single year since the beginning of the epidemic in 1981. Approximately 2.9 million people died of AIDS in 2003, and UNAIDS estimates that over 20 million people have died from complications of AIDS since the first case was identified. Estimates suggest that 8,000 people die and 14,000 are newly infected with the virus each day. Because of aggressive prevention, treatment, and care efforts, there has been a decline in the number of deaths among AIDS patients in the United States, while the number of people living with HIV/AIDS continues to increase in the United States and globally.

While the epidemic affects virtually every country in the world, the prevalence of HIV/AIDS varies markedly across regions (Chart 7-1). Close to two-thirds of those infected are Africans, for whom HIV/AIDS is the leading cause of death. In seven countries in southern Africa, at least one out of every five adults is living with HIV. In Swaziland, the HIV prevalence has reached nearly 40 percent among pregnant women; in South Africa, one in four women between the ages of 20 and 29 is infected. HIV/AIDS is predominantly a disease of young people; the majority of people who contract the disease

Chart 7-1 **Estimated HIV Infection Levels, 2003**
The HIV/AIDS epidemic affects virtually every country in the world, and the disease's prevalence varies markedly across regions.



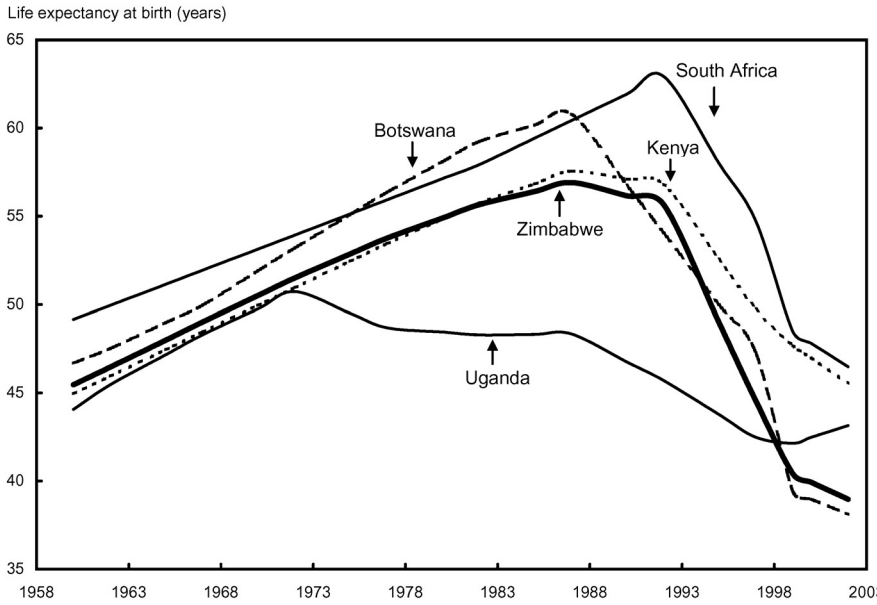
Source: UNAIDS, 2004.

become infected by the age of 25. As a result of its lethality and the relative youth of its victims, HIV/AIDS has reduced life expectancy by more than 20 years in many African countries. Life expectancy in some countries is projected to fall to roughly 30 years within the next decade, whereas in the absence of HIV/AIDS some were expected to approach or exceed 70 years. Chart 7-2 shows this dramatic effect in some of the hardest-hit countries in Africa.

Disease Characteristics and Treatments

The *human immunodeficiency virus (HIV)* is an infectious agent that damages the body's immune system. As the viral infection progresses, individuals lose their ability to fight secondary infections and certain cancers. The term *acquired immunodeficiency syndrome (AIDS)* describes the advanced stages of HIV infection. The virus primarily infects an important part of the immune system know as the *CD-4* or *"helper"* T-cells, which lead the body's attack against infections. When these cells multiply to fight an infection, they themselves become more susceptible to HIV infection. The HHS definition of a diagnosis of AIDS, established by the Centers for Disease Control and Prevention, includes all HIV-infected people who have fewer than 200 CD-4 positive T-cells per cubic millimeter of blood (as compared to 1,000 or more

Chart 7-2 **Changes in Life Expectancy, 1960 to 2002**
Life expectancy has fallen dramatically in these selected hard-hit African countries.



Source: World Bank, *World Development Indicators,* 2004.

in healthy adults). HIV-infected individuals with higher CD-4 counts can also be diagnosed with AIDS if they develop one of several types of opportunistic infections or cancers associated with severely compromised immune systems.

The symptoms and signs of opportunistic infections common in people with AIDS can be highly debilitating. Many individuals who have progressed to an AIDS diagnosis find it difficult to work or perform basic household chores, and as the immune system continues to deteriorate, these effects generally worsen. Studies in Western countries have found that the median time it takes for an untreated HIV infection to progress to AIDS is about 10–12 years, though the amount of time varies widely across patients. If left untreated, the majority of patients will die within one year of the progression from HIV infection to full-blown AIDS.

Because no vaccine is available, the primary way to prevent HIV is through the avoidance of behaviors that put a person at risk of contracting the infection. HIV is not spread through casual contact. The virus is most commonly spread through unprotected sex with an infected partner, but it can also be spread through contact with infected blood. Mothers can transmit HIV to their babies during pregnancy, birth, or through breast milk while nursing. In the case of mother-to-child transmission at birth, the administration of certain drugs during labor can greatly reduce the likelihood of infecting the newborn.

There is no cure for HIV/AIDS, though the past decade has witnessed great strides in the treatment of AIDS. Multiple categories of drugs are now available for combating the disease, but the administration of individual drugs alone can render the treatment progressively less effective as the disease develops resistance to the medication. To minimize resistance and maximize effectiveness, health care providers use treatments comprised of a combination of several drugs to suppress the virus. Even though the side effects can be quite severe, this type of therapy is credited with dramatically improving the health and life expectancy of HIV-infected individuals.

Advances in treatments have reduced the number of deaths caused by HIV/AIDS, but despite price reductions by manufacturers and large-scale international assistance, the price of these treatments has so far exceeded what most residents of the developing world can afford. UNAIDS states that, in low- and middle-income countries, death rates for HIV-infected 15–49 year olds are up to 20 times greater than those of people living with HIV in industrialized countries, and differences in access to antiretroviral therapy can largely account for this trend. Limited health care infrastructure and a lack of trained health care professionals in poor countries, coupled with difficulties in accessing even basic care, further increase the suffering of those that cannot afford treatment.

The Economic Impact of HIV/AIDS

The vast scale of human suffering that AIDS causes and the sheer number of lives lost to the disease make the epidemic a global emergency. Its scope extends beyond the immediate humanitarian crisis as the epidemic affects many aspects of economic and social development. Roughly 90 percent of worldwide HIV/AIDS cases occur in Africa, Latin America, the Caribbean, and Asia, where much of the affected population is already living in poverty. AIDS deepens poverty, intensifies food shortages, and, in some cases, erases decades of economic progress.

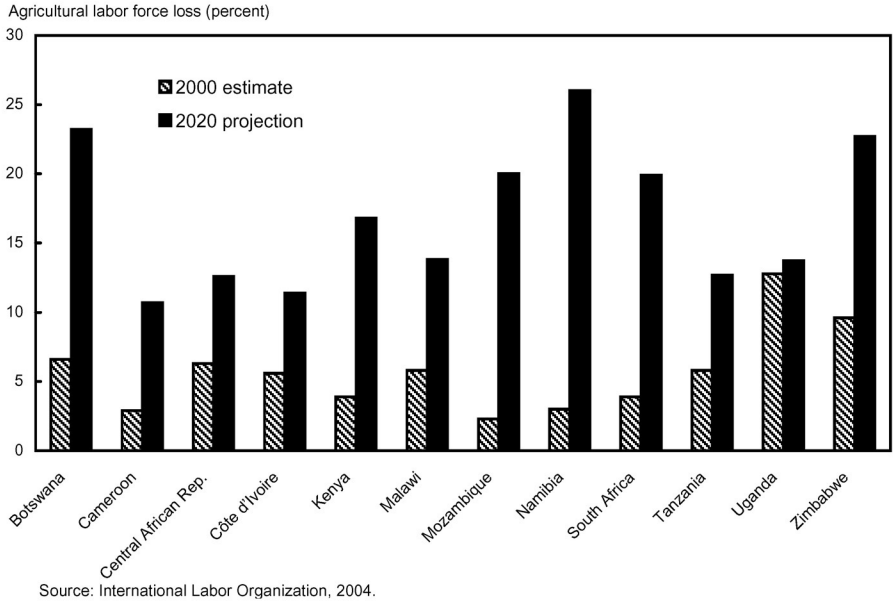
Direct Economic Impacts on Households

There are several mechanisms by which the disease hinders economic development, particularly in less-developed countries. First, HIV/AIDS-related illnesses directly decrease the income of an affected household. Even if an infected family member is able to work, a sick worker is likely to be less productive than a healthy one. Many people with AIDS are unable to work at all. The disease's eventual lethality and loss of income-earning family members exacerbates this reduction in a family's income. One study estimates that in South Africa and Zambia, for example, income in affected households

typically fell by 66 to 80 percent due to AIDS-related illnesses. Furthermore, 15–24 year olds contract half of all new HIV infections worldwide, so a large percentage of the current and future workforce in the hardest-hit countries is dying. By predominantly affecting the working age population, the disease leaves too few people to support the aging and young populations, both within an individual family and within a society. One heavily impacted sector is agriculture, and failure to produce food can have particularly devastating effects on households and communities. The Food and Agriculture Organization of the United Nations estimated that 7 million agricultural workers died from AIDS between 1985 and 2000, and they projected that 16 million more will likely die by 2020. In some countries, this could mean a loss of over 20 percent of the agricultural workforce (Chart 7-3).

At the same time that AIDS erodes a patient's productive capacities, it can impose debilitating costs on other members of a household. Medical expenses rise with a patient's health care needs, while other family members may need to miss work or school to care for a patient. According to the 2004 Report by UNAIDS, AIDS-care-related expenses on average can absorb one-third of an affected household's income. Many of these households are already poor and face adversities such as chronic food shortages. Coupled with the fact that AIDS patients need more calories than healthy individuals, the AIDS-induced deepening of poverty and the decrease in agricultural workers are intensifying these food shortages.

Chart 7-3 **Agricultural Labor Force Loss Due to HIV/AIDS, 2000 and 2020**
The HIV/AIDS pandemic is estimated and projected to have a sizable impact on the agricultural labor force, particularly in some of the hardest-hit African countries.



Source: International Labor Organization, 2004.

AIDS is more damaging to a household's income than other fatal diseases. Several studies have found that adults with AIDS use more health care than those with other illnesses. One study conducted in Thailand showed that the loss of income from an AIDS death is, on average, more than 20 percent greater than if the family member had died of another cause.

Indirect Economic Impacts on Households

In addition to the direct effect on poverty caused by the decrease in family earnings and increase in family expenditures, HIV/AIDS can have consequences that indirectly affect households' well-being. For example, the disease can change the way that affected families make long-term decisions. Subsistence households may alter their planning horizons because they do not expect family members to live as long and because their needs become more immediate due to pressing health concerns.

When families face the increasing costs described above, children may be pulled out of school in order to supplement the declining family income, resulting in a loss in the children's future earning potential. Moreover, a household might have less incentive to invest in education because of the dramatic decrease in any one child's life expectancy. Private-sector firms, which also invest in human capital through education and training, have similarly diminished investment incentives when human capital is short-lived. Training and education can be expensive, but increased skills lead to long-term financial rewards, which cannot be fully realized when life expectancy declines. All of these factors can combine to create a vicious cycle of increased poverty in the short run and an inability of households to improve their condition in the long run. Shorter planning horizons can potentially lead to a variety of other indirect effects, such as quicker depletion of natural resources and accelerated environmental degradation.

A high prevalence of HIV/AIDS in a community can also place extraordinary stress on social networks. These networks are important because they frequently provide an informal kind of insurance in rural areas of developing countries, where populations lack access to formal insurance markets. These informal markets work by pooling risk across diverse households, so those experiencing good times can help those experiencing bad ones. For example, a household that loses a crop because of flooding can turn to friends in unaffected areas for help. These traditional means of dealing with hardship break down in the case of HIV/AIDS because the disease is so widespread that it can be difficult to turn to friends and family for help, since the disease is likely to be directly affecting them as well. Households also can be burdened indirectly by impacts on local labor markets, such as when labor shortages during planting and harvesting seasons affect agricultural yields, thereby threatening the availability of food for HIV-infected and noninfected households alike.

Academic research has found evidence of these effects and has documented still other effects of HIV/AIDS on individual families. One study finds that in Uganda, HIV/AIDS increases the proportion of female-headed households who are living in poverty. Another study finds that, in parts of Kenya, children in affected families sometimes have no caregivers in their households and "manage their own household activities without the supervision of an adult." Research conducted in South Africa shows that affected households allocate more resources to food, health, and rent and less to education and clothing than nonaffected households, providing evidence that HIV/AIDS is placing constraints on an entire generation's capacity to pursue education and higher income in the long run.

Macroeconomic Impacts

The aggregated effects of HIV/AIDS on individual households can create serious macroeconomic consequences. Because decreased mortality and increased education are two of the most significant factors in determining economic growth, the HIV/AIDS epidemic has the potential to threaten the economic well-being of entire societies. As discussed in the previous section, the disease can decrease the overall level of skills in the workforce through a number of mechanisms, because skilled workers die of AIDS, children drop out of school, and firms and individuals invest less in human capital. This loss of worker skills and capacity reduces economic growth. The disease can also decrease productivity and distort labor market decisions, further slowing economic development.

Although there is still a dearth of data documenting these effects, several economic models estimate reductions in economic growth rates for African countries. Recent studies tend to find more significant impacts than previous estimates, most likely because the macroeconomic impacts become increasingly measurable as the disease affects a larger proportion of households, workers, and employers. A report published in 2004 estimates that, over the period from 1992 to 2002, HIV/AIDS, on average, reduced the rate of economic growth in 33 African countries by 1.1 percent per year. This study reports that by 2020, Africa alone could incur a loss of US $144 billion.

Getting Prevention, Treatment, and Care to the Field

Combating the HIV/AIDS pandemic requires both a reduction in new infections and adequate treatment and care for those already infected. Interventions in countries such as Kenya, the Dominican Republic, Thailand, Cambodia, and, most notably, Uganda, that have promoted risk avoidance

and risk reduction have helped reduce the number of new infections and helped reduce the spread of HIV. For example, the Abstinence, Be Faithful, and correct and consistent Condom use, or "ABC" approach, employs population-specific interventions that emphasize abstinence for youth and other unmarried persons, including delay of sexual debut; mutual faithfulness and partner reduction for sexually active adults; and correct and consistent use of condoms by those whose behavior places them at risk for transmitting or becoming infected with HIV.

Another important step toward quelling the AIDS epidemic is the widespread dissemination of currently available treatments and care. Recent developments in drug therapy and other HIV-related disease care can substantially prolong survival and improve the quality of a patient's life. Indeed, evidence from a recent study suggests that the death rate from AIDS in some developed countries has fallen by about 80 percent since more advanced drug therapies became available in the mid-1990s. Unfortunately, in the world's poorest countries, where most HIV/AIDS patients live, access to these treatments is shockingly low. As stated by the President in January 2003:

> *There are whole countries in Africa where more than one-third of the adult population carries the infection. More than 4 million require immediate drug treatment. Yet across that continent, only 50,000 AIDS victims– only 50,000– are receiving the medicine they need.*

Since the President's speech, the United States and international partners have made major investments to make safe and effective, low-cost antiretroviral (ARV) treatment more widely available throughout the developing world. Many people are now on life-saving therapy in 15 focus countries as a result of the President's Emergency Plan, and the Global Fund (one-third of whose resources come from the United States) has also made great strides in placing patients on ARVs through a portfolio of grants to public-private consortia throughout the world.

While as recently as two years ago, many analysts believed the sole problem with access to ARV treatment was that drug prices were too high for most patients to afford, price cuts by brand-name manufacturers and the wider availability of generic versions of ARVs have helped to improve access to these treatments. Nevertheless, drug prices are still too high for most patients to afford and health care infrastructures in developing countries have too few resources for the effective distribution of treatment, even when drugs are available.

Two of the keys to expanding access to treatment in poor countries are low prices and generous international aid. Without low prices, large-scale distribution is probably not possible even with generous amounts of aid. And even at low prices, many of the poorest AIDS sufferers will not be able to afford adequate treatment, since they face still more basic needs such as adequate food and clean water. Thus low prices and generous aid must go together for large-scale treatment dissemination to be possible.

A Role for Differential Pricing

Charging different prices to different buyers of the same product can be an important way to help poor populations access medical treatment. This practice is pervasive throughout the economy, and ranges from senior citizen discounts on movie tickets to cheaper college tuition for low-income families. Competition in a market and the ability to resell a good make it difficult for firms to charge different prices because of the opportunity for *arbitrage*, the ability to make a profit by purchasing the product at the lower price and reselling it at a higher price. This demand for the product at the lower price and supply of the product at the higher price will cause prices to equalize, a phenomenon that economists refer to as *the law of one price*. However, if a good cannot easily be resold, as with movie tickets and college tuition, differential pricing is possible. It is often in the interest of a profit-maximizing firm to charge high prices to some customers while not relinquishing the ability to sell to other customers who can afford the product only at lower prices. This disparity might seem unfair since buyers of the same product are being treated differently.

Drug companies have the ability to practice differential pricing because they can possess intellectual property rights. When a firm is the first to develop a new treatment or vaccine, it is awarded a patent that allows the company to be the sole seller of the product for 20 years from the date a patent is filed. (This generally works out to be approximately 10–14 years from the time the drug is first available on the market.) Because the development of new drugs requires costly research and development, patent rights provide important incentives for firms to take on the upfront costs of development; the reward for undertaking these risky activities is the promise of high profits should their efforts to develop a new drug succeed. (Patent rights and the ensuing incentives for innovation are discussed at greater length in the next section.)

The market for AIDS drugs is a case in which differential pricing possibly helps to create societal benefits beyond the profits enjoyed by firms with *market power*, by allowing people in poor countries to pay less for their drugs. This is already a common practice for pharmaceuticals, and some manufacturers of antiretroviral treatments have offered the drugs to developing countries at lower prices than those that apply in the U.S. and Europe. The AIDS drug PLC, for example, sells for $18 per day in the United States, but sells for half that price ($9 per day) in Uganda. The drug companies can make incremental sales at lower prices without incurring a loss, but if PLC were sold everywhere for only $9, the companies would not recover their investment in research and the drug would not be available to consumers in either country.

Consumers paying the higher price for a drug may believe that everyone should have access to the drug at the lower price. However, if forced to sell at

only one price, the drug companies will generally need to set the price somewhere between the highest and the lowest prices under differential pricing, thus creating less access to the drug. Patients who could only afford the drug at the lowest price would be unable to purchase it at the standardized price. Therefore, offering drugs at lower prices in impoverished countries can play a vital role in increasing the availability of AIDS drugs in less-developed countries.

Humanitarian Aid

Even with drugs available in developing countries at prices far below those charged in the United States and other advanced economies, severe poverty levels will continue to prevent many AIDS patients from receiving adequate treatment. Effective new treatments can be produced at an incremental cost of $600 per year, but most individuals in sub-Saharan Africa live on less than $730 per year. Furthermore, the actual distribution of treatment requires more than just an affordable supply of drugs; it requires a health care infrastructure that can adequately implement safe treatment programs. This is a particular challenge for people living in remote rural areas.

The Bush Administration has laid out the President's Emergency Plan for AIDS Relief (the Emergency Plan), a five-year, $15 billion commitment to fight the disease globally. The President's Emergency Plan works in over 100 countries around the world while focusing on 15 of the countries most affected by HIV/AIDS, with the goal of treating 2 million HIV-positive individuals, preventing 7 million new infections, and caring for 10 million infected or affected by the disease, including orphans. It prioritizes treatment, care, and prevention activities as the interventions most likely to mitigate the disease's consequences and reduce HIV infection. By prolonging life and restoring health, treatment and care interventions can increase the productive capacities of individuals, reduce the direct and indirect costs of care, and allow those infected and affected by HIV/AIDS to focus on priorities such as work and school, thereby securing the future of families and nations. The Emergency Plan's health care approach also sets out to work within host-country strategies to strengthen and develop health care networks that will increase access to prevention, care, and treatment services, since the President recognizes that all are crucial to winning the fight against HIV/AIDS.

The President's plan also works with international partners to intensify the worldwide response to the epidemic and to develop sustained collaborative efforts. The Emergency Plan devotes $10 billion over five years to 15 of the most afflicted countries in the world. It also commits $4 billion to HIV/AIDS programs in an additional 85 countries, including international research in support of new tools for combating HIV/AIDS, and it increases the United States' pledge to the Global Fund to Fight AIDS, Tuberculosis, and Malaria by $1 billion over five years. The President made the inaugural pledge to the

Global Fund in May of 2001, and at the end of 2004 the United States remained the Global Fund's largest donor, responsible for over 37 percent of its pledges and 33 percent of its contributions. One success upon which these efforts can build is the intervention strategies in Uganda, which successfully turned around the HIV/AIDS crisis in that country. (Box 7-1).

Box 7-1: Uganda's Success Story

A broad-based national effort and firm political commitment to fighting the HIV/AIDS epidemic yields results, and no case illustrates this point better than Uganda's experience. Uganda was one of the first nations to suffer the disease's impacts, and now it has become one of the earliest and greatest success stories. As elsewhere in sub-Saharan Africa, AIDS has caused immense suffering in Uganda, reducing its population's life expectancy and thwarting its development. However, the country has experienced substantial declines in infection rates during the past decade, even as the rate of new infections continues to increase in most other countries in the region. The percent of Ugandans infected with HIV peaked at around 15 percent in 1991, and by 2001 it had fallen to 5 percent. Prevalence among pregnant women, which is used as a key indicator of the epidemic's progress, has fallen by more than half in some areas since 1993, and infection rates among men have dropped by more than a third.

Under the leadership of President Yoweri Museveni, Uganda's government brought together groups and leaders from all sectors of society to address the need to prevent further spread of the disease and to provide treatment and care for those affected. In 1986, President Museveni directly addressed the epidemic with a commitment to prevention, and asserted that fighting AIDS was a patriotic duty of Ugandan citizens. Calling for openness and communication, he was joined by religious and traditional leaders, community groups, and nongovernmental organizations (NGOs). In 1992, the President created the multi-sectoral Uganda AIDS Commission to oversee the national HIV/AIDS strategy.

Interventions in Uganda began with an aggressive public media campaign to change risky behaviors and the establishment of a surveillance system to track the epidemic. The campaigns have been aimed at both the general population and key target groups, particularly older men and youth, while aggressively fighting stigmatizing and discriminating against people living with the disease. Sex education programs in schools and on the radio have encouraged youth to delay the age at which they first have sex, have encouraged monogamy, and have

Box 7-1 — *continued*

focused on the need for safe sex. Since 1990, a USAID-funded program has contributed to increases in condom use from 7 percent nationwide to more than 50 percent in rural areas and over 85 percent in urban areas. In addition, Uganda's HIV/AIDS surveillance system has trained thousands of community-based AIDS counselors, health educators, and other specialists. Further testimony to the government's commitment are the many innovations that have been pioneered in Uganda, such as HIV/AIDS testing with same-day results and accompanying counseling services.

The open networks throughout Ugandan society for acquiring information about HIV/AIDS have resulted in behavioral changes in its population. The decline in the number of sexual partners of the average Ugandan is perhaps the most important determinant of the nation's success in curbing the epidemic, and some have dubbed this experience a "social vaccine." The country's success suggests that high-level political commitment coupled with diverse, multi-sectoral participation can turn the tide in the global fight against HIV/AIDS.

Development of New Treatments and Vaccines

While affordable treatments and their effective dissemination are immediate needs, pharmaceutical companies need to continue to work toward the development of newer and better treatments as well as vaccines. This is important not only to improve patients' lives but also to strive toward the eventual eradication of the disease. In the United States, the principal reason that the number of AIDS cases began to decline in the mid-1990s was the introduction of new drugs for treating HIV. Researchers must continue to innovate in order to make even better treatments available and develop safe and effective vaccines. The development of resistance to existing medication, rendering treatment less effective over time, underscores this importance.

Incentives for Innovation

Research and development of new drugs is a costly endeavor, and once developed, new products must go through extensive testing and marketing. On average, a new drug takes 12 years to develop and costs $800 million to introduce to the market. For each new drug, the bulk of these costs are generally paid before production begins. Since their magnitude does not depend on how much of the drug is produced, they are known as *fixed costs*.

Once companies have incurred the fixed costs and a drug is available in the marketplace, it is often inexpensive to produce the drug; that is, the *marginal cost*, the additional cost of producing one more unit of the drug, is low. It is similarly low-cost for other companies to copy and produce the drug, thus avoiding the high fixed investment in research altogether while reaping the benefits from a lucrative market with low marginal costs of production. In the absence of intellectual property rights, no company would want to bear the enormous fixed costs of research and development if they could simply profit from other firms' inventions. But without any company investing in these fixed costs, innovation would be thwarted.

Patent rights provide an important means of giving firms the incentive to bear the expensive costs of innovation. A *patent* grants a company the right to be the sole producer and seller of a product it develops for a limited period of time (20 years in the case of pharmaceuticals); thus, a patent protects the innovator from direct competition so that it can recoup the money it has spent in developing the new product. This intellectual property right makes it possible for the pharmaceutical company to sell the new drug at a price above its marginal cost of production, thereby generating a high enough profit on its sales to recover its initial investment.

Diseases prevalent in poor geographical areas might not have lucrative enough markets to provide incentives for private-sector companies to develop treatments. For example, tropical diseases such as malaria, which generally occur only in low-income countries, can have a drug market in which patients are unable to pay enough for their treatments for firms to recover the high costs of drug development. The degree to which private companies invest in research and development could therefore fail to be commensurate with the social and economic costs of these diseases, including HIV/AIDS. There are, however, alternative ways to provide incentives for innovation. Prizes for successful drug invention, patent buyouts, and advance commitments to purchase the drugs are a few alternatives that are particularly promising because they encourage research without disallowing competition once a drug is developed (Box 7-2).

Box 7-2: Creative Ways to Encourage Innovation

Patent rights and direct government funding are currently the two primary means by which the United States government spurs research. To drive development for an AIDS vaccine, the Bush Administration endorsed the Global HIV Vaccine Enterprise this past June at the G-8 summit. This initiative will accelerate HIV vaccine development by

Box 7-2 — *continued*

enhancing coordination, information sharing, and collaboration globally. There is also a critical role for the private sector to play in promoting innovation, especially in the development of a commercially viable product such as a vaccine.

When a disease predominantly affects a poor population, the private return to investment in vaccine research is likely to be quite low, even under well-established patent laws, and even if the social value of developing a vaccine is high. In other words, society as a whole may place great value on the lives saved by a new vaccine, but the ability to pay for vaccines by poor patients will not adequately represent this social value and will be insufficient for firms to recover their research expenditures. Patent rights alone can therefore, in some contexts, provide insufficient incentives for innovation. They can also create strong incentives to imitate existing successful inventions rather than to take on new problems, because competitors can slightly alter a patented approach in order to develop a competing product. While this "free-riding" off initial research investment creates competition and drives down prices, it also prevents the original developer from recouping its research expenditure. Furthermore, imitation of existing drugs may not be the socially optimal use of scientific research, since the benefits of saving additional lives with novel products may very well outweigh the benefits of lowering the prices of existing drugs.

Direct government funding of basic research can have an important role but is inefficient when the motivation of the research is a commercially viable product. It is difficult to know the best projects to fund and pharmaceutical firms have an advantage over government officials when it comes to evaluating the potential of vaccines. Moreover, organized interests can influence the allocation of government funding resources, and academics may be more interested in novel scientific discoveries than in the technical challenges of commercial development.

Advocates of exploring alternate systems for encouraging pharmaceutical innovation argue that patents and government funding alone have had difficulties stimulating sufficient research to develop vaccines for diseases such as malaria, tuberculosis, and HIV/AIDS. Most research on HIV/AIDS drugs is currently focused on treatments that will likely be sold in rich countries, instead of on vaccines, which would likely be less expensive and could be disseminated widely in poor countries. Indeed, the research that is currently being conducted toward an AIDS vaccine focuses predominantly on strains of the disease prevalent in rich countries rather than the strains most common in Africa, even though two-thirds of all new infections occur there.

Box 7-2 — *continued*

Several mechanisms have been suggested by economists as promising ways to further encourage new research and development in pharmaceuticals. For example, foundations can offer monetary prizes for vaccine development in order to encourage innovation without restricting competition in the market once the product is developed. However, a prize alone would not ensure access to the vaccine by those who need it. Alternatively, a foundation could "buy out" a patent (that is, it could essentially compensate a firm for letting its patent expire early). Like a prize, the patent buyout would provide incentives for innovation that are not tied to the market for purchasing the drug, thereby promoting research and development even in markets of poor patients. However, the buy-out may similarly fail to ensure large-scale access to the vaccine since there is no guarantee that competition in the vaccine's market will be attractive to other producers. Particularly if the vaccine is technically difficult to produce and if safety regulations are burdensome, firms may not wish to enter the market for a new vaccine.

Some scholars have also suggested that another approach to encouraging vaccine research would be for a foundation or group of foundations to make an advance commitment to purchase a vaccine at a pre-specified price and quantity. Pharmaceutical firms then would have a secure financial incentive for researching vaccines and treatments, even if a disease affects predominantly poor populations, and, once developed, widespread production of the vaccines could be ensured.

Despite years of both private and government-sponsored research, an HIV vaccine remains elusive. Although the disease's many strains and their ability to evolve rapidly over time present scientific obstacles, there is also reason to be optimistic that a vaccine will one day be possible. Some candidate HIV vaccines have already been shown to protect monkeys against infection and could induce immune responses in humans. To enhance coordination of research efforts, the President, with other G-8 leaders, endorsed the establishment of the Global HIV Vaccine Enterprise and announced plans to establish a second HIV Vaccine Research and Development Center in the United States. The Administration has also urged fellow G-8 leaders to similarly expand their commitment to vaccine development.

Conclusion

The United States and countries around the world must continue to fight the spread of HIV/AIDS, aid those who are suffering as result of the epidemic, and work toward eventual eradication of the deadly disease. Interventions are particularly critical because the far-reaching economic consequences of HIV/AIDS threaten the well-being of entire societies. The President has developed a generous aid package with the Emergency Plan and with donations to the Global Fund, and the Administration supports the protection of intellectual property rights. Many other members of the international community have taken action against the HIV/AIDS crisis, and the United Nations General Assembly Special Session on HIV/AIDS in 2001 has affirmed the international community's commitment to make progress in the struggle against HIV/AIDS. Governments, donors, and private enterprise around the world must continue to build upon the successes of these actions to win the global fight against AIDS.

CHAPTER 8

Modern International Trade

Open markets and free trade raise living standards both at home and abroad. The President's policy of opening markets around the world is based on this solid foundation. Yet, as international trade has grown in both volume and scope, so too have concerns that old ideas about trade policies no longer apply to today's trade environment.

The key points in this chapter are:

- Free trade allows countries to mutually benefit from specializing in producing products at which they are adept and then exchanging those products. This rationale remains the same, even with advances in technology and new types of trade.
- Foreign direct investment is playing an increasingly important role in world trade, as companies invest across borders to gain skills, technology, resources, and market access.
- The Administration has advanced multilateral, regional, and bilateral trade agreements in order to open global markets. Lower trade barriers benefit consumers worldwide and expand markets for America's manufactured goods, farm products, and services.

Free Trade: Beyond the Basics

The Administration's pursuit of trade liberalization is based upon a long history of intellectual support for free trade. Modern trade theory begins with the nineteenth century's David Ricardo. Ricardo's central insight—his elegant model of comparative advantage—is the starting point from which to explain the gains from trade.

Ricardo's model of comparative advantage addressed the question of how a home country could compete with a foreign trading partner that is better at producing everything. Ricardo showed that even if a foreign country could produce each of two goods for less than the home country could (that is, the foreign country has an *absolute advantage* in the production of the goods), there could still be mutual gains from trading the two goods. The key to the argument is that it is relative costs of production (*comparative advantage*) that matter, not absolute advantage.

As an example of Ricardo's theory of trade, consider a situation in which one country requires two hours to produce a unit of each of two goods, while in a second country it takes five hours to make Good One and ten hours to make

Good Two. In Ricardo's simple model, the price of each good in the first country before trade is one unit of the other good, because the two goods take the same resources to produce. In the second country, Good Two would be expected to cost twice as much as Good One, because it takes twice as much labor to produce it. The first country has an absolute advantage in both goods, but comparative advantage still provides a basis for trade. In this case, the second country would gain from importing Good Two, which costs only half as much in the other country (only one unit of Good One). The second country would pay for these imports of Good Two by exporting Good One. Similarly, the first country would import Good One, which in its trading partner costs only one-half a unit of Good Two. It would pay for its imports by exporting Good Two. In the end, world production rises as a result of trade, and each country can consume more of both goods. This stylized example illustrates that comparative advantage allows countries to gain when they specialize in producing items in which they are relatively the most productive.

Critics do not usually argue that Ricardo's theory of comparative advantage is incorrect, but instead that it omits key aspects of trade that may undermine the theory's results and alter the consequent policy prescriptions. In basic trade theory, for example, capital and labor do not move across borders seeking the highest return. At least for capital, such movements are now routine. Economic models that take into account both capital and labor (Ricardo's theory discussed only labor) show that countries as a whole still gain from free trade. There are, however, differing impacts of trade on different parts of the economy and the labor force. Policies aimed at supporting individuals affected by trade are thus vital to ensuring that its gains are widely shared. These policies are discussed later in the chapter.

Globalization and the Terms of Trade

Theoretical arguments showing the gains from trade compare a situation in which a country is open to trade with one in which it is closed. The differences in production technology between a trading partner and the home country mean that different prices prevail in the two countries before they open their borders to trade. It is this difference in prices that allows both countries to benefit from trade. With the advent of trade, a new price for exchanging products will be reached, somewhere between the countries' original prices. This new price is known as the *terms of trade*. Each country gains from opening when the terms of trade differs from the pre-trade price.

Over time, events in either country could change the terms of trade. Other things equal, each country would prefer the price it receives for its export good to increase, just as any merchant would wish to receive more for the product he sells.

After trade is opened, it is possible that changes in the world economy could move the terms of trade in directions that benefit one country but not the other. In this case, both countries would still be better off than they were prior to trade, but one country would see its gains diminished. Such subsequent price changes could come from changes to the countries' technologies or from the discovery of natural resources, such as oil, that lead to changes in production and trade patterns.

The possibility that a country could lose from global price changes is at the heart of some recent critiques of globalization. One critique noted, for example, that as China develops and becomes more similar to the United States, the United States could be made worse off. There are two problems with this critique. The typical view of globalization is that it is a phenomenon marked by increased international economic integration. The critique above, however, is of a situation in which development in China leads to less trade, not more. If China and the United States have differences that allow for gains from trade (for example, differences in technologies and productive capabilities), removing those differences may reduce the amount of trade and thus reduce the gains from that trade. The worst-case scenario in this situation would be a complete elimination of trade. This is the opposite of the typical concern that globalization involves an overly rapid pace of international economic integration.

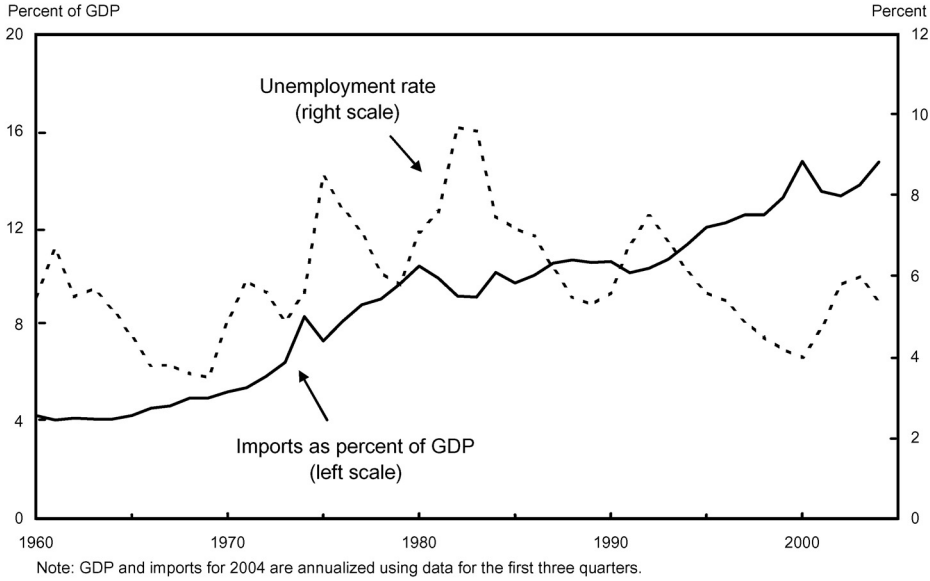
The second problem with the critique is that it ignores the ways in which modern trade differs from Ricardo's simple model. The advanced nations of the world have substantially similar technology and factors of production, and seemingly similar products such as automobiles and electronics are produced in many countries, with substantial trade back and forth. This is at odds with the simplest prediction of the Ricardian model, under which trade should disappear once each country is able to make similar products at comparable prices. Instead, the world has observed substantially increased trade since the end of World War II. This reflects the fact that there are gains to *intra-industry* trade, in which broadly similar products are traded in both directions between nations (the United States both imports and exports computer components, for example). Intra-industry trade reflects the advantages garnered by consumers and firms from the increased number of varieties of similar products made available by trade, as well as the increased competition and higher productivity spurred by trade. Given the historical experience that trade flows have continued to increase between advanced economies even as production technologies have become more similar, one would expect the potential for mutually advantageous trade to remain even if China were to develop so rapidly as to have similar technologies and prices as the United States.

The Impact of Trade on Labor Markets

According to standard economic theory, the degree to which an economy is open to trade affects the mix of jobs within an economy and can cause dislocation in certain areas or industries, but has little impact on the *overall* level of employment. The main influences on total employment are factors such as the available workforce and the levels of interest rates, taxes, and regulations that govern the labor market. Trade tends to lead a country to specialize in producing goods and services at which it excels. Trade affects the mix of jobs because workers and capital would be expected to shift away from sectors in which they are less productive relative to foreign producers and toward existing and new sectors. This would be expected to lead to higher productivity and thus higher wages for workers.

The conclusion that free trade has little effect on the *overall* number of jobs is borne out in data on the U.S. economy. If trade were a major determinant of the Nation's ability to maintain full employment, measures of the amount of trade and the unemployment rate would move in tandem, but in fact, they usually do not. The increase in imports as a percentage of gross domestic product (GDP) over the past several decades has not led to any significant trend in the overall unemployment rate (Chart 8-1). Indeed, over the past decade, the U.S. economy has experienced historically low unemployment, while exports and imports have grown considerably.

Chart 8-1 **Imports and the Unemployment Rate, 1960-2004**
Over the long run, there is no connection between increased imports of goods and services and the strength of the labor market.



Note: GDP and imports for 2004 are annualized using data for the first three quarters.
Sources: Department of Commerce (Bureau of Economic Analysis) and Deparment of Labor (Bureau of Labor Statistics).

Similar conclusions arise from examination of data on the trade or "current account" balance (the broadest measure of the difference between exports and imports of goods, services, and income flows). From 1960 to the third quarter of 2004, the current account balance moved from a surplus of 0.5 percent of GDP to a deficit of roughly 5.6 percent of GDP. Yet the average unemployment rate in 2004 was 5.5 percent, the same as the average unemployment rate in 1960. Over this period, the U.S. economy gained more than 75 million jobs—an increase of roughly 140 percent. Increased trade has neither inhibited overall job creation nor contributed to an increase in the overall rate of unemployment.

That factors other than trade are the most important influences on the labor market is of no consolation to a worker who loses a job because of competition stemming from international trade. To assist people facing such dislocation, the Administration has built upon and developed programs to help workers acquire the skills needed to prosper in new jobs.

The Administration has proposed a reform of the overall workforce training system to help Americans obtain marketable skills needed to compete for jobs in emerging and innovative fields. The Administration recognizes that effective workforce training requires the cooperation of the private sector and community colleges and has worked to nurture these partnerships through the High Growth Job Training Initiative at the Department of Labor and through the recently-enacted Community-based Job Training Grants.

In addition, the Administration has proposed the establishment of Personal Reemployment Accounts, an innovative approach to worker retraining. With these accounts, qualifying individuals who lose their jobs would receive an account with funds that can be used for training and other services that best fit their needs. Individuals who find new employment relatively quickly would be eligible to keep the balance of their accounts as a cash reemployment bonus. The accounts would thus provide both support to unemployed workers and an incentive to find new employment.

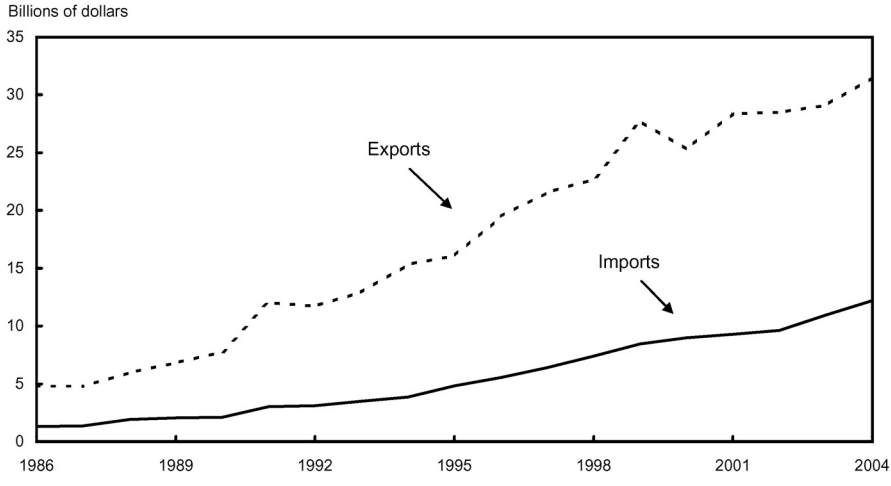
The Administration has also worked to enhance the long-standing Trade Adjustment Assistance program, which provides training and income support to workers directly hurt by import competition. As part of the Trade Act of 2002, eligibility was extended to workers indirectly affected by trade, such as workers employed by firms that supply goods and services to industries directly affected by trade competition. Benefits were enhanced to include a health insurance tax credit and a wage supplement for older workers who found new jobs that did not pay as well as their previous jobs. This assistance, which will total $12 billion over 10 years, will ease the adjustment for displaced workers and help them move into jobs for which their skills are most in demand.

The U.S. Advantage in Services Trade

This section considers the burgeoning trade in services. The performance of U.S. service workers and firms has been particularly strong. The United States exports more services than it imports, and this surplus has been growing in recent years. Moreover, U.S. services exports tend to involve relatively highly-skilled and highly-paid occupations, such as engineering, financial services, or architectural services. While services trade may not have been envisioned in the time of Ricardo, the principle of comparative advantage holds. Any move toward economic isolationism would thus threaten the competitive gains made by U.S. exporters while harming U.S. consumers and firms that benefit from imports.

One prominent type of services trade is measured in the "business, professional, and technical services" category. This statistical category encompasses advertising, telecommunications, computer and data processing services, and accounting and legal services. The United States exports services when a U.S. firm provides engineering or architectural services to partners in other countries. Annual U.S. exports in this category have grown by almost $25 billion since 1989, compared to a $10 billion increase in imports over this period (Chart 8-2). The growing trade surplus in this category is particularly striking in light of the widening of the overall current account deficit. The existence of a trade surplus suggests that the United States has a comparative advantage in the international provision of tradable services.

Chart 8-2 **Trade in Business, Professional, and Technical Services**
Over the last two decades, the trade surplus (the difference between exports and imports) has been growing in the category that includes services such as advertising, telecommunications, computer and data processing services, and accounting and legal services.



Note: Exports and imports for 2004 are annualized using data for the first three quarters.
Source: Department of Commerce (Bureau of Economic Analysis).

Ricardo's theory that countries mutually gain from trade if they each specialize in producing those items they could make relatively efficiently was inspired by trade in goods. Given the difficulties of communication and transportation in the nineteenth century, there would have been little point in theorizing about trade in services.

In the modern global economy, however, services trade plays an important role in international commerce and an especially positive one for the United States. Advances in communication have made possible the increased trade in services. These developments pose a challenge to industries that did not previously face foreign competition, though.

As noted above, the United States is good at the provision of services. Expanded access to the broader international marketplace would be expected only to further strengthen the U.S. advantage. The U.S. advantages in services have fueled job gains both directly in firms that export services and indirectly in firms that hire more workers in the United States as a result of the efficiencies they gain through trade. One study of the effect of services trade in the information technology sector found that it created over 90,000 net new jobs in the United States in 2003 and is expected to create 317,000 net new jobs by 2008. These new hires tend to be in positions requiring relatively high levels of skills or creativity, such as software development.

Foreign Direct Investment: An Increasingly Important Part of Trade

While the intellectual foundations behind free trade are unchanged, the means by which goods are exchanged between countries have changed greatly since the time of Ricardo. Goods are no longer simply produced in one place using only that country's resources and then sent off on ships to be unloaded at a foreign port. Instead, many of the goods Americans enjoy today—whether produced in the United States or abroad—are made with components from a variety of sources.

Production of goods in this fashion is facilitated by *foreign direct investment* (FDI). FDI occurs when an individual or firm buys a foreign company or takes control of a sufficiently large portion of a foreign company (typically 10 percent or more of the target firm's stock) that it can influence management decisions. *Greenfield FDI* occurs when a company builds a plant abroad from scratch (i.e., turns a "green field" into a factory), though this type of investment is less common. FDI in turn gives rise to increased trade.

U.S. firms investing or setting up enterprises abroad can increase opportunities for exporting their goods. Moreover, there is a good deal of evidence suggesting that increased employment at the foreign subsidiaries of

U.S. firms is associated with a corresponding increase in employment in the U.S. parent company. Similarly, recent research shows that one dollar of spending on capital investments abroad by U.S. firms is associated with an additional 3.5 dollars of spending on capital investment at home. The available evidence thus suggests that, on the whole, overseas investment by U.S. firms goes hand in hand with expansion at home.

Subsidiaries of foreign firms operating in the United States make important positive contributions to the U.S. economy as well. These firms bring over technology, techniques, and skills that in turn lead U.S. industries to be more efficient. U.S. subsidiaries of foreign companies employed 5.4 million U.S. workers in 2002, nearly 5 percent of total private-sector employment. This is up from 3.9 million workers in 1992 (4.3 percent of total private employment at that time).

The Global Supply Chain and FDI

The production of goods today can involve many firms in different countries performing a variety of distinct functions to bring products to market. A car made by an American company could include parts made by firms in the United States, Japan, Canada, and other countries, and it might be assembled in Canada or in Mexico. Producing this car could involve one firm extracting and molding the steel for the chassis, another firm designing and assembling interior components such as the seats and steering wheel, and a third firm transporting cars to the showroom. Within these steps, the production process could further involve a mix of domestic and imported components. Likewise, a car produced by a foreign company could be made in the United States and include a large share of components made here as well.

Firms invest in other countries for many reasons. One is that by investing abroad, firms may be able to take advantage of resources that are unique to the country in which the foreign business is located. Examples could be as straightforward as the development of a mining project, which by necessity must be undertaken where the natural resource is located, or the construction of an aluminum smelter in a country with abundant deposits of bauxite, the ore from which aluminum can be economically retrieved.

Firms might undertake foreign investment because it can be more cost-effective to own a supplier rather than be one of the suppliers' many customers. Once the goods are produced, the domestic firm can use its distribution networks, infrastructure, and knowledge about foreign tastes to export into new markets as well as increase sales in existing markets. Firms might also invest in retailing operations in other countries in order to exercise control over the sale of their products. Moreover, some firms invest abroad to avoid the trade barriers and transportation costs they might face if they produced in only one country for export to the whole world.

FDI spurs increased trade as firms move goods between parent companies and their foreign affiliates. Foreign affiliates use the goods from the parent company as both inputs to production and final goods to be sold through their distribution networks. In 2002, 35 percent of total U.S. trade in goods was accounted for by trade within components of firms with operations in two or more countries. This includes the flow in both directions, between U.S. companies and their majority-owed subsidiaries abroad, and between majority-owned U.S. subsidiaries and their foreign parent companies.

How Inward FDI Strengthens Domestic Firms

Foreign direct investment into the United States by foreign firms can increase the competitiveness of U.S. domestic firms. Studies suggest, for example, that American auto firms were driven to produce higher-quality and more fuel-efficient cars in the late 1970s and 1980s when foreign car manufacturers began producing and selling cars in the United States.

Evidence also shows that foreign direct investment into the United States is associated with the adoption of new technology, techniques, and skills by locally-owned companies. The transfer of expertise can include skills in areas such as operations, marketing, management, and organization; it can be especially important in sectors such as biotechnology in which research and development activities play a prominent role. Such technology can "spill over" to domestic customers and suppliers through a number of channels. Examples would include when workers at a foreign subsidiary leave and find employment with local firms, when domestic customers incorporate the products of these foreign firms into their supply chains, and when foreign firms provide their U.S. suppliers with access to information or technology in order to improve their own products' quality and reliability. For example, one foreign auto manufacturer in the United States recently shared with its U.S. steel suppliers its innovations for producing stronger, rust-resistant steel. One study estimates that such "spillovers" accounted for about 14 percent of the productivity growth in U.S. manufacturing firms between 1987 and 1996.

Encouraging FDI

Many factors lead foreign firms to consider the United States when deciding to invest abroad. These include a large pool of talented workers, access to deep capital markets, a culture that supports innovation and risk-taking, and a stable legal, political, and economic environment. Evidence shows that countries prone to corruption, political instability, and having private firms or industries taken over by the government are less likely to receive foreign direct investment than countries that protect investor and intellectual property rights. A recent study found that the United States was

ranked the second-best country out of 145 in terms of ease of doing business, just after New Zealand. In comparison, China was ranked the 42nd-best place and India the 120th.

At home, the United States maintains an open and nondiscriminatory policy toward investments made by foreign firms. With limited exceptions, such as for national security reasons, the United States permits foreign investment in all sectors. The United States does not screen investments on size or the companies' country of origin, does not restrict FDI to involve establishing only new facilities, and, with limited exceptions, does not have performance requirements such as local content requirements or export quotas.

Achievements in Trade Negotiations

The Administration has pushed aggressively to open global markets to trade. This has been done through multilateral talks under the auspices of the World Trade Organization (WTO) and through agreements to liberalize trade between the United States and various partners. The Administration has worked to ensure that the benefits promised under the agreements are realized for U.S. consumers, workers, manufacturers, farmers, and service providers. At the same time, lower trade barriers benefit people in U.S. trading partner countries. When U.S. trading partners do not fulfill their obligations, the Administration has sought their compliance through a practical, problem-solving approach. When that fails, however, the Administration has utilized formal dispute-settlement mechanisms.

This section addresses the progress made in fostering global trade, which provides mutual advantages to the United States and to all nations. The section also discusses efforts to make sure that all nations live up to the agreements they have signed. Because China has grown in importance as a U.S. trading partner, this section begins with a discussion of U.S. trade with this emerging economy. It then describes efforts to ensure the protection of intellectual property rights. It concludes with a description of progress in the negotiation of bilateral and multilateral trade agreements.

Trade with China

Prior to China's accession to the WTO, exports from the People's Republic of China were granted access to the U.S. market on substantially similar terms as exports from members of the WTO. This access, however, depended on an annual Congressional vote to grant China "Normal Trading Relations" status (also known as "Most Favored Nation" status). There were some exceptions to China's equal access, most notably in textiles and apparel. Because China was not a member of the WTO, it was not subject to the sort of reciprocal

obligations to lower trade barriers that WTO members undertook in decades of trade negotiations.

The Administration's efforts to bring China into the WTO culminated in China's December 2001 accession. WTO membership offered China the stability of Permanent Normal Trade Relations and access to the WTO's rules-based dispute-settlement mechanisms, but demanded of China extensive, far-reaching, and often complex commitments to change its trade regime, at all levels of government, and open its market to greater competition. China committed to lower trade barriers in virtually every sector of the economy, provide national treatment (treat imports on an equal basis with domestically-produced goods), improve market access to goods and services imported from the United States and other WTO members, and protect intellectual property rights (IPR). In light of the state's large role in the Chinese economy, China also agreed to special rules regarding subsidies and the operation of state-owned enterprises. In accepting China as a fellow WTO member, the United States also secured a number of significant commitments from China that protect U.S. interests during the period in which China implements its WTO obligations. The United States in turn agreed to accord China the same treatment it accords the other 146 members of the WTO.

That treatment includes a gradual liberalization of the market for textiles and clothing. This is a sector that has been gradually transformed by advances in technology and transportation, as well as by the opening of this sector through trade agreements. Much of the world textile and apparel market had been governed for decades by a global agreement that set bilateral quotas. Those countries that were founding members of the WTO in the mid-1990s agreed to liberalize textiles and apparel trade over the ensuing 10 years, a process that culminated with the elimination of quotas on January 1, 2005.

Since China's WTO accession, the Administration has worked to secure access to China's market for U.S. companies and their workers, farmers, and service providers, as promised by China's WTO membership, and to protect U.S. rights within Chinese markets. Where possible, the Administration has tried to resolve differences through negotiation. This approach has shown concrete results; in April 2004, for example, meetings of the Joint Commission on Commerce and Trade resolved seven potential WTO disputes involving high-technology products, agriculture, and intellectual property protection. When successful, this negotiated approach can deliver more-immediate results than those available through the sometimes-protracted legal procedures of a formal WTO dispute. When this pragmatic approach has not produced prompt and effective results, however, the Administration has also pursued dispute resolution under WTO procedures. It filed the first-ever WTO case against China to address discriminatory tax treatment of U.S. semiconductors in China. Within four months of the filing,

the Chinese government agreed to eliminate the problematic tax program to address U.S. concerns, resolving the dispute without lengthy litigation.

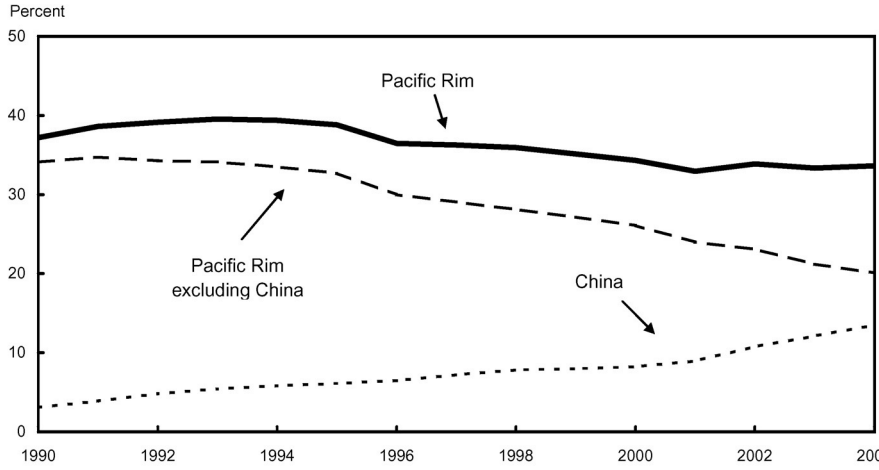
A central point of discussion with the Chinese has been about the benefits of moving to a flexible, market-based exchange rate. The U.S. government and organizations such as the International Monetary Fund (IMF) have argued that the exchange rate should have greater flexibility. Greater flexibility in China's exchange rate would allow for smooth adjustments in international accounts and would help protect China from the "boom-bust" economic cycles of the past. Such a change poses a number of economic challenges. The Department of the Treasury has been actively engaged with the Chinese in working toward such a transition and has established a technical cooperation program to address areas the Chinese view as impediments to greater flexibility, leading to three missions in 2004 that covered currency risk management, banking system best practices, and developing an exchange rate futures market in China.

Amidst these changes in policy, trade between the United States and China has been growing rapidly. For goods trade through November 2004, China ranked as the third-largest trading partner of the United States. For most of the period since China's WTO accession, U.S. exports to China have been growing at a rate faster than its imports from China (from 2002 to 2003, for example, U.S. goods exports to China grew by 28 percent while imports from China grew by 22 percent), but this export growth is occurring from a much smaller base and so the bilateral trade deficit has grown. The growing bilateral deficit has led to concerns in some circles about China's rising prominence in world trade. In fact, the data suggest that the increased imports from China are largely coming at the expense of imports from other countries in the Pacific Rim (Chart 8-3). This change is due in large part to China's role as a final assembly platform for exports for Asian manufacturing firms. The total share of imports from the Pacific Rim has fallen from its recent high in the mid-1990s. This helps to demonstrate why bilateral trade deficits have little economic significance and why they are not a useful measure of the benefits of a trading relationship; these bilateral measures can be driven by a reallocation of trade among partners of the sort that is common in a world of hundreds of trading nations.

Intellectual Property Rights

In 2004, the Administration launched a major initiative to protect intellectual property rights. This initiative is called STOP! (for Strategy Targeting Organized Piracy) and is the most comprehensive initiative ever advanced to combat trade in pirated and counterfeit goods. The initiative is a government-wide effort to empower American businesses to secure and enforce their intellectual property

Chart 8-3 **U.S. Imports of Goods**
While the share of U.S. imports of goods from China has been increasing, the share of imports from the rest of the Pacific Rim has been falling.



Note: Pacific Rim countries include: Australia, Brunei, China, Hong Kong, Indonesia, Japan, Korea, Macao, Malaysia, New Zealand, Papua New Guinea, Philippines, Singapore, and Taiwan. Imports for 2004 are annualized using monthly data through November.
Source: Department of Commerce (Bureau of the Census).

rights in overseas markets, stop fakes at our borders, expose international pirates and counterfeiters, keep global supply chains free of infringing goods, dismantle criminal enterprises that steal America's intellectual property, and reach out to like-minded trading partners and build an international coalition to stop piracy and counterfeiting worldwide. This initiative builds on the Administration's strong existing record of global enforcement and negotiation.

Such efforts are particularly important to the United States, which is a major producer of innovative goods. Recordings, films, books, and software are among the most successful U.S. exports. Property rights in general are vital to the functioning of a market economy (see Chapter 5, *Expanding Individual Choice and Control*). The enforcement of intellectual property rights ensures that creators of innovative products capture the returns to their efforts. This enforcement is vital as well to provide incentives to encourage future innovation (see Chapter 7, *The Global HIV/AIDS Epidemic*). Empirical studies have shown that improvements in a nation's intellectual property protection can lead to increased trade. These studies found the effect to be particularly strong in goods that were easy to imitate, providing evidence that theft of intellectual property displaces legitimate imports. One study found that strengthened patent protection in large developing countries could increase their imports by almost 10 percent.

Trade Liberalization

Tariffs and other barriers to trade in developing countries are still much higher than those in the United States, so there remains considerable scope for lowering barriers both to benefit our trading partners and expand market access for U.S. firms. Imposing barriers to trade means higher prices for consumers and firms and a lower standard of living.

To dismantle these barriers and make the benefits of free trade available to U.S. exporters, producers, and consumers, the Administration has pursued trade agreements on several fronts. After intense diplomacy at meetings in Geneva in July of last year, the United States achieved international agreement on a framework for moving forward on the Doha Development Agenda of WTO trade negotiations. These talks, which were launched in 2001 in Doha, Qatar, have focused on measures that will especially benefit developing nations, including the elimination of agricultural export subsidies. The Administration has also pursued free trade agreements (FTAs) that set modern rules for commerce, meet high standards of market access for goods, and break new ground in areas such as services, e-commerce, intellectual property protection, transparency and the effective enforcement of environmental and labor laws. Agreements were concluded in 2004 with Australia, Morocco, Bahrain, and with the participants in the Central American Free Trade Agreement (CAFTA), including Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic. At the same time, the United States continued negotiations with the five nations of the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland) while launching new negotiations with Thailand, Panama, and the Andean nations Colombia, Ecuador, and Peru. The President has also announced to Congress his intention to begin FTA negotiations with the United Arab Emirates and Oman.

Tariff reduction commitments negotiated in our bilateral FTAs in 2004 will save foreign consumers and businesses from paying higher prices for imports and would be expected to spur increased productivity and thus higher incomes in liberalizing countries. When combined with agreements already negotiated by the Administration, partner countries accounting for almost $50 billion in 2003 trade have committed to eventually eliminate tariffs on almost all U.S. exports. Tariffs that averaged as high as 19.6 percent for U.S. exports will be reduced to zero as a result of these agreements.

Opening markets expands opportunities for U.S. farmers, businesses, and workers. An example of the benefits of open markets can be seen in the impact of the recent trade agreement with Chile. Caterpillar Corporation manufactures mining trucks in Decatur, Illinois, that it sells around the world. The Escondida copper mine in Northern Chile—the largest copper mine in the

world—uses mining vehicles to move more than 350 million tons of material per year. Before the free trade agreement with Chile went into effect in January, Caterpillar's mining trucks were subject to tariffs of $60,000 or more. These mining trucks now enter Chile duty-free, and have become Illinois' biggest export. In 2004, Caterpillar tripled its sales to Chile and added nearly 2,700 people to its U.S. payrolls.

The increase in market access for U.S. exports gained through trade diplomacy is especially noteworthy because the United States enters these negotiations with trade barriers that are very low. Central American nations, for example, already had extensive access to the U.S. market through the Caribbean Basin Initiative. Under the terms of the CAFTA, those countries are now making reciprocal commitments to allow in U.S. goods and services.

Bilateral FTAs can also strengthen opportunities for progress in regional and WTO negotiations. In his first term, the President made multilateral trade negotiations a priority. In the second term, concluding multilateral trade negotiations held under the auspices of the WTO will be a top priority for the Administration. Under the President's leadership, the United States successfully led the effort to ensure that 2004 was not a "lost year" for the Doha Development Agenda negotiations. Early in 2004, the United States mounted an intensive effort to get the Doha negotiations on a practical track toward success. U.S. negotiators pressed trading partners to narrow differences, establish key frameworks for detailed negotiations, and push forward to reach an agreement that would foster increased economic growth, development, and opportunity. The diplomatic effort focused on the key market access areas of agriculture, industrial goods, and services; the effort in 2004 developed frameworks that will be built upon in moving forward with the wider WTO agenda. At the end of July 2004, negotiations were successfully put back on track. WTO ministers are scheduled to meet in Hong Kong, China, at the end of 2005, to chart the final course for the negotiations.

To ensure continued U.S. global leadership on trade, two legislative steps are necessary. First, Congress needs to reaffirm the United States' commitment to the WTO in its regular review. Second, Trade Promotion Authority (TPA) must be renewed. TPA leaves the power to regulate international commerce in the hands of the Congress. Under TPA, Congress agrees to accept or reject an accord negotiated by the President without modification. If TPA is not renewed, it will likely be difficult—if not impossible—to achieve the kind of comprehensive benefits the Administration has already negotiated in its free trade agreements to date. At stake are the substantial gains that would come from a successful conclusion to the Doha talks. These gains would accrue both to the United States and to all participants in the global trading system.

Conclusion

The United States is the world's leader in many ways and remains the leading advocate for pro-growth policies around the world. Connecting the world's economies through trade provides economic benefits at home while offering opportunities to other nations that are embracing economic reforms. Peace and prosperity go hand in hand, each reinforcing the other. The President's policies are designed to foster rising living standards at home, while encouraging other nations to follow our lead.

Appendix A

REPORT TO THE PRESIDENT ON THE ACTIVITIES OF THE COUNCIL OF ECONOMIC ADVISERS DURING 2004

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 30, 2004.

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during the calendar year 2004 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,

N. Gregory Mankiw, *Chairman*
Kristin J. Forbes, *Member*
Harvey S. Rosen, *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.
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	
Kristin J. Forbes	Member	November 21, 2003	
Harvey S. Rosen	Member	November 21, 2003	

Report to the President on the Activities of the Council of Economic Advisers During 2004

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

N. Gregory Mankiw continued to chair the Council during 2004. Dr. Mankiw is on leave from Harvard University, where he is the Allie S. Freed Professor of Economics. Dr. Mankiw is responsible for communicating the Council's views on economic matters to the President through personal discussions and written reports. He represents the Council at Cabinet meetings, meetings of the National Economic Council, daily White House senior staff meetings, and other formal and informal meetings. He also travels within the United States and overseas to present the Administration's views on the economy. Dr. Mankiw 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

Kristin J. Forbes and Harvey S. Rosen are Members of the Council of Economic Advisers. Dr. Forbes is on leave from the Massachusetts Institute of Technology Sloan School of Management where she is the Mitsubishi Career Development Chair of International Management and Associate Professor of International Management. Dr. Rosen is on leave from Princeton University, where he is the John L. Weinberg Professor of Economics and Business Policy. Dr. Randall Kroszner was previously a Member of the Council and has returned to the University of Chicago's Graduate School of Business where he is a Professor of Economics, Associate Director of the Stigler Center for the Study of the Economy and the State, and Research Consultant to the Federal Reserve Bank of Chicago.

The Chairman and the Members work as a team on most economic policy issues. Dr. Mankiw is responsible for the Council's macroeconomic analysis including the Administration's economic forecast. Dr. Forbes's responsibilities include international finance and trade issues, with a particular focus on emerging markets and developing economies. Dr. Rosen's responsibilities include policy analysis relating to fiscal policy and microeconomic issues including labor and financial markets, health care, and regulation.

Macroeconomic Policies

As is its tradition, the Council devoted much time during 2004 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 almost daily memoranda that report key economic data and analyze current economic events. In addition, they prepare weekly discussion and data memos for the President, Vice President and senior White House staff.

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 2004, the Council took part in discussions on a range of macroeconomic issues. An important part of the Council's ongoing work involved monitoring economic data, including assessing the response of the economy, and the labor market in particular, to fiscal and monetary policies. Council staff analyzed economic conditions at the state level, with a particular focus on labor market developments. The Council also provided analysis relating to the macroeconomic impact of natural disasters such as hurricanes.

The Council works closely with the Treasury, the Federal Reserve, and other government agencies in providing analyses to the Administration on these topics of concern. The Council continued to work closely in 2004 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. The Council participated in the development and analysis of policies relating to domestic and international tax reform and reform of Social Security.

The Council continued its efforts to improve the public's understanding of economic issues and of the Administration's economic agenda through regular briefings with the economic and financial press, frequent discussions with outside economists, and presentations to outside organizations. The Chairman and Members continued to give public addresses on economic developments, with a focus on the role of policies and the implications of increased international economic integration. The Chairman also regularly exchanged views on the economy with the Chairman and Governors of the Federal Reserve System. Council staff provided regular assistance with economic data to other offices of the Executive Office of the President, including the Office of Communications and the Offices of Speechwriting for the President and Vice President.

International Economic Policies

The Council was involved in a range of international trade issues, including discussions on trade liberalization at the global, regional, and bilateral levels. The Council participated in deliberations concerning trade policy in a number of industries, and provided analysis related to U.S. economic interaction with China and the impact of trade on the domestic economy. Dr. Forbes and Council staff participated in dialogues with the Chinese government, including the National Development and Reform Committee and the Joint Economic Committee. Council staff participated in the Beijing working group talks of the Joint Commission on Commerce and Trade in July.

The Council participated in discussions concerning international financial policy involving relations with both advanced and emerging market economies. The Council provided extensive analysis of the implications of changes in the U.S. external position and developments in foreign exchange markets. The Council participated in the development of U.S. proposals for the G-8 Summit held at Sea Island, Georgia, which Dr. Forbes attended. Dr. Forbes and Council staff also participated in sub Cabinet-level discussions with Japan.

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 countries. The Chairman heads the U.S. delegation to the semiannual meetings of the OECD's Economic Policy Committee (EPC) and serves as the EPC Chairman. Dr. Forbes also participated in meetings of the Economic Policy Committee, as well as meetings of the OECD's Working Party 3 on macroeconomic policy and coordination. Dr. Rosen participated in the OECD's Working Party 1 on microeconomic policy and in the annual OECD review of U.S. economic policy, as did CEA chief economists Andrew Samwick and Donald Marron.

Council members regularly met with representatives of the Council's counterpart agencies in foreign countries, as well as with foreign trade ministers, other government officials, and members of the private sector.

Microeconomic Policies

A wide variety of microeconomic issues received Council attention during 2004. The Council actively participated in the Cabinet-level National Economic Council, dealing with issues including energy policy, the environment, health care, homeland security, pensions, transportation, technology, tort reform, and financial markets.

The Council participated in Administration efforts to improve the supervisory regime for government-sponsored enterprises in the home mortgage system. The Council also participated in ongoing policy discussions relating to terrorism risk insurance.

The Council was involved in a variety of issues related to health care. These included analyses of the sources of rising health care costs, the design and impact of health savings accounts, and a number of issues related to the Medicare and Medicaid programs. The Council also participated in discussions related to pharmaceutical products and helped evaluate the impacts of disease management and information technology in health care.

On labor and education programs, the Council was involved in the development of the President's proposal for a temporary worker program, as well as evaluations of other proposed immigration reforms. The Council assisted in Administration efforts to review education policies, as well as to evaluate the effectiveness of the Head Start program. The Council also participated in discussions related to reauthorization of the Workforce Investment Act, evaluation and reform of job training programs, and consideration of education and other benefits for Veterans.

The Council worked on a variety of environmental issues in 2004. The Council played a role in the development of a suite of proposed air quality rules, including the Clean Air Mercury Rule and the Clean Air Interstate Rule, which seek to regulate mercury, sulfur dioxide, and nitrogen oxide emissions from power plants. The Council was involved in the development of regulations concerning fine particles and emissions coming from diesel engines. The Council was a member of the Interagency Ocean Policy Group and helped to formulate the Administration's response to the U.S. Commission on Ocean Policy's recommendations for national ocean policy.

Energy policy continued to be an important focus of the Council's efforts in 2004, with analysis on the impact of oil prices on the economy and the impact of various policy proposals regarding energy supplies. The Council also played a role in the analysis of policy for telecommunications, broadband, and spectrum allocation. The Council participated in discussions concerning Federal prison industries, the Postal Service, tort reform, and transportation issues, including the state of the airline industry. Council staff also provided analyses related to agricultural issues, including the economic impacts of "mad cow" disease.

The Staff of the Council of Economic Advisers

The professional staff of the Council consists of the Chief of Staff, the Senior Statistician, the Chief Economist, the Director of Macroeconomic Forecasting, eight senior economists, one economist, four staff economists, and five research assistants. The professional staff and their areas of concentration at the end of 2004 were:

Chief of Staff
Phillip L. Swagel

Chief Economist
Donald B. Marron

Senior Statistician
Catherine H. Furlong

Director of Macroeconomic Forecasting
Steven N. Braun

Senior Economists

Gerald E. Auten	Public Finance
William D. Block	International Finance and Development
John C. Driscoll	Macroeconomics and Public Finance
R. Richard Geddes	Regulation and Finance
Joshua Graff Zivin	Environment, Health Care, and Regulation
Philip I. Levy	International Trade
Pia M. Orrenius	Labor, Health Care, and Education
Alexander Raskovich	Regulation, Energy, and Technology

Economist

Anne L. Berry	Finance, Regulation, and Technology

Staff Economists

Carol L. Cohen	International Trade and Finance
Maria Damon	Environment and Regulation
Rebecca J. Kalmus	Health Care and Labor
Peter R. Kingston	Macroeconomics and Finance

Research Assistants

Derek A. Haas	Finance, Regulation, and Technology
Namita K. Kalyan	Macroeconomics
Daniel L. Ramsey	Public Finance
Therese C. Scharlemann	Macroeconomics
James W. Soldano	International Finance

Statistical Office

Mrs. Furlong directs the 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	Statistician
Brian A. Amorosi	Program Analyst (Statistical)
Dagmara A. Mocala	Research Assistant

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
Brenda Compton	Financial Manager

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 and Chief Economist
Lisa D. Branch	Executive Assistant to Dr. Forbes
Mary E. Jones	Executive Assistant to Dr. Rosen

Staff Support

Sharon K. Thomas	Administrative Support Assistant

Jane Tufts and Barbara Pendergast provided editorial assistance in the preparation of the 2005 *Economic Report of the President*.

Scott E. Carrell served as a senior economist for labor and public finance during the summer of 2004 and then returned to his position on the faculty of the Air Force Academy. Gerald F. Zukowski and Roger E. Stanley also served at the Council in 2004 on detail from other government agencies.

John List and Ted Gayer provided consulting services to the Council during 2004.

Student Interns during the year were Sarah E. Anders, Mary B. Anderson, Christian M. Bonilla, Eric C. Breitenstein, Matthew J. Burton, Deepa Dhume, Michael M. Furchtgott, Sabah M. Khan, Susan J. Li, Joshua S. Meltzer, Barbara J. Merry, Amol S. Navathe, Kirsten D. Powers, Brian K. Smedley, Dagmara K. Tchalakov, and Sean M. Zimmerman. Alexander P. Ryan joined the staff of the Council in January as a student intern.

Departures

The Council's senior staff, in most cases, are on leave of absence from faculty positions at academic institutions or from other government agencies or research institutions. Chief Economist Andrew Samwick returned to Dartmouth College, where he is a Professor of Economics and Director of the Rockefeller Center for Public Policy. The senior economists who resigned during the year returned to their previous affiliations. They are Karen Dynan (Federal Reserve Board), Ted Gayer (Georgetown University), Eric Helland (Claremont McKenna College), David Meyer (Federal Trade Commission), Mark Showalter (Brigham Young University), Beth Anne Wilson (Federal Reserve Board), and Alan Viard (Federal Reserve Bank of Dallas).

Staff economists are generally graduate students who spend one year with the Council and then return to complete their dissertations. Those who returned to graduate studies in economics in 2004 are: William Congdon (Princeton University), Brent Neiman (Harvard University), and Matthew Weinzierl (Harvard University).

Research assistants who resigned during 2004 and went on to further employment or graduate studies were Christine Dobridge (Deutsche Bank), Amanda Kowalski (MIT economics), and Julia Stahl (New York University Law School).

Brandon Schwartz, Information Management Assistant, resigned to pursue graduate studies.

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. The *Report* is available on the Internet, where it is accessible at www.gpoaccess.gov/eop, and for purchase as a bound volume from the Government Printing Office. The Council also has primary responsibility for compiling the monthly *Economic Indicators*, which is issued by the Joint Economic Committee of the Congress. The Internet address for the *Economic Indicators* is 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

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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 31, 2005. In particular, tables containing national income and product accounts (NIPA) estimates reflect revisions released by the Department of Commerce in July 2004.

TABLE B–1.—*Gross domestic product, 1959–2004*

[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						
							Fixed investment					Change in private inventories
								Nonresidential			Residential	
		Total	Durable goods	Nondurable goods	Services	Total	Total	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	10,487.0	7,376.1	916.2	2,080.1	4,379.8	1,579.2	1,568.0	1,063.9	271.6	792.4	504.1	11.2
2003	11,004.0	7,760.9	950.7	2,200.1	4,610.1	1,665.8	1,667.0	1,094.7	261.6	833.1	572.3	–1.2
2004 *p*	11,728.0	8,231.1	995.7	2,376.5	4,859.0	1,922.4	1,879.3	1,217.6	277.0	940.7	661.7	43.1
2000: I	9,629.4	6,613.9	876.9	1,894.2	3,842.8	1,672.3	1,642.4	1,193.9	295.2	898.7	448.5	29.9
II	9,822.8	6,688.1	854.2	1,938.3	3,895.6	1,781.7	1,685.4	1,236.5	310.4	926.1	448.8	96.3
III	9,862.1	6,783.9	861.3	1,965.8	3,956.7	1,749.0	1,690.6	1,247.5	321.1	926.5	443.1	58.4
IV	9,953.6	6,871.6	860.9	1,990.5	4,020.3	1,738.9	1,697.5	1,250.3	326.0	924.2	447.2	41.4
2001: I	10,021.5	6,955.8	872.1	2,000.0	4,083.7	1,675.3	1,685.2	1,229.6	323.9	905.7	455.6	–9.9
II	10,128.9	7,017.5	864.7	2,016.6	4,136.2	1,647.7	1,654.7	1,187.1	325.7	861.4	467.6	–7.0
III	10,135.1	7,058.5	865.1	2,024.2	4,169.1	1,613.0	1,644.8	1,167.2	335.8	831.4	477.6	–31.8
IV	10,226.3	7,188.4	932.8	2,027.5	4,228.0	1,521.4	1,599.6	1,123.2	305.2	818.1	476.3	–78.2
2002: I	10,338.2	7,236.9	903.5	2,046.8	4,286.5	1,568.5	1,577.4	1,091.4	290.0	801.4	486.0	–8.9
II	10,445.7	7,339.3	907.5	2,077.7	4,354.0	1,577.0	1,563.0	1,061.2	273.4	787.8	501.8	14.0
III	10,546.5	7,428.0	932.8	2,081.3	4,413.9	1,581.3	1,562.2	1,055.0	262.7	792.3	507.2	19.1
IV	10,617.5	7,500.0	920.8	2,114.6	4,464.7	1,589.9	1,569.5	1,048.1	260.1	788.0	521.4	20.4
2003: I	10,744.6	7,609.8	912.1	2,167.5	4,530.2	1,596.6	1,586.0	1,046.4	253.6	792.8	539.6	10.6
II	10,884.0	7,696.3	946.8	2,163.6	4,585.9	1,611.1	1,626.4	1,072.7	262.3	810.4	553.8	–15.3
III	11,116.7	7,822.5	972.7	2,219.2	4,630.6	1,696.6	1,700.2	1,113.3	262.3	851.1	586.9	–3.7
IV	11,270.9	7,914.9	971.1	2,250.1	4,693.6	1,758.8	1,755.2	1,146.3	268.2	878.1	609.0	3.5
2004: I	11,472.6	8,060.2	976.3	2,316.6	4,767.3	1,819.7	1,783.5	1,158.8	266.0	892.8	624.6	36.2
II	11,657.5	8,153.8	975.5	2,354.6	4,823.8	1,920.7	1,861.7	1,198.5	275.5	923.1	663.2	59.0
III	11,814.9	8,282.5	1,007.0	2,387.2	4,888.2	1,947.0	1,915.4	1,238.5	281.2	957.3	677.0	31.6
IV *p*	11,967.0	8,428.1	1,023.9	2,447.6	4,956.5	2,002.2	1,956.6	1,274.7	285.2	989.6	681.9	45.5

See next page for continuation of table.

TABLE B–1.—*Gross domestic product, 1959–2004*—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	
	Net exports	Exports	Imports	Total	Federal			State and local				Gross domestic product	Gross domestic purchases [1]
					Total	National defense	Nondefense						
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	–424.9	1,005.0	1,429.9	1,956.6	680.8	437.4	243.4	1,275.8	10,475.9	10,911.9	10,514.1	3.5	4.0
2003	–498.1	1,046.2	1,544.3	2,075.5	752.2	496.4	255.7	1,323.3	11,005.3	11,502.2	11,059.2	4.9	5.4
2004 *p*	–609.3	1,170.2	1,779.6	2,183.8	810.0	548.1	261.9	1,373.9	11,684.9	12,337.3	.....	6.6	7.3
2000: I	–346.4	1,055.1	1,401.5	1,689.6	565.3	360.9	204.4	1,124.3	9,599.6	9,975.8	9,661.9	4.7	6.6
II	–366.9	1,091.8	1,458.7	1,720.0	586.6	375.2	211.4	1,133.4	9,726.5	10,189.7	9,859.6	8.3	8.9
III	–400.7	1,122.4	1,523.1	1,729.9	581.2	371.3	209.9	1,148.6	9,803.7	10,262.8	9,893.6	1.6	2.9
IV	–403.9	1,115.8	1,519.7	1,746.9	582.0	373.8	208.2	1,164.9	9,912.2	10,357.5	10,008.4	3.8	3.7
2001: I	–392.9	1,100.7	1,493.7	1,783.3	596.2	383.5	212.7	1,187.2	10,031.4	10,414.4	10,060.2	2.8	2.2
II	–361.7	1,060.5	1,422.2	1,825.4	610.9	388.3	222.6	1,214.5	10,136.0	10,490.6	10,173.5	4.4	3.0
III	–361.9	1,003.5	1,365.3	1,825.6	614.3	393.0	221.3	1,211.2	10,166.9	10,497.0	10,151.8	.2	.2
IV	–351.6	966.6	1,318.2	1,868.2	630.1	405.6	224.5	1,238.1	10,304.5	10,577.9	10,300.9	3.6	3.1
2002: I	–376.3	975.0	1,351.3	1,909.2	654.2	418.5	235.8	1,255.0	10,347.2	10,714.6	10,361.7	4.5	5.3
II	–415.4	1,008.1	1,423.5	1,944.9	676.6	431.7	244.9	1,268.3	10,431.7	10,861.2	10,461.6	4.2	5.6
III	–431.1	1,023.4	1,454.5	1,968.3	684.4	438.5	245.9	1,283.9	10,527.4	10,977.6	10,571.7	3.9	4.4
IV	–476.6	1,013.5	1,490.1	2,004.2	708.2	461.0	247.2	1,296.0	10,597.1	11,094.1	10,661.2	2.7	4.3
2003: I	–503.3	1,019.8	1,523.0	2,041.4	723.4	467.4	256.0	1,318.0	10,734.0	11,247.8	10,781.3	4.9	5.7
II	–497.6	1,018.1	1,515.7	2,074.2	761.1	506.7	254.4	1,313.1	10,899.3	11,381.6	10,929.0	5.3	4.8
III	–488.8	1,047.7	1,536.4	2,086.4	756.7	498.1	258.7	1,329.7	11,120.4	11,605.5	11,168.3	8.8	8.1
IV	–502.8	1,099.2	1,602.0	2,100.0	767.5	513.6	253.9	1,332.6	11,267.4	11,773.7	11,358.1	5.7	5.9
2004: I	–546.8	1,134.3	1,681.2	2,139.5	793.3	534.1	259.1	1,346.3	11,436.4	12,019.4	11,546.1	7.4	8.6
II	–591.3	1,167.6	1,758.9	2,174.3	804.4	541.2	263.2	1,369.9	11,598.5	12,248.8	11,693.6	6.6	7.9
III	–611.8	1,189.5	1,801.2	2,197.2	817.4	557.0	260.4	1,379.8	11,783.3	12,426.6	11,853.0	5.5	5.9
IV *p*	–687.5	1,189.6	1,877.1	2,224.3	824.8	559.9	264.9	1,399.5	11,921.5	12,654.5	.....	5.3	7.5

[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, 1959–2004*

[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						
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment					Change in private inventories
							Total	Nonresidential			Residential	
								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	10,074.8	7,123.4	959.6	2,037.4	4,128.6	1,560.7	1,548.9	1,075.6	251.6	826.5	470.0	11.7
2003	10,381.3	7,355.6	1,030.6	2,112.4	4,220.3	1,628.8	1,627.3	1,110.8	237.4	879.2	511.2	–.8
2004 *p*	10,837.2	7,634.7	1,101.3	2,208.3	4,339.0	1,839.1	1,790.4	1,225.6	239.7	996.6	559.6	45.3
2000: I	9,695.6	6,661.3	872.8	1,917.2	3,871.1	1,678.0	1,651.1	1,196.7	299.9	896.7	454.5	26.9
II	9,847.9	6,703.3	851.3	1,944.0	3,908.2	1,788.6	1,689.1	1,238.6	312.5	926.0	450.4	99.3
III	9,836.6	6,768.0	863.8	1,955.0	3,949.3	1,742.6	1,686.4	1,245.2	319.7	925.5	441.2	56.2
IV	9,887.7	6,825.0	865.4	1,972.7	3,986.8	1,732.7	1,689.4	1,247.9	320.6	927.3	441.6	43.5
2001: I	9,875.6	6,853.1	879.5	1,975.2	3,997.9	1,670.3	1,678.2	1,234.4	313.8	920.8	444.0	–7.8
II	9,905.9	6,870.3	878.9	1,974.7	4,016.0	1,637.4	1,640.5	1,190.2	310.6	879.2	450.1	–2.5
III	9,871.1	6,900.5	885.6	1,986.5	4,027.8	1,592.6	1,621.9	1,169.3	315.1	852.9	452.1	–29.9
IV	9,910.0	7,017.6	958.7	2,010.3	4,051.2	1,493.4	1,577.0	1,128.2	284.9	843.8	447.8	–86.7
2002: I	9,993.5	7,049.7	937.8	2,029.3	4,084.1	1,552.5	1,559.6	1,099.8	270.7	830.1	457.8	–7.4
II	10,052.6	7,099.2	947.8	2,033.2	4,119.7	1,553.7	1,545.9	1,072.4	253.9	820.6	470.3	7.9
III	10,117.3	7,149.9	979.3	2,030.2	4,143.8	1,569.2	1,546.6	1,069.5	243.0	829.8	473.6	22.7
IV	10,135.9	7,194.6	973.4	2,056.8	4,166.9	1,567.3	1,543.5	1,060.9	238.9	825.5	478.5	23.8
2003: I	10,184.4	7,242.2	973.2	2,082.0	4,188.7	1,564.0	1,552.7	1,060.5	230.7	834.6	487.3	9.6
II	10,287.4	7,311.4	1,020.0	2,090.1	4,207.7	1,577.6	1,593.4	1,090.6	238.7	856.7	497.9	–17.6
III	10,472.8	7,401.7	1,059.6	2,125.3	4,227.9	1,659.4	1,660.6	1,131.1	237.9	899.7	523.8	–3.5
IV	10,580.7	7,466.8	1,069.7	2,152.0	4,256.7	1,714.1	1,702.7	1,161.0	242.4	925.6	535.9	8.6
2004: I	10,697.5	7,543.0	1,075.5	2,187.3	4,291.7	1,764.5	1,721.4	1,173.0	237.7	943.7	542.5	40.0
II	10,784.7	7,572.4	1,074.7	2,188.0	4,320.0	1,842.9	1,778.3	1,207.9	241.7	975.5	563.6	61.1
III	10,891.0	7,667.8	1,118.3	2,213.2	4,352.4	1,853.9	1,816.1	1,245.3	241.0	1,015.6	565.9	34.5
IV *p*	10,975.7	7,755.4	1,136.6	2,244.7	4,391.8	1,895.1	1,845.7	1,276.3	238.5	1,051.5	566.3	45.8

See next page for continuation of table.

TABLE B–2.—*Real gross domestic product, 1959–2004*—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	–472.1	1,012.3	1,484.4	1,857.9	646.6	414.6	232.0	1,211.4	10,063.2	10,544.6	10,101.7	1.9	2.5
2003	–518.5	1,031.8	1,550.3	1,909.4	689.6	451.8	237.6	1,219.8	10,379.9	10,895.7	10,433.9	3.0	3.3
2004 *p*	–586.4	1,115.3	1,701.7	1,946.7	721.9	485.1	236.4	1,224.7	10,790.2	11,416.8	.....	4.4	4.8
2000: I	–350.6	1,060.9	1,411.5	1,707.3	568.2	362.6	205.6	1,139.2	9,668.8	10,046.5	9,729.0	1.0	2.5
II	–374.5	1,092.0	1,466.5	1,730.5	591.2	377.1	214.0	1,139.3	9,748.4	10,222.4	9,885.3	6.4	7.2
III	–395.6	1,120.0	1,515.6	1,721.5	578.6	369.9	208.7	1,142.9	9,780.4	10,232.1	9,867.8	–.5	.4
IV	–397.2	1,112.3	1,509.5	1,727.1	577.2	371.5	205.6	1,149.9	9,844.3	10,284.7	9,941.6	2.1	2.1
2001: I	–398.2	1,097.2	1,495.4	1,749.6	588.5	377.9	210.6	1,161.1	9,883.2	10,273.2	9,913.6	–.5	–.4
II	–385.2	1,060.6	1,445.8	1,783.0	601.4	381.9	219.5	1,181.6	9,908.7	10,291.3	9,949.8	1.2	.7
III	–398.4	1,008.7	1,407.1	1,776.1	601.5	384.1	217.3	1,174.6	9,899.9	10,270.1	9,887.7	–1.4	–.8
IV	–414.5	980.3	1,394.9	1,812.7	614.2	395.6	218.6	1,198.5	9,992.3	10,325.6	9,983.1	1.6	2.2
2002: I	–444.9	991.6	1,436.5	1,833.5	626.4	401.3	225.2	1,207.2	10,000.4	10,437.7	10,017.2	3.4	4.4
II	–458.1	1,017.8	1,475.9	1,853.4	645.5	412.3	233.2	1,208.0	10,044.9	10,508.9	10,068.9	2.4	2.8
III	–469.8	1,025.5	1,495.3	1,863.1	650.1	415.8	234.3	1,213.1	10,095.2	10,584.8	10,142.4	2.6	2.9
IV	–515.4	1,014.5	1,529.8	1,881.6	664.5	429.2	235.3	1,217.3	10,112.5	10,646.7	10,178.4	.7	2.4
2003: I	–511.7	1,010.6	1,522.3	1,882.5	665.0	426.2	238.8	1,217.7	10,173.3	10,692.0	10,220.3	1.9	1.7
II	–525.2	1,006.5	1,531.7	1,915.3	699.0	462.3	236.5	1,216.3	10,302.5	10,808.1	10,330.8	4.1	4.4
III	–508.7	1,033.8	1,542.5	1,916.0	693.1	453.1	239.9	1,222.9	10,473.9	10,978.3	10,521.7	7.4	6.4
IV	–528.3	1,076.2	1,604.5	1,923.7	701.2	465.7	235.2	1,222.5	10,569.6	11,104.3	10,663.3	4.2	4.7
2004: I	–550.1	1,095.4	1,645.5	1,935.8	713.3	477.6	235.4	1,222.4	10,655.8	11,241.9	10,766.7	4.5	5.0
II	–580.3	1,114.8	1,695.1	1,946.5	718.1	479.9	237.9	1,228.3	10,722.3	11,358.1	10,818.7	3.3	4.2
III	–583.2	1,131.1	1,714.3	1,949.9	726.6	491.5	234.7	1,223.2	10,854.7	11,467.4	10,926.5	4.0	3.9
IV *p*	–631.9	1,120.0	1,751.9	1,954.5	729.5	491.5	237.6	1,224.9	10,928.1	11,599.6	.....	3.1	4.7

[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, 1959–2004*

[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	102.626	104.097	104.092	3.5	1.9	1.7	1.7
2003	105.749	106.003	105.998	4.9	3.0	1.8	1.8
2004 *p*	110.393	108.281	108.220	6.6	4.4	2.1	2.1
2000: I	98.764	99.292	99.317	4.7	1.0	3.4	3.6
II	100.315	99.780	99.745	8.3	6.4	2.0	1.7
III	100.200	100.241	100.259	1.6	–.5	1.9	2.1
IV	100.721	100.687	100.666	3.8	2.1	1.8	1.6
2001: I	100.597	101.507	101.478	2.8	–.5	3.3	3.3
II	100.906	102.290	102.252	4.4	1.2	3.1	3.1
III	100.551	102.690	102.675	.2	–1.4	1.6	1.7
IV	100.948	103.122	103.191	3.6	1.6	1.7	2.0
2002: I	101.798	103.470	103.450	4.5	3.4	1.4	1.0
II	102.400	103.853	103.911	4.2	2.4	1.5	1.8
III	103.059	104.280	104.243	3.9	2.6	1.7	1.3
IV	103.249	104.786	104.752	2.7	.7	2.0	2.0
2003: I	103.743	105.490	105.500	4.9	1.9	2.7	2.9
II	104.792	105.780	105.799	5.3	4.1	1.1	1.1
III	106.681	106.158	106.148	8.8	7.4	1.4	1.3
IV	107.780	106.586	106.523	5.7	4.2	1.6	1.4
2004: I	108.969	107.314	107.246	7.4	4.5	2.8	2.7
II	109.858	108.169	108.093	6.6	3.3	3.2	3.2
III	110.941	108.551	108.482	5.5	4.0	1.4	1.4
IV *p*	111.803	109.091	109.033	5.3	3.1	2.0	2.0

[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, 1959–2004*

[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		
		Total	Durable goods	Nondurable goods	Services	Nonresidential fixed			Residential fixed	Exports	Imports	Total	Federal	State and local
						Total	Structures	Equipment and software						
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	1.9	3.1	6.5	2.6	2.6	–8.9	–17.8	–5.5	4.8	–2.3	3.4	4.4	7.5	2.8
2003	3.0	3.3	7.4	3.7	2.2	3.3	–5.6	6.4	8.8	1.9	4.4	2.8	6.6	.7
2004 *p*	4.4	3.8	6.9	4.5	2.8	10.3	1.0	13.4	9.5	8.1	9.8	2.0	4.7	.4
2000: I	1.0	6.5	24.4	.3	6.0	14.3	7.0	16.9	4.1	6.6	16.7	–3.0	–13.9	3.2
II	6.4	2.5	–9.5	5.7	3.9	14.8	18.0	13.7	–3.5	12.3	16.5	5.5	17.2	.1
III	–.5	3.9	6.0	2.3	4.3	2.2	9.6	–.2	–8.0	10.7	14.1	–2.1	–8.2	1.3
IV	2.1	3.4	.7	3.7	3.9	.9	1.2	.8	.4	–2.7	–1.6	1.3	–1.0	2.5
2001: I	–.5	1.7	6.7	.5	1.1	–4.2	–8.3	–2.8	2.2	–5.3	–3.7	5.3	8.1	4.0
II	1.2	1.0	–.3	–.1	1.8	–13.6	–4.0	–16.9	5.6	–12.7	–12.6	7.9	9.1	7.2
III	–1.4	1.8	3.1	2.4	1.2	–6.8	6.0	–11.4	1.8	–18.2	–10.3	–1.5	.0	–2.3
IV	1.6	7.0	37.4	4.9	2.3	–13.3	–33.2	–4.2	–3.7	–10.8	–3.4	8.5	8.8	8.4
2002: I	3.4	1.8	–8.5	3.8	3.3	–9.7	–18.5	–6.3	9.3	4.7	12.5	4.7	8.2	2.9
II	2.4	2.8	4.4	.8	3.5	–9.6	–22.6	–4.5	11.3	11.0	11.4	4.4	12.8	.3
III	2.6	2.9	14.0	–.6	2.4	–1.1	–16.0	4.6	2.8	3.1	5.4	2.1	2.9	1.7
IV	.7	2.5	–2.4	5.3	2.2	–3.2	–6.6	–2.0	4.2	–4.2	9.6	4.0	9.1	1.4
2003: I	1.9	2.7	–.1	5.0	2.1	–.1	–13.0	4.5	7.5	–1.5	–2.0	.2	.3	.1
II	4.1	3.9	20.6	1.6	1.8	11.8	14.5	11.0	9.1	–1.6	2.5	7.2	22.1	–.4
III	7.4	5.0	16.5	6.9	1.9	15.7	–1.3	21.7	22.4	11.3	2.8	.1	–3.3	2.2
IV	4.2	3.6	3.9	5.1	2.8	11.0	7.9	12.0	9.6	17.5	17.1	1.6	4.8	–.1
2004: I	4.5	4.1	2.2	6.7	3.3	4.2	–7.6	8.0	5.0	7.3	10.6	2.5	7.1	.0
II	3.3	1.6	–.3	.1	2.7	12.5	6.9	14.2	16.5	7.3	12.6	2.2	2.7	1.9
III	4.0	5.1	17.2	4.7	3.0	13.0	–1.1	17.5	1.6	6.0	4.6	.7	4.8	–1.7
IV *p*	3.1	4.6	6.7	5.8	3.7	10.3	–4.1	14.9	.3	–3.9	9.1	.9	1.6	.6

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, 1959–2004*

[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	1.9	2.14	.56	.51	1.08	–.37	–.80	–1.02	–.57	–.45	.22	.42
2003	3.0	2.29	.63	.73	.93	.66	.76	.33	–.15	.48	.43	–.10
2004 *p*	4.4	2.67	.58	.91	1.18	1.96	1.52	1.02	.02	1.00	.50	.44
2000: I	1.0	4.38	1.96	.06	2.36	–1.30	1.83	1.64	.21	1.44	.19	–3.13
II	6.4	1.78	–.89	1.11	1.55	4.65	1.60	1.76	.53	1.23	–.16	3.05
III	–.5	2.62	.50	.44	1.67	–1.84	–.10	.28	.29	–.02	–.38	–1.74
IV	2.1	2.29	.06	.72	1.51	–.36	.13	.11	.04	.07	.02	–.49
2001: I	–.5	1.07	.55	.09	.43	–2.44	–.43	–.52	–.29	–.24	.10	–2.01
II	1.2	.67	–.03	–.03	.73	–1.28	–1.51	–1.76	–.14	–1.62	.25	.23
III	–1.4	1.20	.26	.47	.47	–1.76	–.75	–.83	.19	–1.02	.08	–1.02
IV	1.6	4.71	2.81	.95	.95	–3.95	–1.81	–1.63	–1.27	–.35	–.18	–2.14
2002: I	3.4	1.32	–.79	.76	1.36	2.34	–.71	–1.13	–.59	–.53	.42	3.05
II	2.4	1.98	.37	.15	1.46	.05	–.55	–1.06	–.70	–.36	.51	.60
III	2.6	2.02	1.16	–.12	.98	.61	.02	–.12	–.45	.33	.13	.59
IV	.7	1.74	–.21	1.03	.93	–.06	–.13	–.33	–.17	–.16	.20	.07
2003: I	1.9	1.84	–.01	.97	.87	–.10	.35	–.01	–.33	.32	.36	–.45
II	4.1	2.72	1.64	.31	.77	.54	1.55	1.10	.32	.78	.44	–1.01
III	7.4	3.58	1.38	1.38	.83	3.16	2.59	1.50	–.03	1.53	1.09	.57
IV	4.2	2.50	.33	1.01	1.15	2.04	1.57	1.07	.18	.89	.50	.47
2004: I	4.5	2.90	.19	1.33	1.39	1.86	.69	.42	–.19	.61	.27	1.17
II	3.3	1.10	–.02	.03	1.10	2.85	2.07	1.21	.16	1.05	.86	.78
III	4.0	3.57	1.37	.94	1.26	.40	1.37	1.27	–.03	1.30	.09	–.97
IV *p*	3.1	3.22	.56	1.16	1.50	1.48	1.06	1.05	–.10	1.15	.01	.42

See next page for continuation of table.

TABLE B–5.—*Contributions to percent change in real gross domestic product, 1959–2004*—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	–.70	–.24	–.29	.05	–.46	–.42	–.04	.79	.46	.30	.16	.33
2003	–.43	.18	.14	.04	–.61	–.54	–.07	.52	.43	.38	.06	.09
2004 *p*	–.61	.77	.54	.23	–1.38	–1.25	–.14	.37	.32	.33	–.01	.05
2000: I	–1.53	.70	.65	.05	–2.23	–1.79	–.44	–.56	–.93	–.92	–.01	.36
II	–.98	1.30	1.03	.26	–2.27	–2.03	–.24	.96	.96	.61	.35	.01
III	–.87	1.14	1.36	–.22	–2.01	–1.70	–.32	–.37	–.51	–.29	–.22	.15
IV	–.07	–.31	–.45	.14	.24	.19	.04	.22	–.07	.06	–.13	.29
2001: I	–.04	–.59	–.43	–.16	.56	.43	.12	.92	.46	.25	.20	.46
II	.49	–1.45	–1.43	–.02	1.94	2.23	–.28	1.35	.52	.16	.36	.83
III	–.56	–2.04	–1.60	–.44	1.48	1.02	.47	–.28	.00	.09	–.09	–.28
IV	–.66	–1.11	–.63	–.48	.45	.21	.25	1.48	.51	.46	.05	.97
2002: I	–1.10	.43	–.13	.56	–1.53	–1.04	–.49	.85	.49	.23	.27	.36
II	–.46	.99	.87	.13	–1.45	–1.59	.14	.81	.78	.45	.33	.03
III	–.43	.29	.19	.10	–.72	–.65	–.06	.40	.19	.14	.05	.21
IV	–1.69	–.42	–.72	.30	–1.27	–.91	–.36	.75	.58	.54	.04	.17
2003: I	.14	–.15	.25	–.40	.29	.22	.06	.05	.04	–.11	.15	.02
II	–.50	–.15	–.06	–.10	–.34	–.58	.24	1.35	1.40	1.49	–.09	–.05
III	.64	1.02	.64	.39	–.39	.00	–.39	.03	–.23	–.36	.13	.26
IV	–.66	1.55	1.00	.56	–2.22	–1.96	–.26	.31	.33	.50	–.18	–.02
2004: I	–.76	.70	.60	.10	–1.46	–1.43	–.03	.48	.48	.47	.00	.00
II	–1.06	.70	.41	.30	–1.77	–1.52	–.25	.41	.18	.09	.10	.23
III	–.10	.59	.64	–.06	–.69	–.62	–.07	.13	.33	.45	–.12	–.20
IV *p*	–1.73	–.40	–.50	.10	–1.34	–1.49	.15	.18	.11	.00	.11	.07

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–6.—*Chain-type quantity indexes for gross domestic product, 1959–2004*

[Index numbers, 2000=100; quarterly data seasonally adjusted]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment					
		Total	Durable goods	Nondurable goods	Services	Total	Fixed investment				
							Total	Nonresidential			Residential
								Total	Structures	Equipment and software	
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	102.626	105.698	111.150	104.630	105.085	89.928	92.253	87.302	80.346	89.947	105.178
2003	105.749	109.143	119.378	108.481	107.418	93.852	96.924	90.157	75.810	95.679	114.392
2004 *p*	110.393	113.284	127.559	113.408	110.440	105.972	106.636	99.477	76.541	108.454	125.214
2000: I	98.764	98.841	101.097	98.458	98.530	96.691	98.339	97.126	95.744	97.587	101.689
II	100.315	99.465	98.609	99.835	99.474	103.060	100.600	100.526	99.785	100.778	100.786
III	100.200	100.424	100.056	100.398	100.521	100.411	100.443	101.066	102.088	100.723	98.718
IV	100.721	101.270	100.238	101.309	101.475	99.838	100.619	101.282	102.383	100.912	98.807
2001: I	100.597	101.687	101.877	101.438	101.758	96.245	99.953	100.192	100.191	100.210	99.342
II	100.906	101.942	101.802	101.409	102.218	94.350	97.709	96.600	99.168	95.683	100.714
III	100.551	102.391	102.576	102.018	102.519	91.768	96.603	94.908	100.621	92.820	101.166
IV	100.948	104.128	111.051	103.242	103.114	86.051	93.924	91.569	90.968	91.831	100.206
2002: I	101.798	104.604	108.624	104.217	103.951	89.458	92.891	89.263	86.440	90.340	102.448
II	102.400	105.339	109.789	104.416	104.859	89.524	92.072	87.037	81.065	89.301	105.228
III	103.059	106.092	113.433	104.261	105.472	90.418	92.117	86.805	77.601	90.304	105.967
IV	103.249	106.755	112.755	105.626	106.060	90.311	91.932	86.103	76.279	89.842	107.071
2003: I	103.743	107.461	112.731	106.923	106.615	90.119	92.479	86.075	73.674	90.829	109.032
II	104.792	108.488	118.146	107.338	107.099	90.902	94.902	88.518	76.203	93.235	111.420
III	106.681	109.828	122.733	109.145	107.613	95.616	98.904	91.802	75.955	97.917	117.201
IV	107.780	110.794	123.902	110.517	108.346	98.771	101.412	94.235	77.406	100.735	119.916
2004: I	108.969	111.925	124.572	112.331	109.237	101.672	102.529	95.204	75.886	102.699	121.400
II	109.858	112.360	124.482	112.367	109.955	106.191	105.913	98.041	77.171	106.157	126.122
III	110.941	113.776	129.529	113.659	110.782	106.823	108.170	101.075	76.958	110.524	126.628
IV *p*	111.803	115.076	131.653	115.275	111.784	109.199	109.932	103.588	76.149	114.436	126.708

See next page for continuation of table.

TABLE B–6.—*Chain-type quantity indexes for gross domestic product, 1959–2004*—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	19.544	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	92.343	90.068	97.989	100.585	100.408	101.571	107.918	111.725	111.972	111.284	105.999
2003	94.116	92.018	99.330	105.048	105.131	104.753	110.906	119.140	122.014	113.972	106.739
2004 *p*	101.737	99.578	107.097	115.311	116.284	110.726	113.073	124.724	131.002	113.388	107.166
2000: I	96.770	95.861	99.055	95.643	95.465	96.598	99.169	98.169	97.925	98.601	99.679
II	99.608	99.017	101.092	99.371	99.427	99.076	100.517	102.139	101.841	102.669	99.696
III	102.163	103.270	99.384	102.700	102.756	102.402	99.995	99.970	99.901	100.091	100.007
IV	101.458	101.852	100.469	102.286	102.352	101.924	100.318	99.722	100.334	98.639	100.618
2001: I	100.083	100.442	99.189	101.330	101.459	100.624	101.628	101.679	102.041	101.033	101.601
II	96.748	95.838	99.021	97.972	96.882	103.689	103.567	103.910	103.132	105.298	103.394
III	92.009	90.635	95.437	95.345	94.729	98.591	103.164	103.920	103.734	104.250	102.784
IV	89.422	88.568	91.559	94.518	94.262	95.921	105.289	106.124	106.838	104.852	104.869
2002: I	90.449	88.147	96.163	97.340	96.560	101.360	106.502	108.235	108.358	108.017	105.631
II	92.841	91.081	97.219	100.011	100.059	99.863	107.658	111.535	111.349	111.866	105.701
III	93.545	91.733	98.053	101.325	101.496	100.562	108.221	112.326	112.289	112.400	106.152
IV	92.536	89.310	100.520	103.665	103.517	104.500	109.292	114.804	115.894	112.853	106.514
2003: I	92.182	90.183	97.154	103.151	103.039	103.826	109.346	114.891	115.090	114.569	106.551
II	91.813	90.005	96.314	103.792	104.329	101.283	111.251	120.765	124.835	113.432	106.432
III	94.300	92.190	99.543	104.522	104.331	105.543	111.290	119.751	122.368	115.050	107.006
IV	98.170	95.694	104.310	108.725	108.824	108.360	111.738	121.154	125.765	112.840	106.968
2004: I	99.924	97.810	105.173	111.504	112.116	108.675	112.443	123.249	128.984	112.900	106.965
II	101.690	99.242	107.765	114.862	115.593	111.458	113.062	124.068	129.582	114.117	107.482
III	103.176	101.526	107.275	116.167	117.005	112.241	113.259	125.539	132.723	112.563	107.033
IV *p*	102.159	99.734	108.175	118.711	120.421	110.531	113.527	126.038	132.721	113.972	107.185

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–7.—*Chain-type price indexes for gross domestic product, 1959–2004*

[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	Non-durable 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	104.097	103.548	95.475	102.097	106.083	101.221	101.232	98.909	107.908	95.868	107.246
2003	106.003	105.511	92.244	104.154	109.237	102.304	102.435	98.546	110.176	94.754	111.951
2004 *p*	108.281	107.810	90.380	107.612	111.982	104.882	104.958	99.336	115.543	94.400	118.258
2000: I	99.292	99.296	100.471	98.816	99.276	99.496	99.481	99.772	98.482	100.212	98.683
II	99.780	99.777	100.337	99.717	99.685	99.788	99.788	99.841	99.366	100.005	99.635
III	100.241	100.239	99.715	100.562	100.194	100.253	100.252	100.191	100.455	100.102	100.418
IV	100.687	100.687	99.477	100.905	100.845	100.463	100.479	100.195	101.697	99.681	101.263
2001: I	101.507	101.502	99.137	101.256	102.149	100.454	100.410	99.605	103.196	98.376	102.628
II	102.290	102.146	98.369	102.121	102.997	100.839	100.856	99.743	104.835	97.996	103.889
III	102.690	102.291	97.669	101.895	103.512	101.355	101.399	99.818	106.512	97.497	105.639
IV	103.122	102.437	97.279	100.852	104.368	101.405	101.427	99.564	107.069	96.964	106.377
2002: I	103.470	102.660	96.343	100.861	104.963	101.142	101.136	99.240	107.075	96.547	106.165
II	103.853	103.386	95.743	102.193	105.693	101.106	101.101	98.957	107.638	96.004	106.711
III	104.280	103.894	95.244	102.520	106.524	100.992	101.008	98.642	108.061	95.474	107.125
IV	104.786	104.250	94.570	102.814	107.153	101.644	101.685	98.798	108.858	95.447	108.981
2003: I	105.490	105.080	93.688	104.108	108.158	102.001	102.154	98.668	109.911	94.981	110.780
II	105.780	105.269	92.787	103.520	108.993	101.969	102.085	98.354	109.906	94.585	111.253
III	106.158	105.689	91.757	104.423	109.529	102.276	102.401	98.431	110.255	94.588	112.097
IV	106.586	106.005	90.747	104.564	110.266	102.968	103.101	98.729	110.633	94.862	113.675
2004: I	107.314	106.860	90.741	105.914	111.085	103.514	103.618	98.793	111.926	94.611	115.179
II	108.169	107.683	90.725	107.616	111.667	104.644	104.709	99.220	113.984	94.626	117.710
III	108.551	108.021	90.008	107.869	112.314	105.405	105.482	99.449	116.677	94.256	119.674
IV *p*	109.091	108.677	90.047	109.048	112.861	105.966	106.024	99.880	119.585	94.107	120.470

See next page for continuation of table,

TABLE B–7.—*Chain-type price indexes for gross domestic product, 1959–2004*—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							Gross domestic product	Gross domestic purchases [1]	
	Exports	Imports	Total	Total	National defense	Non-defense	State and local		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	99.275	96.326	105.313	105.288	105.488	104.932	105.317	104.100	103.489	103.680	1.7	1.5	1.8
2003	101.395	99.615	108.702	109.081	109.875	107.631	108.485	106.025	105.571	105.299	1.8	2.0	1.6
2004 *p*	104.929	104.533	112.178	112.193	112.961	110.790	112.177	108.292	108.118	107.314	2.1	2.4	1.9
2000: I	99.461	99.321	98.970	99.489	99.527	99.421	98.707	99.288	99.275	99.466	3.4	3.8	2.9
II	99.989	99.487	99.395	99.223	99.482	98.765	99.483	99.779	99.714	99.793	2.0	1.8	1.3
III	100.223	100.506	100.486	100.449	100.377	100.576	100.504	100.241	100.283	100.191	1.9	2.3	1.6
IV	100.327	100.686	101.149	100.838	100.614	101.238	101.306	100.691	100.727	100.549	1.8	1.8	1.4
2001: I	100.345	99.926	101.929	101.309	101.489	100.984	102.245	101.503	101.403	101.127	3.3	2.7	2.3
II	100.017	98.416	102.384	101.587	101.677	101.426	102.789	102.296	101.974	101.628	3.1	2.3	2.0
III	99.512	97.089	102.792	102.143	102.314	101.841	103.121	102.700	102.223	102.093	1.6	1.0	1.8
IV	98.623	94.556	103.072	102.589	102.528	102.703	103.315	103.127	102.378	102.679	1.7	.6	2.3
2002: I	98.337	94.108	104.134	104.446	104.309	104.698	103.965	103.469	102.673	103.053	1.4	1.2	1.5
II	99.057	96.482	104.943	104.820	104.726	104.993	105.000	103.853	103.298	103.479	1.5	2.5	1.7
III	99.798	97.296	105.651	105.285	105.476	104.947	105.836	104.284	103.747	103.889	1.7	1.8	1.6
IV	99.906	97.416	106.523	106.601	107.442	105.089	106.468	104.794	104.237	104.298	2.0	1.9	1.6
2003: I	100.920	100.059	108.445	108.804	109.692	107.192	108.237	105.516	105.190	104.861	2.7	3.7	2.2
II	101.160	98.959	108.299	108.892	109.616	107.577	107.959	105.799	105.287	105.111	1.1	.4	1.0
III	101.355	99.606	108.898	109.181	109.917	107.838	108.736	106.179	105.721	105.414	1.4	1.7	1.2
IV	102.146	99.837	109.167	109.447	110.278	107.917	109.007	106.608	106.086	105.809	1.6	1.4	1.5
2004: I	103.565	102.163	110.522	111.203	111.825	110.095	110.131	107.332	106.980	106.461	2.8	3.4	2.5
II	104.746	103.760	111.703	112.020	112.790	110.613	111.524	108.178	107.913	107.128	3.2	3.5	2.5
III	105.175	105.066	112.682	112.491	113.317	110.970	112.802	108.561	108.429	107.579	1.4	1.9	1.7
IV *p*	106.232	107.142	113.804	113.059	113.912	111.484	114.253	109.097	109.149	108.088	2.0	2.7	1.9

[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, 1959–2004*

[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	10,487.0	10,475.9	11.2	3,439.5	3,428.4	11.2	1,557.7	13.2	1,870.7	–2.0	6,056.8	990.7
2003	11,004.0	11,005.3	–1.2	3,564.5	3,565.7	–1.2	1,618.2	.6	1,947.5	–1.8	6,384.7	1,054.8
2004 *p*	11,728.0	11,684.9	43.1	3,833.5	3,790.4	43.1	1,719.6	29.8	2,070.9	13.3	6,727.4	1,167.1
2000: I	9,629.4	9,599.6	29.9	3,392.9	3,363.1	29.9	1,651.8	18.0	1,711.3	11.9	5,310.5	926.0
II	9,822.8	9,726.5	96.3	3,486.1	3,389.8	96.3	1,654.9	67.1	1,734.9	29.2	5,397.4	939.4
III	9,862.1	9,803.7	58.4	3,461.0	3,402.6	58.4	1,656.2	29.3	1,746.4	29.1	5,454.8	946.3
IV	9,953.6	9,912.2	41.4	3,457.4	3,416.0	41.4	1,650.5	29.8	1,765.5	11.6	5,539.6	956.6
2001: I	10,021.5	10,031.4	–9.9	3,420.5	3,430.4	–9.9	1,663.2	–23.7	1,767.2	13.8	5,630.5	970.6
II	10,128.9	10,136.0	–7.0	3,432.4	3,439.5	–7.0	1,631.8	–24.1	1,807.7	17.1	5,697.5	999.0
III	10,135.1	10,166.9	–31.8	3,385.1	3,416.9	–31.8	1,587.7	–39.4	1,829.2	7.6	5,747.6	1,002.4
IV	10,226.3	10,304.5	–78.2	3,412.2	3,490.4	–78.2	1,638.6	–79.8	1,851.8	1.6	5,826.7	987.4
2002: I	10,338.2	10,347.2	–8.9	3,429.6	3,438.6	–8.9	1,567.3	–6.5	1,871.3	–2.5	5,918.5	990.1
II	10,445.7	10,431.7	14.0	3,436.0	3,422.0	14.0	1,548.9	6.9	1,873.0	7.1	6,022.2	987.5
III	10,546.5	10,527.4	19.1	3,460.9	3,441.8	19.1	1,576.3	13.3	1,865.5	5.8	6,099.9	985.7
IV	10,617.5	10,597.1	20.4	3,431.7	3,411.2	20.4	1,538.4	39.0	1,872.8	–18.6	6,186.5	999.4
2003: I	10,744.6	10,734.0	10.6	3,455.4	3,444.8	10.6	1,542.5	15.6	1,902.3	–5.0	6,276.5	1,012.7
II	10,884.0	10,899.3	–15.3	3,491.4	3,506.7	–15.3	1,590.9	–15.1	1,915.8	–.3	6,358.6	1,034.0
III	11,116.7	11,120.4	–3.7	3,632.3	3,636.0	–3.7	1,665.3	–13.2	1,970.8	9.5	6,410.3	1,074.1
IV	11,270.9	11,267.4	3.5	3,679.0	3,675.4	3.5	1,674.2	14.9	2,001.3	–11.4	6,493.6	1,098.4
2004: I	11,472.6	11,436.4	36.2	3,759.7	3,723.4	36.2	1,687.2	31.2	2,036.2	5.0	6,600.3	1,112.6
II	11,657.5	11,598.5	59.0	3,804.0	3,745.0	59.0	1,679.8	47.4	2,065.3	11.6	6,682.5	1,171.0
III	11,814.9	11,783.3	31.6	3,859.1	3,827.6	31.6	1,744.4	16.1	2,083.2	15.5	6,768.5	1,187.2
IV *p*	11,967.0	11,921.5	45.5	3,911.3	3,865.8	45.5	1,767.0	24.6	2,098.7	21.0	6,858.3	1,197.5

[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, 1959–2004*

[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	10,074.8	10,063.2	11.7	3,432.8	3,420.8	11.7	1,612.1	13.4	1,806.1	–1.5	5,718.0	922.8
2003	10,381.3	10,379.9	–.8	3,581.8	3,580.3	–.8	1,718.6	.4	1,861.6	–1.1	5,850.9	950.4
2004 *p*	10,837.2	10,790.2	45.3	3,843.1	3,792.8	45.3	1,861.0	29.3	1,936.1	16.8	6,006.7	999.1
2000: I	9,695.6	9,668.8	26.9	3,399.3	3,372.3	26.9	1,648.8	18.0	1,723.4	8.9	5,356.6	939.9
II	9,847.9	9,748.4	99.3	3,484.9	3,385.6	99.3	1,654.4	67.2	1,731.2	32.0	5,419.3	943.6
III	9,836.6	9,780.4	56.2	3,455.7	3,399.5	56.2	1,656.9	29.2	1,742.6	27.0	5,439.1	941.9
IV	9,887.7	9,844.3	43.5	3,457.5	3,414.1	43.5	1,653.2	29.8	1,761.0	13.8	5,487.3	942.8
2001: I	9,875.6	9,883.2	–7.8	3,417.7	3,425.6	–7.8	1,680.6	–23.9	1,745.5	15.7	5,513.5	943.9
II	9,905.9	9,908.7	–2.5	3,406.8	3,409.8	–2.5	1,653.9	–24.4	1,756.0	21.4	5,538.1	960.1
III	9,871.1	9,899.9	–29.9	3,358.7	3,388.1	–29.9	1,615.8	–40.0	1,771.1	9.6	5,561.2	949.6
IV	9,910.0	9,992.3	–86.7	3,380.2	3,464.2	–86.7	1,672.1	–81.5	1,791.9	–5.4	5,600.1	928.9
2002: I	9,993.5	10,000.4	–7.4	3,414.4	3,421.4	–7.4	1,607.7	–6.7	1,810.9	–.8	5,647.5	930.9
II	10,052.6	10,044.9	7.9	3,422.0	3,414.1	7.9	1,600.4	7.0	1,810.6	.8	5,706.2	923.1
III	10,117.3	10,095.2	22.7	3,461.4	3,438.5	22.7	1,637.8	13.5	1,799.3	9.2	5,737.9	917.6
IV	10,135.9	10,112.5	23.8	3,433.3	3,409.2	23.8	1,602.6	39.7	1,803.5	–15.0	5,780.2	919.5
2003: I	10,184.4	10,173.3	9.6	3,470.0	3,458.5	9.6	1,618.7	15.7	1,836.0	–5.5	5,793.2	919.6
II	10,287.4	10,302.5	–17.6	3,504.7	3,521.0	–17.6	1,682.4	–15.4	1,837.6	–2.7	5,844.8	935.8
III	10,472.8	10,473.9	–3.5	3,650.2	3,651.5	–3.5	1,776.6	–13.5	1,877.0	9.2	5,860.6	966.8
IV	10,580.7	10,569.6	8.6	3,702.2	3,690.4	8.6	1,796.8	14.9	1,895.9	–5.5	5,905.0	979.6
2004: I	10,697.5	10,655.8	40.0	3,776.2	3,731.7	40.0	1,817.5	31.3	1,916.5	9.8	5,949.5	981.3
II	10,784.7	10,722.3	61.1	3,799.2	3,732.2	61.1	1,812.6	46.8	1,921.3	16.1	5,982.7	1,011.0
III	10,891.0	10,854.7	34.5	3,875.9	3,837.3	34.5	1,894.7	15.6	1,948.5	18.9	6,023.6	1,004.7
IV *p*	10,975.7	10,928.1	45.8	3,921.0	3,870.1	45.8	1,919.3	23.7	1,957.9	22.3	6,071.1	999.4

[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, 1959–2004*

[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	10,487.0	8,057.1	7,986.3	70.8	1,235.2	704.4	530.7	1,194.8	350.4	844.3	905.7
2003	11,004.0	8,472.3	8,387.5	84.8	1,276.5	717.0	559.5	1,255.3	378.4	876.9	912.0
2004 *p*	11,728.0	9,053.6	8,966.6	87.0	1,367.9	778.4	589.5	1,306.5	393.7	912.8	978.2
2000: I	9,629.4	7,517.6	7,446.1	71.6	1,059.1	604.3	454.8	1,052.7	312.8	739.9	780.4
II	9,822.8	7,688.0	7,615.2	72.9	1,069.4	609.0	460.4	1,065.4	316.8	748.6	786.1
III	9,862.1	7,698.3	7,626.2	72.2	1,087.9	618.7	469.2	1,075.9	316.4	759.5	798.1
IV	9,953.6	7,762.7	7,693.2	69.5	1,106.5	630.6	475.8	1,084.4	315.5	768.9	812.6
2001: I	10,021.5	7,791.7	7,719.7	72.0	1,128.4	639.5	489.0	1,101.4	321.1	780.3	822.0
II	10,128.9	7,865.2	7,795.6	69.6	1,146.6	651.4	495.2	1,117.1	323.8	793.4	836.2
III	10,135.1	7,823.8	7,752.6	71.3	1,176.2	674.8	501.4	1,135.1	327.4	807.8	865.0
IV	10,226.3	7,883.9	7,804.3	79.6	1,190.3	682.4	508.0	1,152.1	330.4	821.6	876.1
2002: I	10,338.2	7,946.8	7,876.1	70.8	1,216.7	697.6	519.1	1,174.7	345.1	829.6	897.2
II	10,445.7	8,017.3	7,944.5	72.8	1,240.6	713.4	527.2	1,187.8	348.2	839.7	917.2
III	10,546.5	8,105.6	8,034.9	70.7	1,241.1	705.5	535.6	1,199.8	350.2	849.6	907.5
IV	10,617.5	8,158.7	8,089.7	69.0	1,242.2	701.1	541.1	1,216.6	358.2	858.4	901.1
2003: I	10,744.6	8,247.4	8,174.9	72.5	1,257.3	708.5	548.8	1,239.9	374.6	865.3	906.2
II	10,884.0	8,377.1	8,290.3	86.8	1,256.8	701.3	555.4	1,250.1	378.8	871.3	895.1
III	11,116.7	8,579.3	8,491.1	88.2	1,276.0	713.9	562.1	1,261.4	379.9	881.4	906.0
IV	11,270.9	8,685.4	8,593.7	91.7	1,315.8	744.3	571.5	1,269.7	380.2	889.4	940.6
2004: I	11,472.6	8,843.3	8,757.8	85.5	1,338.8	759.7	579.1	1,290.5	391.8	898.7	957.5
II	11,657.5	9,000.7	8,911.8	88.9	1,357.4	772.9	584.4	1,299.4	392.0	907.4	972.0
III	11,814.9	9,125.2	9,044.6	80.6	1,378.0	784.8	593.3	1,311.6	393.7	917.9	985.2
IV *p*	11,967.0	9,245.1	9,152.2	92.9	1,397.4	796.3	601.1	1,324.5	397.3	927.2	998.0

[1] Gross domestic business product equals gross domestic product excluding gross value added of households and institutions and of general government. Nonfarm product 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, 1959–2004*

[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	10,074.8	7,831.0	7,761.3	69.9	1,135.8	649.7	486.0	1,107.4	323.2	784.3	836.4
2003	10,381.3	8,132.1	8,059.6	72.7	1,132.5	644.0	488.5	1,120.1	331.7	788.3	821.0
2004 *p*	10,837.2	8,544.6	8,483.1	65.5	1,170.4	674.5	496.0	1,129.9	334.5	795.3	849.3
2000: I	9,695.6	7,561.7	7,490.6	71.3	1,070.9	608.9	462.0	1,063.0	313.9	749.1	787.1
II	9,847.9	7,699.1	7,626.9	72.2	1,075.7	610.9	464.8	1,073.0	320.3	752.7	789.1
III	9,836.6	7,683.8	7,610.6	73.1	1,083.2	617.8	465.4	1,069.7	314.5	755.2	796.6
IV	9,887.7	7,722.1	7,652.5	69.5	1,093.0	625.0	468.0	1,072.7	312.8	759.8	804.4
2001: I	9,875.6	7,700.0	7,630.6	69.3	1,096.7	626.2	470.5	1,079.0	315.9	763.1	804.7
II	9,905.9	7,716.3	7,653.6	63.1	1,102.5	629.1	473.5	1,087.0	317.4	769.6	807.5
III	9,871.1	7,656.7	7,598.0	59.6	1,120.0	642.9	477.1	1,093.6	317.9	775.7	824.4
IV	9,910.0	7,691.0	7,620.4	70.4	1,120.7	641.2	479.5	1,097.6	316.9	780.7	823.7
2002: I	9,993.5	7,757.8	7,695.9	62.2	1,132.4	650.5	482.0	1,102.3	320.3	781.9	836.9
II	10,052.6	7,799.1	7,728.2	71.0	1,145.9	660.1	485.8	1,106.3	322.5	783.8	849.5
III	10,117.3	7,872.0	7,797.0	75.2	1,135.8	647.5	488.3	1,109.3	324.5	784.8	834.3
IV	10,135.9	7,895.2	7,824.1	71.2	1,129.0	640.9	488.1	1,111.9	325.3	786.6	825.0
2003: I	10,184.4	7,938.8	7,870.0	68.6	1,130.0	642.3	487.7	1,116.3	329.5	786.7	824.6
II	10,287.4	8,048.3	7,971.8	76.2	1,121.8	634.7	487.0	1,119.8	332.3	787.3	812.1
III	10,472.8	8,228.4	8,151.9	76.3	1,128.6	640.6	487.9	1,120.9	332.6	788.2	814.3
IV	10,580.7	8,312.8	8,244.5	69.7	1,149.6	658.2	491.5	1,123.2	332.3	790.8	832.9
2004: I	10,697.5	8,420.0	8,360.5	63.4	1,158.0	665.2	492.9	1,125.7	333.8	791.8	840.1
II	10,784.7	8,500.0	8,446.2	59.7	1,165.9	671.2	494.9	1,126.1	333.3	792.7	845.9
III	10,891.0	8,594.0	8,533.8	64.5	1,174.5	677.4	497.3	1,130.9	334.3	796.5	852.2
IV *p*	10,975.7	8,664.4	8,592.0	74.4	1,183.0	684.2	499.1	1,136.9	336.5	800.3	858.9

[1] Gross domestic business product equals gross domestic product excluding gross value added of households and institutions and of general government. Nonfarm product 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, 1987–2003*

[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										
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	10,487.0	9,154.1	96.9	104.9	479.1	1,347.2	771.9	575.3	210.7	624.9	744.3
2003	11,004.0	9,604.2	113.9	130.3	501.3	1,402.3	798.0	604.4	222.2	645.4	770.5
	Percent	Industry value added as a percentage of GDP (percent)									
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	87.3	.9	1.0	4.6	12.8	7.4	5.5	2.0	6.0	7.1
2003	100.0	87.3	1.0	1.2	4.6	12.7	7.3	5.5	2.0	5.9	7.0

[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.

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, 1987–2003—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									
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	304.4	470.0	2,148.2	1,190.0	799.0	382.3	252.1	1,332.9	2,028.1	7,126.0
2003	319.3	493.8	2,250.3	1,244.3	851.2	396.4	263.0	1,399.9	2,147.8	7,456.3
	Industry value added as a percentage of GDP (percent)									
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	4.5	20.5	11.3	7.6	3.6	2.4	12.7	19.3	68.0
2003	2.9	4.5	20.4	11.3	7.7	3.6	2.4	12.7	19.5	67.8

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) have been updated in line with the national income and product accounts (NIPA) benchmark revisions released in December 2003. Revised SIC-based estimates are available from the Department of Commerce, Bureau of Economic Analysis, for current-dollar value added by industry for 1947–97 and for real value added for 1977–97.

For further details, see Survey of Current Business, November 2004.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–13.—*Real gross domestic product by industry, value added, and percent changes, 1987–2003*

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)										
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	102.626	102.755	100.049	92.675	97.529	96.634	95.260	98.584	100.763	108.679	112.683
2003	105.749	105.906	105.598	86.209	97.279	100.966	101.067	100.929	106.737	106.640	119.014
	Percent change from year earlier										
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	1.0	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	4.3	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	1.9	1.8	6.8	–2.2	–2.6	2.3	1.3	3.7	6.0	1.6	5.3
2003	3.0	3.1	5.5	–7.0	–.3	4.5	6.1	2.4	5.9	–1.9	5.6

[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.

See next page for continuation of table.

TABLE B–13.—*Real gross domestic product by industry, value added, and percent changes, 1987–2003—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)									
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	99.178	103.746	105.301	100.616	107.102	101.124	97.525	102.303	96.726	104.671
2003	104.183	109.630	108.684	104.137	110.071	103.065	97.996	103.709	99.400	107.974
	Percent change from year earlier									
1988	4.1	4.1	4.1	7.3	0.4	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	1.9	–.3	1.4	1.3	3.8	1.8	–.8	1.5	1.1	2.0
2003	5.0	5.7	3.2	3.5	2.8	1.9	.5	1.4	2.8	3.2

Note.—Data are based on the 1997 North American Industry Classification System (NAICS).
See Note, Table B–12.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–14.—*Gross value added of nonfinancial corporate business, 1959–2004*

[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	5,377.7	655.7	4,722.0	3,601.3	465.1	655.5	181.7	55.5	418.4	89.0	329.4	324.1	–1.2	95.6
2003	5,606.8	676.4	4,930.5	3,696.2	483.4	750.8	170.8	63.5	516.4	130.0	386.4	397.7	–14.1	132.9
2004 *p*	.....	692.4	.....	3,901.6	510.6	.....	.....	63.0	.....	.....	.....	.....	.....	197.0
2000: I	5,196.5	549.6	4,647.0	3,485.0	432.0	730.0	183.5	48.5	498.0	183.6	314.4	454.8	–28.6	71.8
II	5,252.7	562.2	4,690.5	3,506.0	440.3	744.2	189.7	47.9	506.6	181.4	325.2	451.3	–11.3	66.6
III	5,316.9	574.3	4,742.6	3,577.5	447.6	717.5	196.0	48.1	473.5	165.9	307.6	415.8	–6.3	64.0
IV	5,322.4	585.3	4,737.1	3,608.9	453.9	674.4	197.6	49.3	427.5	150.0	277.5	373.7	–10.1	63.9
2001: I	5,315.8	616.6	4,699.1	3,616.6	444.4	638.2	202.0	51.9	384.2	127.6	256.6	363.7	–4.1	24.6
II	5,321.3	635.9	4,685.4	3,604.8	437.1	643.6	207.0	56.9	379.7	126.2	253.5	359.9	1.1	18.7
III	5,279.1	683.6	4,595.5	3,587.6	423.3	584.7	205.8	37.8	341.1	110.9	230.2	312.8	18.0	10.4
IV	5,257.7	651.1	4,606.6	3,574.5	451.5	580.6	201.3	55.5	323.7	82.0	241.7	206.1	30.4	87.3
2002: I	5,309.6	648.1	4,661.5	3,571.2	456.4	633.9	193.3	54.8	385.8	73.2	312.7	266.0	15.9	104.0
II	5,375.6	653.2	4,722.5	3,605.1	464.7	652.7	183.6	54.3	414.8	86.5	328.2	314.6	1.6	98.5
III	5,392.8	658.2	4,734.6	3,610.3	469.7	654.5	177.4	55.3	421.8	93.6	328.2	340.8	–11.8	92.8
IV	5,432.9	663.3	4,769.5	3,618.7	469.8	681.0	172.5	57.4	451.1	102.6	348.5	374.8	–10.6	86.9
2003: I	5,443.0	668.5	4,774.5	3,627.4	477.1	669.9	171.4	58.4	440.1	120.5	319.5	376.6	–27.4	90.8
II	5,547.8	673.7	4,874.1	3,668.5	472.6	733.0	169.6	62.3	501.1	120.5	380.6	367.8	–1.0	134.3
III	5,669.0	679.0	4,990.0	3,717.9	489.0	783.2	170.2	65.7	547.3	132.2	415.1	401.4	–3.8	149.7
IV	5,767.5	684.3	5,083.3	3,771.0	495.0	817.2	172.1	67.8	577.3	146.8	430.5	445.0	–24.3	156.6
2004: I	5,839.4	671.8	5,167.6	3,818.1	501.1	848.5	174.8	69.0	604.6	147.7	456.9	443.4	–37.0	198.3
II	5,955.5	680.9	5,274.7	3,878.6	508.4	887.6	177.2	69.6	640.8	164.9	475.9	496.5	–47.8	192.0
III	6,036.7	726.8	5,309.8	3,928.2	511.7	870.0	177.3	42.5	650.2	167.5	482.7	506.5	–37.8	181.5
IV *p*	.....	690.0	.....	3,981.6	521.3	.....	.....	70.9	.....	.....	.....	.....	.....	216.0

[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, 1959–2004*

[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	5,377.7	5,275.9	1.019	.683	.257	.124	.099	.034	.079	.017	.062
2003	5,606.8	5,423.0	1.034	.682	.258	.125	.101	.032	.095	.024	.071
2000:I	5,196.5	5,228.5	.994	.667	.232	.105	.092	.035	.095	.035	.060
II	5,252.7	5,258.1	.999	.667	.236	.107	.093	.036	.096	.034	.062
III	5,316.9	5,302.1	1.003	.675	.238	.108	.093	.037	.089	.031	.058
IV	5,322.4	5,299.9	1.004	.681	.242	.110	.095	.037	.081	.028	.052
2001:I	5,315.8	5,285.9	1.006	.684	.249	.117	.094	.038	.073	.024	.049
II	5,321.3	5,256.7	1.012	.686	.254	.121	.094	.039	.072	.024	.048
III	5,279.1	5,197.6	1.016	.690	.261	.132	.089	.040	.066	.021	.044
IV	5,257.7	5,158.0	1.019	.693	.263	.126	.098	.039	.063	.016	.047
2002:I	5,309.6	5,225.7	1.016	.683	.259	.124	.098	.037	.074	.014	.060
II	5,375.6	5,279.7	1.018	.683	.257	.124	.098	.035	.079	.016	.062
III	5,392.8	5,294.6	1.019	.682	.257	.124	.099	.034	.080	.018	.062
IV	5,432.9	5,303.5	1.024	.682	.257	.125	.099	.033	.085	.019	.066
2003:I	5,443.0	5,294.8	1.028	.685	.259	.126	.101	.032	.083	.023	.060
II	5,547.8	5,373.1	1.033	.683	.257	.125	.100	.032	.093	.022	.071
III	5,669.0	5,471.9	1.036	.679	.256	.124	.101	.031	.100	.024	.076
IV	5,767.5	5,552.0	1.039	.679	.255	.123	.101	.031	.104	.026	.078
2004:I	5,839.4	5,598.7	1.043	.682	.253	.120	.102	.031	.108	.026	.082
II	5,955.5	5,657.4	1.053	.686	.253	.120	.102	.031	.113	.029	.084
III	6,036.7	5,731.7	1.053	.685	.255	.127	.097	.031	.113	.029	.084

[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, 1959–2004*

[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: Total [1]	Household operation: Electricity and gas	Transportation	Medical care
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	7,376.1	916.2	426.1	319.9	2,080.1	1,005.8	302.1	163.4	14.1	4,379.8	1,144.8	409.0	152.6	288.0	1,210.3
2003	7,760.9	950.7	440.1	328.0	2,200.1	1,064.5	307.2	191.3	16.9	4,610.1	1,188.4	431.3	167.3	294.0	1,301.1
2004 *p*	8,231.1	995.7	449.3	351.5	2,376.5	1,149.7	326.5	224.5	20.3	4,859.0	1,238.8	452.1	177.8	301.7	1,391.3
2000: I	6,613.9	876.9	402.3	311.4	1,894.2	906.9	292.8	168.6	14.3	3,842.8	983.8	372.0	128.6	286.8	998.1
II	6,688.1	854.2	376.9	313.4	1,938.3	922.1	296.1	173.7	14.9	3,895.6	998.8	385.4	138.7	290.9	1,017.0
III	6,783.9	861.3	382.6	314.7	1,965.8	932.0	300.3	177.5	16.2	3,956.7	1,013.6	393.7	145.4	292.5	1,036.9
IV	6,871.6	860.9	384.3	312.2	1,990.5	939.7	301.6	182.8	18.0	4,020.3	1,029.6	409.4	160.6	294.7	1,055.2
2001: I	6,955.8	872.1	395.5	312.3	2,000.0	953.8	299.8	180.2	17.5	4,083.7	1,047.0	418.3	168.9	297.4	1,079.5
II	7,017.5	864.7	390.8	310.7	2,016.6	961.9	297.1	183.6	15.2	4,136.2	1,065.6	409.6	157.3	296.1	1,101.0
III	7,058.5	865.1	393.7	309.9	2,024.2	972.9	295.0	170.8	15.2	4,169.1	1,082.3	408.8	154.3	290.7	1,125.4
IV	7,188.4	932.8	451.5	315.5	2,027.5	983.1	299.0	152.0	13.8	4,228.0	1,099.9	399.3	146.2	287.1	1,149.4
2002: I	7,236.9	903.5	414.5	319.8	2,046.8	994.6	303.9	147.8	12.6	4,286.5	1,121.8	400.6	146.5	287.6	1,173.7
II	7,339.3	907.5	415.8	321.9	2,077.7	1,004.1	303.2	163.0	13.7	4,354.0	1,140.0	406.7	151.6	288.8	1,197.9
III	7,428.0	932.8	444.6	318.5	2,081.3	1,006.2	297.7	166.1	14.3	4,413.9	1,153.2	410.9	153.0	287.2	1,222.5
IV	7,500.0	920.8	429.7	319.4	2,114.6	1,018.4	303.6	176.5	15.8	4,464.7	1,164.2	417.7	159.2	288.3	1,247.0
2003: I	7,609.8	912.1	421.4	316.8	2,167.5	1,039.5	299.9	201.9	17.2	4,530.2	1,174.5	426.6	164.9	291.5	1,267.6
II	7,696.3	946.8	442.4	323.9	2,163.6	1,052.2	303.6	180.1	15.5	4,585.9	1,182.7	428.9	166.3	293.0	1,290.5
III	7,822.5	972.7	452.5	333.3	2,219.2	1,074.6	311.0	190.9	16.7	4,630.6	1,193.4	431.8	166.7	295.1	1,312.1
IV	7,914.9	971.1	444.1	338.0	2,250.1	1,091.8	314.4	192.5	18.2	4,693.6	1,202.8	438.1	171.2	296.5	1,334.0
2004: I	8,060.2	976.3	438.4	345.0	2,316.6	1,120.3	325.0	211.1	18.6	4,767.3	1,215.4	445.6	175.7	297.8	1,356.8
II	8,153.8	975.5	432.5	348.6	2,354.6	1,137.5	322.9	224.5	18.7	4,823.8	1,232.7	447.6	174.3	300.5	1,379.1
III	8,282.5	1,007.0	458.4	353.8	2,387.2	1,157.0	325.2	224.2	21.3	4,888.2	1,247.3	453.5	177.4	302.6	1,404.4
IV *p*	8,428.1	1,023.9	468.0	358.8	2,447.6	1,184.1	332.8	238.2	22.8	4,956.5	1,259.7	461.5	183.8	305.9	1,425.0

[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, 1990–2004*

[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	7,123.4	959.6	428.7	360.7	2,037.4	958.4	316.7	180.7	15.4	4,128.6	1,062.0	394.1	144.7	279.9	1,139.3
2003	7,355.6	1,030.6	452.1	393.5	2,112.4	995.1	330.2	182.0	15.4	4,220.3	1,076.1	400.2	147.2	277.7	1,184.3
2004 *p*	7,634.7	1,101.3	467.4	439.7	2,208.3	1,042.8	352.3	181.4	16.2	4,339.0	1,094.7	410.9	150.6	280.7	1,228.4
2000: I	6,661.3	872.8	403.3	306.7	1,917.2	916.1	291.3	176.7	14.8	3,871.1	995.7	376.3	133.9	289.9	1,010.7
II	6,703.3	851.3	376.1	311.3	1,944.0	925.6	296.4	174.4	15.7	3,908.2	1,003.3	388.6	142.0	291.9	1,022.0
III	6,768.0	863.8	383.2	315.9	1,955.0	927.8	301.1	173.0	16.1	3,949.3	1,009.9	392.5	143.8	291.6	1,032.1
IV	6,825.0	865.4	383.5	317.8	1,972.7	931.2	302.1	178.5	16.7	3,986.8	1,016.9	403.0	153.6	291.7	1,042.5
2001: I	6,853.1	879.5	392.6	323.8	1,975.2	937.1	300.5	180.4	16.0	3,997.9	1,024.4	397.6	148.5	292.9	1,053.5
II	6,870.3	878.9	388.6	328.1	1,974.7	938.3	301.8	173.5	14.9	4,016.0	1,031.2	389.5	138.8	291.5	1,065.7
III	6,900.5	885.6	392.7	332.2	1,986.5	940.6	302.9	176.1	15.0	4,027.8	1,036.5	390.3	138.9	285.9	1,082.7
IV	7,017.6	958.7	449.4	343.0	2,010.3	945.0	309.8	183.1	14.7	4,051.2	1,042.8	386.6	137.3	281.6	1,099.1
2002: I	7,049.7	937.8	415.1	354.4	2,029.3	951.4	316.4	183.3	14.6	4,084.1	1,052.8	388.5	139.6	282.0	1,117.1
II	7,099.2	947.8	418.6	360.1	2,033.2	958.4	316.2	178.4	15.3	4,119.7	1,060.8	394.5	144.2	280.9	1,132.5
III	7,149.9	979.3	447.1	361.2	2,030.2	958.0	312.9	178.0	15.4	4,143.8	1,065.5	394.7	145.1	278.5	1,147.0
IV	7,194.6	973.4	433.9	367.2	2,056.8	965.8	321.2	183.0	16.3	4,166.9	1,068.7	398.9	149.9	278.2	1,160.5
2003: I	7,242.2	973.2	428.0	369.3	2,082.0	981.4	320.6	184.5	15.0	4,188.7	1,071.6	399.5	149.0	279.3	1,170.0
II	7,311.4	1,020.0	451.3	385.2	2,090.1	988.0	327.1	177.8	14.3	4,207.7	1,074.3	396.8	144.5	277.7	1,179.7
III	7,401.7	1,059.6	465.6	405.0	2,125.3	1,002.2	334.9	179.1	15.5	4,227.9	1,078.1	398.7	144.7	277.1	1,189.3
IV	7,466.8	1,069.7	463.5	414.6	2,152.0	1,008.6	338.2	186.4	16.9	4,256.7	1,080.3	406.0	150.6	276.7	1,198.3
2004: I	7,543.0	1,075.5	456.7	425.6	2,187.3	1,028.4	351.2	186.0	16.1	4,291.7	1,086.0	409.3	151.9	278.1	1,207.9
II	7,572.4	1,074.7	449.6	433.3	2,188.0	1,034.3	346.5	179.0	16.1	4,320.0	1,091.5	408.4	148.8	280.1	1,221.0
III	7,667.8	1,118.3	478.9	445.4	2,213.2	1,045.4	351.6	179.8	16.6	4,352.4	1,097.9	409.7	148.5	281.3	1,236.1
IV *p*	7,755.4	1,136.6	484.5	454.6	2,244.7	1,063.0	359.9	180.6	15.8	4,391.8	1,103.4	416.1	153.3	283.4	1,248.5

[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, 1959–2004*

[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	1,568.0	1,063.9	271.6	792.4	400.5	81.4	161.7	157.3	138.6	126.0	127.3	504.1	496.6	265.9
2003	1,667.0	1,094.7	261.6	833.1	431.2	95.3	165.8	170.0	139.8	126.6	135.5	572.3	564.3	310.6
2004 *p*	1,879.3	1,217.6	277.0	940.7	484.3	110.8	182.4	191.0	150.5	148.0	157.8	661.7	653.0	367.1
2000: I	1,642.4	1,193.9	295.2	898.7	446.4	96.2	168.7	181.5	156.0	165.6	130.7	448.5	441.2	240.6
II	1,685.4	1,236.5	310.4	926.1	466.5	103.5	174.8	188.1	159.5	166.7	133.4	448.8	441.5	238.9
III	1,690.6	1,247.5	321.1	926.5	473.6	103.8	177.9	191.9	162.1	160.3	130.6	443.1	435.7	233.3
IV	1,697.5	1,250.3	326.0	924.2	484.0	102.2	183.2	198.5	159.3	150.8	130.1	447.2	439.8	234.3
2001: I	1,685.2	1,229.6	323.9	905.7	470.8	97.3	182.8	190.6	160.1	142.7	132.2	455.6	448.2	241.0
II	1,654.7	1,187.1	325.7	861.4	442.8	88.3	176.1	178.4	148.4	142.3	127.9	467.6	460.2	248.5
III	1,644.8	1,167.2	335.8	831.4	422.0	77.5	172.1	172.4	141.6	138.2	129.6	477.6	470.2	255.1
IV	1,599.6	1,123.2	305.2	818.1	412.5	78.4	167.6	166.5	136.6	143.7	125.3	476.3	468.9	251.8
2002: I	1,577.4	1,091.4	290.0	801.4	401.7	80.5	163.3	157.9	142.5	134.3	122.9	486.0	478.5	254.0
II	1,563.0	1,061.2	273.4	787.8	398.2	79.5	160.6	158.2	136.9	125.1	127.6	501.8	494.2	264.0
III	1,562.2	1,055.0	262.7	792.3	404.9	83.1	163.8	158.0	137.9	120.7	128.7	507.2	499.8	268.5
IV	1,569.5	1,048.1	260.1	788.0	397.2	82.6	159.3	155.3	136.9	123.9	130.1	521.4	513.8	277.0
2003: I	1,586.0	1,046.4	253.6	792.8	407.9	85.6	161.0	161.4	139.7	116.1	129.0	539.6	532.0	292.1
II	1,626.4	1,072.7	262.3	810.4	419.3	91.5	162.8	165.0	139.3	121.4	130.3	553.8	545.9	297.1
III	1,700.2	1,113.3	262.3	851.1	442.8	99.7	169.1	174.0	140.8	128.8	138.7	586.9	578.7	315.0
IV	1,755.2	1,146.3	268.2	878.1	454.7	104.5	170.5	179.7	139.5	140.0	144.0	609.0	600.6	338.2
2004: I	1,783.5	1,158.8	266.0	892.8	468.5	104.4	176.8	187.4	143.1	134.5	146.6	624.6	616.1	349.3
II	1,861.7	1,198.5	275.5	923.1	480.9	108.8	180.0	192.2	145.0	143.2	153.9	663.2	654.6	365.8
III	1,915.4	1,238.5	281.2	957.3	486.3	111.1	182.9	192.2	155.2	153.0	162.7	677.0	668.3	376.1
IV *p*	1,956.6	1,274.7	285.2	989.6	501.3	119.1	190.0	192.3	158.7	161.4	168.1	681.9	673.1	377.4

[1] Includes other items, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–19.—*Real private fixed investment by type, 1990–2004*

[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	1,548.9	1,075.6	251.6	826.5	439.6	.....	163.6	164.3	137.4	125.6	124.5	470.0	462.5	246.3
2003	1,627.3	1,110.8	237.4	879.2	492.4	.....	171.2	179.4	137.6	121.6	131.2	511.2	503.0	274.2
2004 *p*	1,790.4	1,225.6	239.7	996.6	571.9	.....	192.4	205.0	144.5	135.3	151.1	559.6	550.4	304.6
2000: I	1,651.1	1,196.7	299.9	896.7	442.9	.....	171.4	179.9	156.3	166.1	131.3	454.5	447.1	243.5
II	1,689.1	1,238.6	312.5	926.0	465.7	.....	175.8	187.7	159.7	167.0	133.6	450.4	443.1	239.7
III	1,686.4	1,245.2	319.7	925.5	473.8	.....	176.2	192.3	161.9	159.5	130.4	441.2	433.8	232.4
IV	1,689.4	1,247.9	320.6	927.3	488.1	.....	181.2	200.2	159.0	150.7	129.6	441.6	434.2	231.5
2001: I	1,678.2	1,234.4	313.8	920.8	485.7	.....	181.4	193.7	159.3	145.3	130.9	444.0	436.6	234.6
II	1,640.5	1,190.2	310.6	879.2	461.4	.....	174.1	182.9	147.3	144.5	126.3	450.1	442.7	239.1
III	1,621.9	1,169.3	315.1	852.9	447.3	.....	172.3	177.8	140.6	137.6	127.6	452.1	444.8	240.3
IV	1,577.0	1,128.2	284.9	843.8	441.7	.....	167.4	172.2	135.4	144.0	122.8	447.8	440.4	234.5
2002: I	1,559.6	1,099.8	270.7	830.1	434.1	.....	163.8	163.7	141.5	134.1	120.4	457.8	450.3	237.7
II	1,545.9	1,072.4	253.9	820.6	435.5	.....	162.9	164.9	136.0	124.3	125.1	470.3	462.7	246.0
III	1,546.6	1,069.5	243.0	829.8	446.5	.....	165.9	165.4	136.6	121.9	125.7	473.6	466.0	249.5
IV	1,543.5	1,060.9	238.9	825.5	442.2	.....	161.7	163.2	135.4	121.9	126.7	478.5	470.9	252.0
2003: I	1,552.7	1,060.5	230.7	834.6	460.0	.....	164.9	169.6	137.9	113.9	125.2	487.3	479.5	260.3
II	1,593.4	1,090.6	238.7	856.7	475.7	.....	166.8	173.7	137.3	120.5	126.1	497.9	489.8	264.1
III	1,660.6	1,131.1	237.9	899.7	507.1	.....	174.6	183.9	138.4	124.3	134.0	523.8	515.3	278.3
IV	1,702.7	1,161.0	242.4	925.6	526.6	.....	178.5	190.4	136.8	127.8	139.3	535.9	527.2	294.1
2004: I	1,721.4	1,173.0	237.7	943.7	547.0	.....	185.6	200.2	139.0	122.7	142.1	542.5	533.6	299.3
II	1,778.3	1,207.9	241.7	975.5	565.4	.....	189.5	206.2	139.7	130.0	147.5	563.6	554.6	305.7
III	1,816.1	1,245.3	241.0	1,015.6	575.6	.....	192.7	206.8	148.5	141.0	155.2	565.9	556.7	307.9
IV *p*	1,845.7	1,276.3	238.5	1,051.5	599.4	.....	201.6	206.9	150.6	147.5	159.6	566.3	556.9	305.7

[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, 1959–2004*

[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	1,956.6	680.8	437.4	382.0	4.4	51.0	243.4	210.7	9.9	22.9	1,275.8	1,016.5	208.2	51.0
2003	2,075.5	752.2	496.4	436.1	5.3	55.1	255.7	222.5	10.2	23.0	1,323.3	1,058.5	213.4	51.5
2004 *p*	2,183.8	810.0	548.1	477.8	5.4	64.9	261.9	227.0	10.0	24.9	1,373.9	1,099.8	221.7	52.4
2000: I	1,689.6	565.3	360.9	311.9	4.5	44.5	204.4	173.8	9.2	21.5	1,124.3	900.6	176.0	47.8
II ...	1,720.0	586.6	375.2	326.2	5.2	43.8	211.4	178.9	8.6	24.0	1,133.4	910.8	173.8	48.8
III ..	1,729.9	581.2	371.3	322.1	5.4	43.8	209.9	179.4	8.1	22.4	1,148.6	923.4	175.9	49.4
IV ..	1,746.9	582.0	373.8	325.7	4.8	43.3	208.2	179.2	7.5	21.5	1,164.9	936.3	178.5	50.1
2001: I	1,783.3	596.2	383.5	335.8	4.8	42.9	212.7	182.6	8.0	22.1	1,187.2	951.7	185.7	49.7
II ...	1,825.4	610.9	388.3	338.0	4.7	45.6	222.6	189.9	8.0	24.7	1,214.5	963.6	200.4	50.6
III ..	1,825.6	614.3	393.0	341.4	4.3	47.3	221.3	191.3	8.4	21.6	1,211.2	976.6	183.7	51.0
IV ..	1,868.2	630.1	405.6	354.3	4.6	46.6	224.5	194.1	8.8	21.6	1,238.1	987.1	199.9	51.1
2002: I	1,909.2	654.2	418.5	367.1	4.2	47.2	235.8	203.7	9.7	22.4	1,255.0	996.2	207.7	51.1
II ...	1,944.9	676.6	431.7	376.0	4.4	51.2	244.9	210.3	9.7	24.9	1,268.3	1,011.5	205.8	51.0
III ..	1,968.3	684.4	438.5	380.0	4.5	53.9	245.9	213.4	9.9	22.7	1,283.9	1,023.8	208.9	51.3
IV ..	2,004.2	708.2	461.0	404.8	4.6	51.6	247.2	215.5	10.3	21.4	1,296.0	1,034.6	210.6	50.8
2003: I	2,041.4	723.4	467.4	410.1	4.8	52.5	256.0	224.2	10.0	21.8	1,318.0	1,054.8	212.2	51.0
II ...	2,074.2	761.1	506.7	446.7	4.9	55.0	254.4	219.0	10.6	24.8	1,313.1	1,051.8	210.3	51.1
III ..	2,086.4	756.7	498.1	437.1	5.7	55.3	258.7	225.9	10.5	22.2	1,329.7	1,061.0	217.0	51.7
IV ..	2,100.0	767.5	513.6	450.2	5.7	57.7	253.9	221.1	9.7	23.1	1,332.6	1,066.3	214.2	52.0
2004: I	2,139.5	793.3	534.1	465.2	5.9	63.1	259.1	225.9	9.7	23.5	1,346.3	1,079.8	214.9	51.5
II ...	2,174.3	804.4	541.2	473.6	4.9	62.8	263.2	226.6	10.1	26.4	1,369.9	1,091.8	226.0	52.1
III ..	2,197.2	817.4	557.0	487.1	5.6	64.3	260.4	225.9	10.4	24.2	1,379.8	1,105.5	221.8	52.5
IV *p*	2,224.3	824.8	559.9	485.2	5.2	69.5	264.9	229.5	9.9	25.5	1,399.5	1,122.0	224.1	53.5

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–21.—*Real government consumption expenditures and gross investment by type, 1990–2004*

[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
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	1,857.9	646.6	414.6	358.2	4.2	52.5	232.0	199.0	9.3	23.6	1,211.4	962.2	195.7	53.5
2003	1,909.4	689.6	451.8	390.3	4.8	56.8	237.6	204.0	9.4	24.1	1,219.8	969.0	196.1	54.8
2004 *p*	1,946.7	721.9	485.1	415.4	4.7	65.9	236.4	201.5	8.8	26.5	1,224.7	973.8	195.1	56.2
2000: I	1,707.3	568.2	362.6	313.8	4.5	44.3	205.6	174.8	9.3	21.5	1,139.2	912.4	179.1	47.7
II	1,730.5	591.2	377.1	328.1	5.2	43.8	214.0	181.5	8.6	24.0	1,139.3	916.3	174.2	48.8
III	1,721.5	578.6	369.9	320.7	5.4	43.9	208.7	178.2	8.1	22.4	1,142.9	918.7	174.9	49.3
IV	1,727.1	577.2	371.5	323.4	4.7	43.4	205.6	176.8	7.3	21.5	1,149.9	923.7	175.9	50.2
2001: I	1,749.6	588.5	377.9	329.8	4.7	43.3	210.6	180.6	7.8	22.3	1,161.1	929.6	181.1	50.4
II	1,783.0	601.4	381.9	331.3	4.6	46.1	219.5	187.1	7.7	24.8	1,181.6	935.6	194.6	51.5
III	1,776.1	601.5	384.1	332.1	4.1	48.1	217.3	187.3	8.1	21.9	1,174.6	945.2	177.4	52.1
IV	1,812.7	614.2	395.6	343.1	4.4	48.2	218.6	188.2	8.4	21.9	1,198.5	954.5	191.1	52.9
2002: I	1,833.5	626.4	401.3	348.6	4.0	48.6	225.2	193.0	9.2	22.9	1,207.2	957.0	197.1	53.1
II	1,853.4	645.5	412.3	355.7	4.2	52.8	233.2	198.5	9.2	25.6	1,208.0	960.9	193.8	53.3
III	1,863.1	650.1	415.8	356.5	4.2	55.5	234.3	201.4	9.3	23.5	1,213.1	963.7	195.6	53.9
IV	1,881.6	664.5	429.2	371.9	4.3	53.0	235.3	203.2	9.6	22.3	1,217.3	967.3	196.5	53.5
2003: I	1,882.5	665.0	426.2	367.8	4.5	54.1	238.8	206.6	9.3	22.7	1,217.7	967.7	196.1	54.0
II	1,915.3	699.0	462.3	401.0	4.5	56.7	236.5	200.9	9.8	25.9	1,216.3	968.6	193.4	54.4
III	1,916.0	693.1	453.1	391.1	5.2	57.0	239.9	206.7	9.7	23.3	1,222.9	968.8	199.0	55.3
IV	1,923.7	701.2	465.7	401.4	5.1	59.5	235.2	202.0	8.8	24.4	1,222.5	970.9	196.1	55.7
2004: I	1,935.8	713.3	477.6	408.5	5.3	64.7	235.4	201.8	8.7	24.9	1,222.4	971.5	195.8	55.3
II	1,946.5	718.1	479.9	412.5	4.3	63.7	237.9	201.5	8.9	28.0	1,228.3	971.5	201.2	55.8
III	1,949.9	726.6	491.5	422.1	4.8	65.2	234.7	200.2	9.0	25.8	1,223.2	974.6	192.7	56.3
IV *p*	1,954.5	729.5	491.5	418.3	4.4	70.1	237.6	202.4	8.4	27.2	1,224.9	977.6	190.5	57.4

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, 1959–2004*

[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	34.0	3.90	2.67
1960	136.2	42.7	.....	48.7	16.9	21.9	6.1	93.5	35.1	3.89	2.67
1961	139.6	44.3	.....	50.1	17.3	21.3	6.6	95.2	36.7	3.80	2.59
1962	147.2	46.7	.....	53.2	18.0	22.7	6.6	100.5	38.8	3.79	2.59
1963	149.7	44.2	.....	55.1	19.5	23.9	7.1	105.5	41.3	3.62	2.55
1964	154.3	42.1	.....	58.6	20.8	25.2	7.7	112.2	44.1	3.50	2.54
1965	169.3	47.1	.....	63.4	22.5	28.0	8.3	122.2	48.9	3.46	2.50
1966	185.7	47.4	.....	73.0	25.8	30.6	8.9	138.3	51.8	3.59	2.67
1967	194.9	45.8	.....	79.9	28.1	30.9	10.1	149.1	55.0	3.54	2.71
1968	208.2	48.9	.....	85.1	29.3	34.2	10.6	159.3	60.7	3.43	2.62
1969	227.7	53.1	.....	92.6	32.5	37.5	12.0	174.6	64.7	3.52	2.70
1970	236.0	52.7	.....	95.5	36.4	38.5	12.9	183.3	68.0	3.47	2.70
1971	253.9	59.5	.....	96.6	39.4	44.7	13.7	194.4	73.9	3.43	2.63
1972	283.9	74.0	.....	102.1	43.1	49.8	14.8	209.9	82.6	3.44	2.54
1973	352.2	102.8	.....	121.5	51.7	58.4	17.7	249.4	91.1	3.86	2.74
1974	406.3	88.2	.....	162.6	66.9	63.9	24.7	318.1	98.8	4.11	3.22
1975	409.3	90.3	.....	162.2	66.5	64.4	25.9	319.0	110.9	3.69	2.88
1976	440.1	85.8	.....	178.7	74.1	73.0	28.5	354.2	121.7	3.62	2.91
1977	482.4	91.0	.....	193.2	84.0	80.9	33.3	391.4	136.1	3.55	2.88
1978	571.4	119.7	.....	219.8	99.0	94.1	38.8	451.7	157.4	3.63	2.87
1979	668.2	135.6	.....	261.8	119.5	104.7	46.6	532.6	174.8	3.82	3.05
1980	739.8	141.1	.....	293.4	139.4	111.7	54.1	598.7	191.5	3.86	3.13
1981	779.2	127.5	.....	313.1	148.8	123.2	66.6	651.7	206.2	3.78	3.16
1982	774.1	131.5	.....	304.6	147.9	123.2	66.8	642.6	216.4	3.58	2.97
1983	797.6	132.5	.....	308.9	153.4	137.6	65.2	665.1	238.1	3.35	2.79
1984	869.3	131.8	.....	344.5	169.1	157.0	66.9	737.6	258.4	3.36	2.85
1985	876.1	125.9	.....	333.3	175.9	171.4	69.5	750.2	277.9	3.15	2.70
1986	858.0	112.9	.....	320.6	182.0	176.2	66.3	745.1	295.2	2.91	2.52
1987	924.2	119.8	.....	339.6	195.8	199.1	69.9	804.4	309.9	2.98	2.60
1988	999.2	130.2	.....	372.4	213.9	213.2	69.5	869.1	337.3	2.96	2.58
1989	1,044.4	129.6	.....	390.5	222.8	231.4	70.1	914.7	358.0	2.92	2.55
1990	1,082.3	133.4	.....	404.5	236.8	236.6	71.0	948.9	373.8	2.90	2.54
1991	1,057.2	123.2	.....	384.1	239.2	240.2	70.5	934.0	384.5	2.75	2.43
1992	1,082.4	132.9	.....	377.6	248.3	249.4	74.3	949.5	412.2	2.63	2.30
1993	1,115.8	132.1	.....	380.1	258.6	268.6	76.5	983.7	433.9	2.57	2.27
1994	1,194.3	134.3	.....	404.3	281.5	293.6	80.6	1,060.0	458.6	2.60	2.31
1995	1,257.0	130.9	.....	424.5	303.7	312.2	85.6	1,126.1	482.4	2.61	2.33
NAICS:											
1996	1,284.4	136.3	31.1	421.0	285.1	328.7	82.1	1,148.1	515.0	2.49	2.23
1997	1,329.5	136.7	33.7	431.7	303.1	337.5	86.9	1,192.9	544.3	2.44	2.19
1998	1,346.8	120.3	37.3	431.5	313.3	353.6	90.9	1,226.5	578.0	2.33	2.12
1999	1,442.2	124.2	39.6	457.7	337.4	383.8	99.5	1,318.0	612.6	2.35	2.15
2000: I	1,467.5	126.8	40.4	463.9	346.1	386.4	104.0	1,340.7	624.0	2.35	2.15
II	1,494.1	125.6	41.6	470.1	352.1	396.8	107.8	1,368.5	632.6	2.36	2.16
III	1,509.6	121.9	43.6	473.8	354.8	403.0	112.6	1,387.7	636.7	2.37	2.18
IV	1,535.9	132.1	44.5	477.0	359.0	409.0	114.4	1,403.8	643.4	2.39	2.18
2001: I	1,539.0	136.9	49.5	475.2	357.1	404.9	115.3	1,402.1	650.1	2.37	2.16
II	1,528.1	135.9	48.6	465.6	356.2	406.5	115.3	1,392.2	656.0	2.33	2.12
III	1,501.8	131.1	46.8	452.8	349.6	407.5	114.1	1,370.7	654.6	2.29	2.09
IV	1,458.3	126.1	47.5	437.9	338.6	395.6	112.6	1,332.2	663.5	2.20	2.01
2002: I	1,460.1	129.2	47.7	435.9	336.4	400.0	111.0	1,330.9	663.0	2.20	2.01
II	1,469.6	126.9	48.8	436.0	338.3	407.9	111.6	1,342.7	666.9	2.20	2.01
III	1,487.7	129.7	47.6	440.1	346.0	412.8	111.4	1,358.0	673.9	2.21	2.02
IV	1,508.2	136.7	48.8	443.5	346.9	420.9	111.5	1,371.5	678.2	2.22	2.02
2003: I	1,533.0	136.9	53.5	448.5	351.0	430.7	112.2	1,396.0	686.4	2.23	2.03
II	1,520.2	137.0	52.3	441.2	347.2	429.8	112.6	1,383.2	699.4	2.17	1.98
III	1,534.8	149.5	51.9	437.6	350.2	432.8	113.0	1,385.4	715.3	2.15	1.94
IV	1,552.5	152.0	52.3	442.0	357.7	435.2	113.3	1,400.4	723.5	2.15	1.94
2004: I	1,606.0	175.4	53.9	452.1	366.6	443.8	114.3	1,430.6	733.9	2.19	1.95
II	1,645.8	178.6	55.4	463.7	376.4	456.3	115.4	1,467.2	745.1	2.21	1.97
III	1,660.1	163.4	57.9	478.6	389.0	453.9	117.2	1,496.7	757.8	2.19	1.97
IV *p*	1,690.3	162.6	61.6	487.8	401.4	457.3	119.6	1,527.7	766.6	2.20	1.99

[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 value added of households and institutions and of general government and 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, 1990–2004*

[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:											
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: I	1,470.9	124.2	43.7	465.6	345.4	387.6	104.6	1,346.8	571.2	2.58	2.36
II	1,495.7	125.7	43.0	470.6	351.6	396.7	108.1	1,370.1	575.0	2.60	2.38
III	1,509.8	125.0	43.1	471.5	355.3	402.4	112.5	1,384.8	577.5	2.61	2.40
IV	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: I	1,518.7	127.8	43.1	472.0	358.4	402.9	114.3	1,390.9	581.8	2.61	2.39
II	1,518.1	127.5	46.5	466.1	359.1	404.3	114.2	1,390.6	581.5	2.61	2.39
III	1,510.6	127.7	49.1	458.9	354.6	405.7	114.1	1,382.8	578.8	2.61	2.39
IV	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: I	1,487.1	127.6	51.6	449.1	344.0	401.3	113.1	1,359.4	582.3	2.55	2.33
II	1,489.1	125.6	49.8	446.1	344.2	409.3	113.4	1,363.5	583.7	2.55	2.34
III	1,494.7	125.2	48.7	446.5	346.9	413.9	113.0	1,369.6	586.3	2.55	2.34
IV	1,500.7	124.9	47.5	445.4	347.6	422.6	112.3	1,375.9	585.6	2.56	2.35
2003: I	1,503.1	124.9	47.0	442.3	347.1	429.6	111.9	1,378.3	590.2	2.55	2.34
II	1,498.7	124.4	46.6	438.6	346.0	429.9	113.0	1,374.4	597.9	2.51	2.30
III	1,497.8	124.3	46.9	433.5	346.5	433.3	113.1	1,373.7	612.1	2.45	2.24
IV	1,499.9	125.1	47.8	430.2	347.5	435.6	113.3	1,374.8	618.7	2.42	2.22
2004: I	1,509.9	126.4	46.6	430.9	349.7	442.0	114.0	1,383.5	624.5	2.42	2.22
II	1,525.2	127.2	46.2	433.2	354.7	449.5	114.6	1,398.2	628.7	2.43	2.22
III	1,533.8	128.1	47.3	435.0	363.0	444.5	115.6	1,405.8	637.8	2.40	2.20
IV *p*	1,545.3	128.8	47.7	436.5	370.8	444.7	116.4	1,416.6	643.0	2.40	2.20

[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 value added of households and institutions and of general government and 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 for 1990 through 1995 are based on the 1987 Standard Industrial Classification (SIC). Beginning with 1996, estimates are based on the North American Industry Classification System (NAICS).

See *Survey of Current Business,* Table 5.7.6B, for detailed information on calculation of the chained (2000) dollar inventory series. Also, historical data on SIC basis are available from the Department of Commerce, Bureau of Economic Analysis.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–24.—*Foreign transactions in the national income and product accounts, 1959–2004*

[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	1,306.8	1,005.0	697.0	308.0	301.8	1,764.4	1,429.9	1,189.6	240.2	274.7	59.8	35.7	14.4	9.7	–457.7
2003	1,375.2	1,046.2	726.4	319.8	329.0	1,886.1	1,544.3	1,282.0	262.3	273.9	67.9	38.2	18.4	11.3	–510.9
2004 *p*	.....	1,170.2	815.6	354.7	.....	.....	1,779.6	1,488.8	290.8	.....	73.5	42.5	19.9	11.1	.....
2000: I	1,418.0	1,055.1	749.2	305.9	362.9	1,780.8	1,401.5	1,177.0	224.5	330.4	48.9	31.9	8.7	8.3	–362.8
II	1,477.8	1,091.8	776.9	315.0	386.0	1,858.9	1,458.7	1,229.6	229.1	349.2	51.0	31.6	9.1	10.3	–381.1
III	1,502.1	1,122.4	810.9	311.5	379.7	1,925.6	1,523.1	1,284.9	238.3	348.1	54.3	31.3	11.4	11.6	–423.5
IV	1,517.8	1,115.8	800.4	315.4	402.1	1,937.0	1,519.7	1,282.3	237.3	347.2	70.1	31.2	24.6	14.4	–419.2
2001: I	1,462.5	1,100.7	788.9	311.8	361.8	1,873.4	1,493.7	1,258.5	235.2	323.0	56.8	32.6	6.9	17.2	–411.0
II	1,398.3	1,060.5	749.8	310.7	337.8	1,774.6	1,422.2	1,181.2	241.0	293.2	59.2	32.9	8.0	18.3	–376.3
III	1,309.5	1,003.5	704.5	299.0	306.0	1,661.9	1,365.3	1,135.6	229.8	289.3	7.3	33.6	8.9	–35.1	–352.5
IV	1,250.8	966.6	681.7	284.8	284.2	1,592.6	1,318.2	1,096.5	221.7	209.6	64.8	32.9	14.1	17.8	–341.8
2002: I	1,263.4	975.0	676.3	298.7	288.5	1,686.4	1,351.3	1,117.7	233.6	265.0	70.1	34.8	23.0	12.3	–422.9
II	1,312.6	1,008.1	702.6	305.5	304.5	1,766.8	1,423.5	1,188.5	235.1	288.6	54.7	34.8	10.1	9.8	–454.2
III	1,336.4	1,023.4	713.5	310.0	312.9	1,796.5	1,454.5	1,213.4	241.1	287.8	54.2	36.1	9.6	8.5	–460.2
IV	1,314.6	1,013.5	695.5	318.0	301.2	1,808.0	1,490.1	1,238.9	251.1	257.5	60.4	37.2	14.9	8.3	–493.4
2003: I	1,324.6	1,019.8	708.4	311.4	304.8	1,858.8	1,523.0	1,268.7	254.3	268.0	67.7	37.2	21.2	9.3	–534.2
II	1,327.9	1,018.1	709.8	308.3	309.8	1,846.4	1,515.7	1,262.6	253.1	264.7	66.0	37.6	18.1	10.3	–518.6
III	1,377.5	1,047.7	725.9	321.7	329.8	1,881.7	1,536.4	1,270.3	266.1	278.2	67.1	36.5	18.7	11.9	–504.3
IV	1,471.0	1,099.2	761.3	337.9	371.8	1,957.6	1,602.0	1,326.4	275.6	284.6	71.0	41.6	15.8	13.6	–486.6
2004: I	1,508.2	1,134.3	790.3	344.1	373.8	2,065.2	1,681.2	1,399.2	282.0	300.3	83.8	41.7	28.0	14.1	–557.0
II	1,555.6	1,167.6	812.2	355.4	388.0	2,185.7	1,758.9	1,470.1	288.8	351.9	74.9	42.1	17.6	15.2	–630.1
III	1,596.3	1,189.5	833.4	356.1	406.8	2,230.0	1,801.2	1,506.9	294.4	368.6	60.1	43.2	17.1	–.2	–633.7
IV *p*	.....	1,189.6	826.5	363.1	.....	.....	1,877.1	1,579.1	297.9	.....	75.2	42.9	16.8	15.4	.....

[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, 1990–2004*

[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	1,012.3	706.4	490.9	215.8	305.7	1,484.4	1,248.5	801.2	447.7	235.9
2003	1,031.8	721.7	500.8	221.2	309.9	1,550.3	1,307.3	834.3	473.2	243.3
2004 *p*	1,115.3	781.0	553.8	228.3	334.1	1,701.7	1,446.0	946.4	501.7	257.2
2000: I	1,060.9	751.9	543.7	208.2	309.0	1,411.5	1,187.1	785.3	401.5	224.4
II	1,092.0	776.6	566.9	209.8	315.3	1,466.5	1,236.3	813.7	422.5	230.1
III	1,120.0	810.0	586.7	223.3	310.0	1,515.6	1,277.7	842.0	435.8	237.9
IV	1,112.3	798.9	579.7	219.1	313.4	1,509.5	1,272.7	841.8	431.3	236.8
2001: I	1,097.2	787.8	569.4	218.4	309.4	1,495.4	1,261.6	812.9	448.7	233.7
II	1,060.6	751.7	535.7	216.0	308.9	1,445.8	1,204.7	769.7	435.2	240.9
III	1,008.7	710.9	500.4	210.6	297.7	1,407.1	1,177.9	752.3	426.0	229.0
IV	980.3	694.7	483.1	211.9	285.6	1,394.9	1,172.1	742.8	430.3	222.8
2002: I	991.6	691.4	478.4	213.3	300.0	1,436.5	1,200.7	769.9	431.2	235.4
II	1,017.8	714.4	497.2	217.5	303.3	1,475.9	1,244.2	804.1	440.3	232.0
III	1,025.5	719.5	502.9	216.8	305.9	1,495.3	1,262.1	813.9	448.5	233.6
IV	1,014.5	700.5	485.1	215.6	313.6	1,529.8	1,287.2	816.7	470.8	242.7
2003: I	1,010.6	707.3	485.6	221.8	303.1	1,522.3	1,281.3	812.0	469.3	241.2
II	1,006.5	705.9	489.3	216.9	300.4	1,531.7	1,297.3	826.7	470.8	235.3
III	1,033.8	723.1	500.6	222.7	310.5	1,542.5	1,297.3	825.4	472.0	245.2
IV	1,076.2	750.6	527.6	223.6	325.4	1,604.5	1,353.2	873.1	480.8	251.7
2004: I	1,095.4	767.2	541.9	226.1	328.1	1,645.5	1,394.1	896.4	498.2	252.4
II	1,114.8	778.4	553.0	226.6	336.2	1,695.1	1,437.4	945.3	494.7	258.9
III	1,131.1	796.3	566.7	230.9	334.6	1,714.3	1,454.9	960.9	497.2	260.7
IV *p*	1,120.0	782.3	553.5	229.7	337.4	1,751.9	1,497.4	983.0	516.7	256.8

[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, 1959–2004*

[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	10,487.0	301.8	274.7	10,514.1	1,303.9	1,092.8	211.2	9,210.1	–15.3	9,225.4
2003	11,004.0	329.0	273.9	11,059.2	1,353.9	1,135.9	218.1	9,705.2	25.6	9,679.6
2004 *p*	11,728.0	.....	.....	.....	1,406.9	1,177.9	229.0	.....	.....	.....
2000: I	9,629.4	362.9	330.4	9,661.9	1,153.1	959.6	193.4	8,508.8	–171.7	8,680.5
II	9,822.8	386.0	349.2	9,859.6	1,177.0	981.0	196.0	8,682.6	–67.8	8,750.4
III	9,862.1	379.7	348.1	9,893.6	1,199.9	1,001.6	198.3	8,693.7	–164.6	8,858.3
IV	9,953.6	402.1	347.2	10,008.4	1,221.3	1,021.1	200.2	8,787.2	–104.6	8,891.7
2001: I	10,021.5	361.8	323.0	10,060.2	1,240.5	1,038.4	202.0	8,819.8	–167.8	8,987.6
II	10,128.9	337.8	293.2	10,173.5	1,270.8	1,067.0	203.8	8,902.7	–98.8	9,001.5
III	10,135.1	306.0	289.3	10,151.8	1,332.7	1,121.3	211.4	8,819.1	–71.1	8,890.3
IV	10,226.3	284.2	209.6	10,300.9	1,281.8	1,075.2	206.6	9,019.1	–20.9	9,039.9
2002: I	10,338.2	288.5	265.0	10,361.7	1,287.1	1,078.5	208.6	9,074.7	–61.8	9,136.5
II	10,445.7	304.5	288.6	10,461.6	1,297.9	1,087.7	210.3	9,163.7	–58.7	9,222.3
III	10,546.5	312.9	287.8	10,571.7	1,309.3	1,097.4	211.9	9,262.4	20.8	9,241.6
IV	10,617.5	301.2	257.5	10,661.2	1,321.5	1,107.6	213.8	9,339.7	38.4	9,301.3
2003: I	10,744.6	304.8	268.0	10,781.3	1,334.0	1,118.4	215.6	9,447.3	39.6	9,407.7
II	10,884.0	309.8	264.7	10,929.0	1,347.0	1,129.7	217.3	9,582.0	13.2	9,568.8
III	11,116.7	329.8	278.2	11,168.3	1,360.6	1,141.5	219.1	9,807.7	36.6	9,771.1
IV	11,270.9	371.8	284.6	11,358.1	1,374.2	1,153.8	220.4	9,983.9	12.8	9,971.1
2004: I	11,472.6	373.8	300.3	11,546.1	1,355.0	1,132.4	222.6	10,191.1	63.0	10,128.1
II	11,657.5	388.0	351.9	11,693.6	1,375.2	1,148.1	227.0	10,318.4	56.4	10,262.0
III	11,814.9	406.8	368.6	11,853.0	1,497.9	1,266.8	231.1	10,355.1	90.4	10,264.7
IV *p*	11,967.0	.....	.....	.....	1,399.5	1,164.0	235.5	.....	.....	.....

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–27.—*Relation of national income and personal income, 1959–2004*

[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	9,225.4	874.6	724.4	748.3	532.9	80.9	2.8	.0	1,334.6	1,282.7	8,878.9
2003	9,679.6	1,021.1	751.3	773.2	543.0	77.7	9.5	.0	1,322.7	1,335.4	9,161.8
2004 *p*	.....	.....	800.1	818.3	548.2	81.7	6.7	.0	1,386.6	1,406.3	9,659.1
2000: I	8,680.5	832.6	653.2	695.5	548.3	81.3	7.9	.0	1,349.9	1,054.6	8,266.2
II	8,750.4	833.0	662.6	696.3	560.6	85.0	7.1	.0	1,385.6	1,080.8	8,372.3
III	8,858.3	811.8	667.9	707.7	564.3	88.9	4.2	.0	1,406.2	1,094.8	8,514.4
IV	8,891.7	794.3	674.6	711.2	563.0	93.1	2.2	.0	1,406.5	1,106.0	8,565.8
2001: I	8,987.6	778.7	672.8	729.2	565.2	98.3	1.7	.0	1,397.4	1,149.6	8,688.7
II	9,001.5	783.1	667.9	731.5	569.9	104.8	–1.1	.0	1,388.7	1,185.7	8,719.9
III	8,890.3	714.5	658.2	731.9	565.5	65.7	–2.9	.0	1,373.3	1,202.6	8,733.1
IV	9,039.9	793.0	694.5	731.9	564.8	102.5	–3.4	.0	1,360.3	1,237.8	8,754.8
2002: I	9,136.5	838.2	708.4	745.7	549.2	89.6	–.9	.0	1,337.8	1,259.4	8,803.6
II	9,222.3	868.4	723.4	749.1	527.3	81.3	–.1	.0	1,340.2	1,284.0	8,897.1
III	9,241.6	876.2	732.8	748.9	526.8	78.0	6.0	.0	1,333.7	1,289.1	8,895.7
IV	9,301.3	915.4	733.1	749.6	528.3	74.6	6.0	.0	1,326.7	1,298.1	8,919.2
2003: I	9,407.7	912.0	740.7	762.4	541.3	74.8	10.3	1.4	1,325.9	1,311.4	9,002.2
II	9,568.8	986.2	737.7	768.9	542.8	76.9	9.8	–1.4	1,324.7	1,333.1	9,105.7
III	9,771.1	1,057.1	757.4	776.7	542.8	78.9	9.3	.0	1,314.4	1,346.2	9,209.3
IV	9,971.1	1,129.1	769.4	785.0	545.3	80.1	8.7	.0	1,325.8	1,350.7	9,330.0
2004: I	10,128.1	1,165.6	782.9	803.9	554.5	82.7	8.1	1.5	1,337.1	1,379.0	9,445.0
II	10,262.0	1,173.9	796.3	814.0	548.5	83.5	7.4	–1.5	1,352.3	1,400.4	9,592.7
III	10,264.7	1,118.0	803.5	823.0	546.7	76.0	6.5	.0	1,367.8	1,415.4	9,674.3
IV *p*	.....	.....	817.9	832.3	543.0	84.4	4.7	.0	1,489.3	1,430.2	9,924.6

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–28.—*National income by type of income, 1959–2004*

[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	Government	Other	Total	Employer contributions for employee pension and insurance funds	Employer contributions for government social insurance	Total	Farm	Nonfarm	
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	9,225.4	6,069.5	4,976.3	862.6	4,113.7	1,093.2	729.6	363.6	769.6	9.7	759.9	170.9
2003	9,679.6	6,289.0	5,103.6	897.9	4,205.6	1,185.5	808.9	376.6	834.1	21.8	812.3	153.8
2004 *p*	.....	6,616.6	5,342.6	925.8	4,416.7	1,274.1	875.4	398.7	902.4	18.0	884.4	165.6
2000: I	8,680.5	5,694.1	4,760.0	762.0	3,998.0	934.1	593.9	340.2	709.3	23.2	686.1	153.8
II	8,750.4	5,727.2	4,783.2	772.8	4,010.5	944.0	603.7	340.3	726.5	23.8	702.7	148.5
III	8,858.3	5,837.4	4,874.9	779.2	4,095.8	962.5	616.5	346.0	735.6	23.0	712.6	148.2
IV	8,891.7	5,871.9	4,898.8	784.9	4,113.9	973.1	625.6	347.6	742.1	20.7	721.4	150.5
2001: I	8,987.6	5,946.2	4,961.1	798.0	4,163.0	985.1	629.3	355.8	769.4	21.9	747.5	155.3
II	9,001.5	5,944.6	4,951.4	809.1	4,142.2	993.2	636.4	356.9	770.6	19.2	751.5	161.7
III	8,890.3	5,939.3	4,935.2	822.2	4,113.0	1,004.1	647.2	356.9	773.4	17.7	755.7	176.4
IV	9,039.9	5,938.3	4,923.4	834.1	4,089.4	1,014.8	657.9	356.9	774.2	20.0	754.1	176.2
2002: I	9,136.5	6,010.2	4,956.2	850.7	4,105.6	1,054.0	691.5	362.5	762.2	10.8	751.4	179.7
II	9,222.3	6,068.3	4,980.3	859.7	4,120.6	1,088.0	723.8	364.2	769.0	10.4	758.6	184.7
III	9,241.6	6,086.0	4,981.2	866.8	4,114.4	1,104.8	740.9	363.9	770.4	8.7	761.7	165.4
IV	9,301.3	6,113.4	4,987.3	873.2	4,114.1	1,126.0	762.0	364.0	776.7	8.8	767.9	153.8
2003: I	9,407.7	6,179.1	5,024.7	889.2	4,135.6	1,154.3	782.7	371.6	794.0	13.8	780.2	155.5
II	9,568.8	6,245.6	5,072.0	896.4	4,175.6	1,173.7	799.0	374.6	825.7	24.1	801.6	144.1
III	9,771.1	6,324.7	5,128.6	901.1	4,227.5	1,196.1	817.9	378.2	852.0	24.8	827.2	148.8
IV	9,971.1	6,406.7	5,188.9	905.0	4,283.9	1,217.8	835.9	381.9	864.7	24.7	840.0	167.1
2004: I	10,128.1	6,489.4	5,240.7	918.8	4,321.8	1,248.8	856.5	392.3	872.1	17.9	854.2	172.8
II	10,262.0	6,578.5	5,311.4	922.0	4,389.3	1,267.2	870.4	396.8	901.4	18.9	882.5	172.6
III	10,264.7	6,657.4	5,375.0	928.2	4,446.8	1,282.3	881.6	400.8	902.9	13.6	889.3	153.8
IV *p*	.....	6,741.1	5,443.2	934.3	4,508.9	1,297.9	892.9	405.0	933.1	21.6	911.6	163.1

See next page for continuation of table.

TABLE B–28.—*National income by type of income, 1959–2004*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation and capital consumption adjustments: Total	Profits with inventory valuation adjustment and without capital consumption adjustment: Total	Profits: Profits before tax	Profits: Taxes on corporate income	Profits after tax: Total	Profits after tax: Net dividends	Profits after tax: Undistributed profits	Inventory valuation adjustment	Capital consumption adjustment	Net interest and miscellaneous payments	Taxes on production and imports	Less: Subsidies	Business current transfer payments (net)	Current surplus of government enterprises
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	874.6	756.8	758.0	183.8	574.2	390.0	184.1	–1.2	117.8	532.9	762.6	38.2	80.9	2.8
2003	1,021.1	860.4	874.5	234.9	639.6	395.3	244.2	–14.1	160.8	543.0	798.1	46.7	77.7	9.5
2004 *p*	.....	.....	.....	.....	.....	443.9	.....	.....	239.4	548.2	840.1	39.9	81.7	6.7
2000: I	832.6	766.8	795.4	280.8	514.6	360.3	154.4	–28.6	65.8	548.3	697.6	44.4	81.3	7.9
II	833.0	773.5	784.8	272.5	512.2	377.3	135.0	–11.3	59.6	560.6	706.9	44.4	85.0	7.1
III	811.8	756.3	762.6	260.3	502.3	386.6	115.7	–6.3	55.5	564.3	712.2	44.3	88.9	4.2
IV	794.3	740.7	750.8	247.1	503.7	387.6	116.1	–10.1	53.6	563.0	718.7	44.1	93.1	2.2
2001: I	778.7	750.5	754.6	222.5	532.1	379.2	152.9	–4.1	28.2	565.2	725.1	52.3	98.3	1.7
II	783.1	756.0	755.0	217.9	537.1	370.1	167.0	1.1	27.1	569.9	726.3	58.4	104.8	–1.1
III	714.5	689.1	671.1	197.6	473.6	366.0	107.5	18.0	25.4	565.5	725.6	67.3	65.7	–2.9
IV	793.0	681.3	650.9	178.6	472.4	368.4	104.0	30.4	111.7	564.8	737.6	43.1	102.5	–3.4
2002: I	838.2	711.7	695.8	168.9	526.9	378.7	148.2	15.9	126.6	549.2	747.3	38.9	89.6	–.9
II	868.4	747.5	745.9	183.5	562.4	389.2	173.2	1.6	121.0	527.3	760.1	36.8	81.3	–.1
III	876.2	761.2	773.0	188.3	584.8	395.3	189.4	–11.8	115.0	526.8	771.2	38.4	78.0	6.0
IV	915.4	806.8	817.4	194.7	622.7	396.9	225.7	–10.6	108.6	528.3	771.8	38.7	74.6	6.0
2003: I	912.0	798.7	826.1	224.0	602.1	396.0	206.1	–27.4	113.3	541.3	783.5	42.8	74.8	10.3
II	986.2	823.5	824.5	224.6	600.0	394.7	205.3	–1.0	162.7	542.8	792.9	55.2	76.9	9.8
III	1,057.1	877.2	881.0	238.7	642.3	394.1	248.1	–3.8	179.9	542.8	802.0	44.5	78.9	9.3
IV	1,129.1	941.9	966.2	252.3	713.9	396.4	317.5	–24.3	187.2	545.3	813.9	44.4	80.1	8.7
2004: I	1,165.6	925.4	962.4	256.5	705.9	403.4	302.5	–37.0	240.2	554.5	823.3	40.4	82.7	8.1
II	1,173.9	940.6	988.3	271.2	717.1	413.2	303.9	–47.8	233.3	548.5	835.7	39.4	83.5	7.4
III	1,118.0	895.0	932.8	253.3	679.5	424.0	255.5	–37.8	223.0	546.7	843.1	39.7	76.0	6.5
IV *p*	.....	.....	.....	.....	.....	534.7	.....	.....	261.2	543.0	858.1	40.2	84.4	4.7

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–29.—*Sources of personal income, 1959–2004*

[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	Private industries	Government	Total	Employer contributions for employee pension and insurance funds	Employer contributions for government social insurance	Total	Farm	Nonfarm	
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	8,878.9	6,069.5	4,976.3	4,113.7	862.6	1,093.2	729.6	363.6	769.6	9.7	759.9	170.9
2003	9,161.8	6,289.0	5,103.6	4,205.6	897.9	1,185.5	808.9	376.6	834.1	21.8	812.3	153.8
2004 *p*	9,659.1	6,616.6	5,342.6	4,416.7	925.8	1,274.1	875.4	398.7	902.4	18.0	884.4	165.6
2000: I	8,266.2	5,694.1	4,760.0	3,998.0	762.0	934.1	593.9	340.2	709.3	23.2	686.1	153.8
II	8,372.3	5,727.2	4,783.2	4,010.5	772.8	944.0	603.7	340.3	726.5	23.8	702.7	148.5
III	8,514.4	5,837.4	4,874.9	4,095.8	779.2	962.5	616.5	346.0	735.6	23.0	712.6	148.2
IV	8,565.8	5,871.9	4,898.8	4,113.9	784.9	973.1	625.6	347.6	742.1	20.7	721.4	150.5
2001: I	8,688.7	5,946.2	4,961.1	4,163.0	798.0	985.1	629.3	355.8	769.4	21.9	747.5	155.3
II	8,719.9	5,944.6	4,951.4	4,142.2	809.1	993.2	636.4	356.9	770.6	19.2	751.5	161.7
III	8,733.1	5,939.3	4,935.2	4,113.0	822.2	1,004.1	647.2	356.9	773.4	17.7	755.7	176.4
IV	8,754.8	5,938.3	4,923.5	4,089.4	834.1	1,014.8	657.9	356.9	774.2	20.0	754.1	176.2
2002: I	8,803.6	6,010.2	4,956.2	4,105.6	850.7	1,054.0	691.5	362.5	762.2	10.8	751.4	179.7
II	8,897.1	6,068.3	4,980.3	4,120.6	859.7	1,088.0	723.8	364.2	769.0	10.4	758.6	184.7
III	8,895.7	6,086.0	4,981.2	4,114.4	866.8	1,104.8	740.9	363.9	770.4	8.7	761.7	165.4
IV	8,919.2	6,113.4	4,987.3	4,114.1	873.2	1,126.0	762.0	364.0	776.7	8.8	767.9	153.8
2003: I	9,002.2	6,177.7	5,023.3	4,135.6	887.8	1,154.3	782.7	371.6	794.0	13.8	780.2	155.5
II	9,105.7	6,247.0	5,073.3	4,175.6	897.8	1,173.7	799.0	374.6	825.7	24.1	801.6	144.1
III	9,209.3	6,324.7	5,128.6	4,227.5	901.1	1,196.1	817.9	378.2	852.0	24.8	827.2	148.8
IV	9,330.0	6,406.7	5,188.9	4,283.9	905.0	1,217.8	835.9	381.9	864.7	24.7	840.0	167.1
2004: I	9,445.0	6,487.9	5,239.2	4,321.8	917.3	1,248.8	856.5	392.3	872.1	17.9	854.2	172.8
II	9,592.7	6,580.0	5,312.8	4,389.3	923.5	1,267.2	870.4	396.8	901.4	18.9	882.5	172.6
III	9,674.3	6,657.4	5,375.0	4,446.8	928.2	1,282.3	881.6	400.8	902.9	13.6	889.3	153.8
IV *p*	9,924.6	6,741.1	5,443.2	4,508.9	934.3	1,297.9	892.9	405.0	933.1	21.6	911.6	163.1

[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, 1959–2004*—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	1,334.6	946.7	387.9	1,282.7	1,248.9	708.3	53.2	29.9	17.7	440.0	33.7	748.3
2003	1,322.7	929.9	392.8	1,335.4	1,306.4	733.8	52.8	32.3	18.3	469.2	28.9	773.2
2004 *p*	1,386.6	945.6	441.1	1,406.3	1,373.6	778.8	34.6	33.7	18.7	507.8	32.7	818.3
2000: I	1,349.9	991.5	358.4	1,054.6	1,014.0	605.7	20.1	25.0	18.3	345.0	40.6	695.5
II	1,385.6	1,010.2	375.4	1,080.8	1,038.9	621.5	19.5	25.0	18.4	354.6	41.8	696.3
III	1,406.2	1,021.4	384.7	1,094.8	1,051.6	625.2	20.1	25.1	18.5	362.8	43.1	707.7
IV	1,406.5	1,020.8	385.7	1,106.0	1,061.8	631.0	21.3	25.4	18.5	365.6	44.1	711.2
2001: I	1,397.4	1,020.2	377.2	1,149.6	1,105.3	655.3	25.2	26.1	18.4	380.4	44.2	729.2
II	1,388.7	1,020.6	368.2	1,185.7	1,136.8	663.5	28.3	26.4	18.2	400.5	48.9	731.5
III	1,373.3	1,009.2	364.1	1,202.6	1,142.7	675.0	32.9	26.5	18.0	390.2	60.0	731.9
IV	1,360.3	994.0	366.4	1,237.8	1,190.9	680.4	40.6	27.7	17.9	424.5	46.9	731.9
2002: I	1,337.8	961.2	376.6	1,259.4	1,219.9	699.5	42.3	28.9	17.6	431.5	39.6	745.7
II	1,340.2	953.1	387.1	1,284.0	1,249.7	705.9	60.3	29.6	17.6	436.4	34.2	749.1
III	1,333.7	940.5	393.2	1,289.1	1,256.8	711.2	56.8	30.2	17.6	441.0	32.3	748.9
IV	1,326.7	932.1	394.6	1,298.1	1,269.3	716.4	53.4	30.7	17.8	451.0	28.9	749.6
2003: I	1,325.9	932.4	393.5	1,311.4	1,282.2	722.8	50.4	31.9	18.1	459.0	29.2	762.4
II	1,324.7	932.4	392.3	1,333.1	1,304.1	731.1	54.8	32.3	18.3	467.7	29.0	768.9
III	1,314.4	922.8	391.6	1,346.2	1,317.4	736.6	54.3	32.5	18.4	475.5	28.9	776.7
IV	1,325.8	932.0	393.8	1,350.7	1,322.0	744.9	51.6	32.4	18.5	474.6	28.8	785.0
2004: I	1,337.1	936.2	400.9	1,379.0	1,349.6	762.1	41.4	33.6	18.6	494.0	29.3	803.9
II	1,352.3	941.7	410.6	1,400.4	1,371.1	774.0	33.5	33.6	18.6	511.4	29.3	814.0
III	1,367.8	946.5	421.3	1,415.4	1,372.5	782.4	32.4	33.8	18.7	505.2	42.9	823.0
IV *p*	1,489.3	957.9	531.4	1,430.2	1,401.0	796.7	31.1	33.9	18.8	520.6	29.2	832.3

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–30.—*Disposition of personal income, 1959–2004*

[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	8,878.9	1,051.2	7,827.7	7,668.5	7,376.1	197.2	95.3	159.2	98.0	94.2	2.0
2003	9,161.8	1,001.9	8,159.9	8,049.3	7,760.9	185.3	103.1	110.6	98.6	95.1	1.4
2004 *p*	9,659.1	1,036.4	8,622.8	8,532.8	8,231.1	188.2	113.5	90.0	99.0	95.5	1.0
2000: I	8,266.2	1,207.0	7,059.2	6,888.0	6,613.9	194.1	79.9	171.2	97.6	93.7	2.4
II	8,372.3	1,231.1	7,141.2	6,970.0	6,688.1	201.0	81.0	171.3	97.6	93.7	2.4
III	8,514.4	1,248.0	7,266.4	7,076.3	6,783.9	210.4	82.0	190.1	97.4	93.4	2.6
IV	8,565.8	1,256.6	7,309.3	7,168.1	6,871.6	213.3	83.1	141.2	98.1	94.0	1.9
2001: I	8,688.7	1,296.6	7,392.1	7,253.5	6,955.8	212.4	85.3	138.6	98.1	94.1	1.9
II	8,719.9	1,312.3	7,407.6	7,318.8	7,017.5	214.9	86.5	88.7	98.8	94.7	1.2
III	8,733.1	1,110.3	7,622.8	7,361.2	7,058.5	214.5	88.3	261.6	96.6	92.6	3.4
IV	8,754.8	1,230.0	7,524.8	7,484.4	7,188.4	207.2	88.8	40.5	99.5	95.5	.5
2002: I	8,803.6	1,065.8	7,737.8	7,528.5	7,236.9	199.3	92.3	209.3	97.3	93.5	2.7
II	8,897.1	1,052.1	7,845.0	7,635.0	7,339.3	202.1	93.7	210.0	97.3	93.6	2.7
III	8,895.7	1,046.7	7,849.0	7,722.9	7,428.0	198.6	96.3	126.1	98.4	94.6	1.6
IV	8,919.2	1,040.3	7,878.8	7,787.6	7,500.0	188.8	98.7	91.2	98.8	95.2	1.2
2003: I	9,002.2	1,025.7	7,976.5	7,897.0	7,609.8	187.1	100.0	79.5	99.0	95.4	1.0
II	9,105.7	1,030.7	8,075.0	7,982.9	7,696.3	184.8	101.8	92.1	98.9	95.3	1.1
III	9,209.3	941.7	8,267.6	8,107.8	7,822.5	183.3	102.1	159.8	98.1	94.6	1.9
IV	9,330.0	1,009.4	8,320.5	8,209.4	7,914.9	185.9	108.6	111.1	98.7	95.1	1.3
2004: I	9,445.0	1,006.6	8,438.4	8,351.6	8,060.2	181.1	110.3	86.8	99.0	95.5	1.0
II	9,592.7	1,030.6	8,562.1	8,448.7	8,153.8	182.6	112.2	113.4	98.7	95.2	1.3
III	9,674.3	1,043.7	8,630.7	8,588.1	8,282.5	190.6	115.0	42.6	99.5	96.0	.5
IV *p*	9,924.6	1,064.5	8,860.0	8,742.8	8,428.1	198.4	116.4	117.2	98.7	95.1	1.3

[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, 1959–2004*

[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	26,236	25,698	7,055.0	6,910.4	24,723	24,216	35,491	34,660	285,366
2002	7,827.7	7,559.5	27,159	26,229	7,376.1	7,123.4	25,592	24,715	36,386	34,955	288,217
2003	8,159.9	7,733.8	28,034	26,570	7,760.9	7,355.6	26,663	25,270	37,805	35,666	291,073
2004 *p*	8,622.8	7,997.9	29,334	27,208	8,231.1	7,634.7	28,002	25,973	39,898	36,867	293,951
2000: I	7,059.2	7,109.7	25,094	25,274	6,613.9	6,661.3	23,512	23,680	34,231	34,467	281,304
II	7,141.2	7,157.5	25,322	25,380	6,688.1	6,703.3	23,715	23,769	34,831	34,920	282,015
III	7,266.4	7,249.3	25,694	25,633	6,783.9	6,768.0	23,988	23,931	34,872	34,782	282,810
IV	7,309.3	7,259.6	25,774	25,599	6,871.6	6,825.0	24,231	24,066	35,099	34,867	283,588
2001: I	7,392.1	7,283.0	26,004	25,620	6,955.8	6,853.1	24,469	24,108	35,254	34,741	284,265
II	7,407.6	7,252.1	25,995	25,450	7,017.5	6,870.3	24,626	24,110	35,545	34,763	284,959
III	7,622.8	7,452.2	26,678	26,081	7,058.5	6,900.5	24,703	24,150	35,470	34,546	285,736
IV	7,524.8	7,346.0	26,264	25,640	7,188.4	7,017.6	25,090	24,494	35,694	34,590	286,502
2002: I	7,737.8	7,537.6	26,947	26,249	7,236.9	7,049.7	25,202	24,550	36,002	34,802	287,154
II	7,845.0	7,588.4	27,257	26,366	7,339.3	7,099.2	25,500	24,666	36,294	34,928	287,812
III	7,849.0	7,555.1	27,199	26,181	7,428.0	7,149.9	25,740	24,777	36,547	35,059	288,575
IV	7,878.8	7,558.0	27,231	26,123	7,500.0	7,194.6	25,922	24,867	36,697	35,033	289,328
2003: I	7,976.5	7,591.2	27,507	26,179	7,609.8	7,242.2	26,243	24,975	37,053	35,121	289,977
II	8,075.0	7,671.1	27,782	26,392	7,696.3	7,311.4	26,479	25,155	37,446	35,394	290,656
III	8,267.6	7,822.9	28,368	26,842	7,822.5	7,401.7	26,841	25,397	38,144	35,935	291,442
IV	8,320.5	7,849.6	28,474	26,862	7,914.9	7,466.8	27,086	25,552	38,570	36,208	292,217
2004: I	8,438.4	7,897.0	28,813	26,964	8,060.2	7,543.0	27,521	25,755	39,173	36,526	292,872
II	8,562.1	7,951.5	29,168	27,088	8,153.8	7,572.4	27,778	25,797	39,713	36,740	293,540
III	8,630.7	7,990.2	29,325	27,148	8,282.5	7,667.8	28,142	26,053	40,144	37,005	294,315
IV *p*	8,860.0	8,152.9	30,026	27,630	8,428.1	7,755.4	28,562	26,283	40,556	37,196	295,077

[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, 1959–2004*

[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	1,484.3	180.3	459.8	159.2	300.7	.0	–279.5	–254.5	–25.0	1,303.9	1,092.8	211.2
2003	1,487.7	133.8	501.5	110.6	390.9	.0	–367.8	–364.5	–3.2	1,353.9	1,135.9	218.1
2004 *p*	.....	.....	.....	90.0	.....	.0	.....	.....	.....	1,406.9	1,177.9	229.0
2000: I	1,784.5	631.4	362.8	171.2	191.6	.0	268.7	212.7	55.9	1,153.1	959.6	193.4
II	1,772.4	595.4	354.5	171.3	183.2	.0	240.9	181.4	59.5	1,177.0	981.0	196.0
III	1,795.1	595.2	355.0	190.1	164.9	.0	240.2	191.2	49.0	1,199.9	1,001.6	198.3
IV	1,730.0	508.7	300.8	141.2	159.6	.0	207.9	172.5	35.4	1,221.3	1,021.1	200.2
2001: I	1,745.3	504.8	315.7	138.6	177.0	.0	189.2	156.6	32.5	1,240.5	1,038.4	202.0
II	1,704.0	433.2	283.8	88.7	195.1	.0	149.4	123.6	25.8	1,270.8	1,067.0	203.8
III	1,647.9	315.2	412.4	261.6	150.9	.0	–97.2	–88.6	–8.6	1,332.7	1,121.3	211.4
IV	1,533.1	251.2	286.5	40.5	246.1	.0	–35.3	–4.7	–30.6	1,281.8	1,075.2	206.6
2002: I	1,549.7	262.6	499.9	209.3	290.6	.0	–237.3	–208.5	–28.8	1,287.1	1,078.5	208.6
II	1,528.5	230.6	505.8	210.0	295.8	.0	–275.2	–251.6	–23.6	1,297.9	1,087.7	210.3
III	1,451.5	142.2	418.7	126.1	292.6	.0	–276.5	–255.1	–21.3	1,309.3	1,097.4	211.9
IV	1,407.4	85.9	414.9	91.2	323.7	.0	–329.0	–302.7	–26.3	1,321.5	1,107.6	213.8
2003: I	1,375.0	41.0	371.6	79.5	292.0	.0	–330.6	–281.6	–49.0	1,334.0	1,118.4	215.6
II	1,436.0	89.0	459.1	92.1	367.0	.0	–370.1	–364.4	–5.7	1,347.0	1,129.7	217.3
III	1,518.1	157.5	584.0	159.8	424.2	.0	–426.5	–433.0	6.5	1,360.6	1,141.5	219.1
IV	1,621.7	247.6	591.5	111.1	480.4	.0	–343.9	–379.2	35.3	1,374.2	1,153.8	220.4
2004: I	1,568.3	213.3	592.4	86.8	505.7	.0	–379.2	–391.0	11.8	1,355.0	1,132.4	222.6
II	1,616.3	241.2	602.9	113.4	489.5	.0	–361.7	–380.0	18.3	1,375.2	1,148.1	227.0
III	1,601.5	103.6	483.2	42.6	440.7	.0	–379.6	–384.1	4.5	1,497.9	1,266.8	231.1
IV *p*	.....	.....	.....	117.2	.....	.0	.....	.....	.....	1,399.5	1,164.0	235.5

[1] With inventory valuation and capital consumption adjustments.

See next page for continuation of table.

TABLE B–32.—*Gross saving and investment, 1959–2004*—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	1,468.9	1,926.6	1,579.2	347.4	1.3	–458.9	–15.3	1,552.6	–68.4	–165.5	97.1	622.7	14.1	1.7
2003	1,513.3	2,024.2	1,665.8	358.5	3.1	–514.0	25.6	1,637.4	–149.7	–274.3	124.7	670.3	13.5	1.2
2004 *p*	.....	2,301.7	1,922.4	379.3	.....	.....	.....	.....	.....	.....	.....	894.8	.....	.....
2000: I	1,612.8	1,975.6	1,672.3	303.3	.8	–363.6	–171.7	1,322.4	462.1	299.4	162.7	822.6	18.1	6.4
II	1,704.6	2,085.7	1,781.7	304.0	.8	–381.9	–67.8	1,335.5	437.0	268.4	168.6	908.7	17.9	6.0
III	1,630.6	2,054.0	1,749.0	305.0	.9	–424.3	–164.6	1,356.6	438.5	278.7	159.8	854.1	17.8	5.9
IV	1,625.4	2,044.5	1,738.9	305.6	.8	–419.9	–104.6	1,321.9	408.1	260.1	147.9	823.3	17.1	5.0
2001: I	1,577.5	1,988.5	1,675.3	313.2	1.1	–412.0	–167.8	1,354.1	391.2	244.5	146.7	748.0	17.1	4.9
II	1,605.3	1,981.6	1,647.7	333.9	1.0	–377.4	–98.8	1,350.8	353.2	211.9	141.4	710.7	16.6	4.2
III	1,576.8	1,929.3	1,613.0	316.3	1.2	–353.7	–71.1	1,533.8	114.1	–.2	114.3	596.6	16.1	3.1
IV	1,512.2	1,854.0	1,521.4	332.7	1.0	–342.9	–20.9	1,361.7	171.4	83.5	87.8	572.2	14.9	2.4
2002: I	1,487.9	1,910.8	1,568.5	342.3	1.1	–424.1	–61.8	1,578.4	–28.7	–119.8	91.1	623.7	14.9	2.5
II	1,469.8	1,924.1	1,577.0	347.1	1.1	–455.3	–58.7	1,593.4	–64.9	–162.8	97.9	626.1	14.5	2.2
III	1,472.3	1,932.4	1,581.3	351.1	1.4	–461.6	20.8	1,516.1	–64.6	–166.1	101.6	623.1	13.8	1.3
IV	1,445.8	1,939.2	1,589.9	349.2	1.4	–494.7	38.4	1,522.6	–115.2	–213.0	97.8	617.7	13.2	.8
2003: I	1,414.7	1,948.9	1,596.6	352.3	1.6	–535.9	39.6	1,490.0	–114.9	–192.0	77.0	614.9	12.8	.4
II	1,449.3	1,967.8	1,611.1	356.7	6.2	–524.8	13.2	1,588.8	–152.7	–274.3	121.6	620.8	13.2	.8
III	1,554.7	2,059.0	1,696.6	362.4	3.3	–507.5	36.6	1,725.5	–207.4	–342.5	135.0	698.4	13.6	1.4
IV	1,634.6	2,121.2	1,758.8	362.4	1.2	–487.8	12.8	1,745.3	–123.5	–288.5	165.0	747.0	14.3	2.2
2004: I	1,631.3	2,188.3	1,819.7	368.6	1.4	–558.4	63.0	1,724.9	–156.6	–299.5	142.9	833.3	13.7	1.9
II	1,672.8	2,302.9	1,920.7	382.2	1.1	–631.2	56.4	1,751.1	–134.7	–287.2	152.5	927.7	13.9	2.1
III	1,691.9	2,325.6	1,947.0	378.7	1.3	–635.0	90.4	1,750.1	–148.5	–290.7	142.2	827.7	13.6	.9
IV *p*	.....	2,389.8	2,002.2	387.7	.....	.....	.....	.....	.....	.....	.....	990.3	.....	.....

[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 2003 dollars) and poverty status of families and persons, by race, selected years, 1989–2003*

Year	Families [1]						Persons below poverty level		Median money income (in 2003 dollars) of persons 15 years old and over with income [2]			
	Number (millions)	Median money income (in 2003 dollars) [2]	Below poverty level						Males		Females	
			Total		Female householder							
			Number (millions)	Percent	Number (millions)	Percent	Number (millions)	Percent	All persons	Year-round full-time workers	All persons	Year-round full-time workers
ALL RACES												
1989	66.1	$49,014	6.8	10.3	3.5	32.2	31.5	12.8	$28,499	$40,714	$13,788	$28,134
1990	66.3	48,248	7.1	10.7	3.8	33.4	33.6	13.5	27,695	39,549	13,743	28,102
1991	67.2	47,336	7.7	11.5	4.2	35.6	35.7	14.2	26,960	39,949	13,798	27,982
1992 [3]	68.2	46,992	8.1	11.9	4.3	35.4	38.0	14.8	26,282	39,616	13,766	28,387
1993	68.5	46,333	8.4	12.3	4.4	35.6	39.3	15.1	26,454	38,959	13,848	28,168
1994	69.3	47,615	8.1	11.6	4.2	34.6	38.1	14.5	26,667	38,812	14,078	28,564
1995	69.6	48,679	7.5	10.8	4.1	32.4	36.4	13.8	27,044	38,596	14,540	28,500
1996	70.2	49,378	7.7	11.0	4.2	32.6	36.5	13.7	27,822	39,150	14,959	29,107
1997	70.9	50,938	7.3	10.3	4.0	31.6	35.6	13.3	28,815	40,286	15,661	29,749
1998	71.6	52,675	7.2	10.0	3.8	29.9	34.5	12.7	29,858	40,858	16,263	30,267
1999 [4]	73.2	53,901	6.8	9.3	3.6	27.8	32.8	11.9	30,127	41,339	16,893	30,207
2000 [5]	73.8	54,191	6.4	8.7	3.3	25.4	31.6	11.3	30,275	41,543	17,158	31,109
2001	74.3	53,421	6.8	9.2	3.5	26.4	32.9	11.7	30,241	41,708	17,265	31,612
2002	75.6	52,864	7.2	9.6	3.6	26.5	34.6	12.1	29,908	41,435	17,197	31,680
2003	76.2	52,680	7.6	10.0	3.9	28.0	35.9	12.5	29,931	41,503	17,259	31,653
WHITE												
1989	56.6	51,539	4.4	7.8	1.9	25.4	20.8	10.0	29,889	42,509	14,057	28,468
1990	56.8	50,380	4.6	8.1	2.0	26.8	22.3	10.7	28,892	41,053	14,080	28,440
1991	57.2	49,764	5.0	8.8	2.2	28.4	23.7	11.3	28,180	40,768	14,121	28,390
1992 [3]	57.7	49,687	5.3	9.1	2.2	28.5	25.3	11.9	27,504	40,558	14,086	28,716
1993	57.9	49,268	5.5	9.4	2.4	29.2	26.2	12.2	27,556	39,905	14,123	28,807
1994	58.4	50,196	5.3	9.1	2.3	29.0	25.4	11.7	27,832	39,829	14,279	29,336
1995	58.9	51,118	5.0	8.5	2.2	26.6	24.4	11.2	28,642	40,173	14,763	29,084
1996	58.9	52,245	5.1	8.6	2.3	27.3	24.7	11.2	29,123	40,554	15,130	29,601
1997	59.5	53,436	5.0	8.4	2.3	27.7	24.4	11.0	29,847	41,280	15,763	30,253
1998	60.1	55,251	4.8	8.0	2.1	24.9	23.5	10.5	31,158	41,922	16,474	30,773
1999 [4]	61.1	56,383	4.4	7.3	1.9	22.5	22.2	9.8	31,640	43,283	16,946	30,907
2000 [5]	61.3	56,645	4.3	7.1	1.8	21.2	21.6	9.5	31,829	42,998	17,175	31,993
2001	61.6	56,185	4.6	7.4	1.9	22.4	22.7	9.9	31,425	42,388	17,304	32,058
Alone [6]												
2002	62.3	55,885	4.9	7.8	2.0	22.6	23.5	10.2	31,079	42,323	17,224	32,119
2003	62.6	55,768	5.1	8.1	2.2	24.0	24.3	10.5	30,732	42,142	17,422	32,192
Alone or in combination [6]												
2002	63.0	55,696	5.0	7.9	2.1	22.6	24.1	10.3	31,011	42,263	17,190	32,107
2003	63.5	55,604	5.2	8.1	2.2	24.2	25.0	10.6	30,658	42,079	17,391	32,180
BLACK												
1989	7.5	28,952	2.1	27.8	1.5	46.5	9.3	30.7	18,064	29,661	11,282	25,602
1990	7.5	29,237	2.2	29.3	1.6	48.1	9.8	31.9	17,562	29,316	11,366	25,308
1991	7.7	28,381	2.3	30.4	1.8	51.2	10.2	32.7	17,072	29,804	11,612	25,202
1992 [3]	8.0	27,115	2.5	31.1	1.9	50.2	10.8	33.4	16,786	29,541	11,419	26,029
1993	8.0	27,006	2.5	31.3	1.9	49.9	10.9	33.1	18,309	29,543	11,919	25,467
1994	8.1	30,324	2.2	27.3	1.7	46.2	10.2	30.6	18,394	29,964	12,946	25,326
1995	8.1	31,129	2.1	26.4	1.7	45.1	9.9	29.3	19,186	29,724	13,138	25,267
1996	8.5	30,960	2.2	26.1	1.7	43.7	9.7	28.4	19,250	31,676	13,742	25,669
1997	8.4	32,690	2.0	23.6	1.6	39.8	9.1	26.5	20,682	30,741	14,913	26,017
1998	8.5	33,140	2.0	23.4	1.6	40.8	9.1	26.1	21,776	30,962	14,806	26,896
1999 [4]	8.7	35,157	1.9	21.8	1.5	39.2	8.4	23.6	22,563	33,285	16,310	27,751
2000 [5]	8.7	35,972	1.7	19.3	1.3	34.3	8.0	22.5	22,798	32,568	16,964	27,506
2001	8.8	34,914	1.8	20.7	1.4	35.2	8.1	22.7	22,307	33,172	16,920	28,366
Alone [6]												
2002	8.9	34,293	1.9	21.5	1.4	35.8	8.6	24.1	22,055	32,664	17,112	28,258
2003	8.9	34,369	2.0	22.3	1.5	36.9	8.8	24.4	21,986	33,429	16,581	27,622
Alone or in combination [6]												
2002	9.1	34,405	2.0	21.4	1.5	35.7	8.9	23.9	22,002	32,698	17,053	28,338
2003	9.1	34,607	2.0	22.1	1.5	36.8	9.1	24.3	21,935	33,464	16,540	27,675

[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] Based on 1990 census adjusted population controls; comparable with succeeding years.
[4] Reflects implementation of Census 2000-based population controls comparable with succeeding years.
[5] Reflects household sample expansion.
[6] 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; and 1988, 13.0.

Poverty thresholds are updated each year to reflect changes in the consumer price index (CPI–U).

For details see "Current Population Reports," Series P–60.

Source: Department of Commerce, Bureau of the Census.

TABLE B–34.—*Population by age group, 1929–2004*

[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]	282,388	19,212	45,105	16,198	19,214	85,092	62,485	35,081
2001 [1]	285,321	19,364	45,173	16,224	19,852	84,864	64,506	35,338
2002 [1]	288,205	19,576	45,131	16,285	20,408	84,595	66,604	35,608
2003 [1]	291,049	19,769	45,087	16,374	20,810	84,378	68,711	35,919
2004	293,907	.....	.....	.....	.....	.....	.....	.....

[1] Revised total population data for 2000–2003 are available as follows: 2000, 282,402; 2001, 285,329; 2002, 288,173; and 2003, 291,028.

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, 1929–2004*

[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, 1929–2004*—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
2001: Jan	213,888	143,788	137,771	2,353	135,323	6,017	70,101	67.2	64.4	4.2
Feb	214,110	143,675	137,587	2,366	135,273	6,088	70,435	67.1	64.3	4.2
Mar	214,305	143,931	137,799	2,347	135,362	6,132	70,374	67.2	64.3	4.3
Apr	214,525	143,567	137,292	2,335	135,028	6,276	70,958	66.9	64.0	4.4
May	214,732	143,320	137,098	2,353	134,745	6,222	71,412	66.7	63.8	4.3
June	214,950	143,361	136,882	2,090	134,758	6,480	71,588	66.7	63.7	4.5
July	215,180	143,662	137,082	2,308	134,810	6,580	71,518	66.8	63.7	4.6
Aug	215,420	143,301	136,257	2,301	133,964	7,044	72,118	66.5	63.3	4.9
Sept	215,665	143,995	136,849	2,321	134,577	7,146	71,670	66.8	63.5	5.0
Oct	215,903	144,097	136,392	2,323	134,116	7,705	71,806	66.7	63.2	5.3
Nov	216,117	144,246	136,232	2,210	133,966	8,014	71,871	66.7	63.0	5.6
Dec	216,315	144,324	136,043	2,288	133,755	8,281	71,991	66.7	62.9	5.7
2002: Jan	216,506	143,858	135,693	2,369	133,256	8,165	72,648	66.4	62.7	5.7
Feb	216,663	144,604	136,385	2,386	134,084	8,219	72,059	66.7	62.9	5.7
Mar	216,823	144,474	136,211	2,365	133,782	8,263	72,350	66.6	62.8	5.7
Apr	217,006	144,717	136,128	2,376	133,830	8,589	72,289	66.7	62.7	5.9
May	217,198	144,931	136,549	2,263	134,299	8,382	72,267	66.7	62.9	5.8
June	217,407	144,802	136,424	2,187	134,137	8,379	72,605	66.6	62.8	5.8
July	217,630	144,818	136,429	2,353	134,023	8,388	72,812	66.5	62.7	5.8
Aug	217,866	145,052	136,734	2,126	134,627	8,318	72,813	66.6	62.8	5.7
Sept	218,107	145,573	137,310	2,282	135,143	8,263	72,534	66.7	63.0	5.7
Oct	218,340	145,347	137,016	2,435	134,627	8,332	72,993	66.6	62.8	5.7
Nov	218,548	145,072	136,511	2,268	134,196	8,561	73,476	66.4	62.5	5.9
Dec	218,741	145,091	136,400	2,342	134,082	8,691	73,650	66.3	62.4	6.0
2003: Jan[5]	219,897	145,914	137,429	2,315	135,059	8,484	73,984	66.4	62.5	5.8
Feb[5]	220,114	146,001	137,365	2,224	135,218	8,636	74,113	66.3	62.4	5.9
Mar	220,317	145,944	137,451	2,260	135,160	8,493	74,373	66.2	62.4	5.8
Apr	220,540	146,449	137,628	2,163	135,537	8,822	74,091	66.4	62.4	6.0
May	220,768	146,478	137,552	2,185	135,389	8,926	74,290	66.3	62.3	6.1
June	221,014	147,003	137,775	2,224	135,418	9,228	74,011	66.5	62.3	6.3
July	221,252	146,535	137,511	2,229	135,138	9,024	74,717	66.2	62.2	6.2
Aug	221,507	146,507	137,593	2,294	135,262	8,914	75,000	66.1	62.1	6.1
Sept	221,779	146,580	137,619	2,334	135,426	8,961	75,198	66.1	62.1	6.1
Oct	222,039	146,778	138,022	2,428	135,668	8,755	75,262	66.1	62.2	6.0
Nov	222,279	147,109	138,457	2,381	136,068	8,651	75,171	66.2	62.3	5.9
Dec	222,509	146,808	138,409	2,239	136,172	8,399	75,701	66.0	62.2	5.7
2004: Jan[5]	222,161	146,785	138,481	2,172	136,234	8,303	75,377	66.1	62.3	5.7
Feb	222,357	146,529	138,334	2,201	136,191	8,195	75,828	65.9	62.2	5.6
Mar	222,550	146,737	138,408	2,180	136,192	8,330	75,812	65.9	62.2	5.7
Apr	222,757	146,788	138,645	2,261	136,427	8,143	75,969	65.9	62.2	5.5
May	222,967	147,018	138,846	2,301	136,565	8,172	75,950	65.9	62.3	5.6
June	223,196	147,386	139,158	2,291	136,751	8,228	75,809	66.0	62.3	5.6
July	223,422	147,823	139,639	2,273	137,257	8,184	75,599	66.2	62.5	5.5
Aug	223,677	147,676	139,658	2,305	137,321	8,018	76,001	66.0	62.4	5.4
Sept	223,941	147,531	139,527	2,221	137,460	8,005	76,410	65.9	62.3	5.4
Oct	224,192	147,893	139,827	2,155	137,764	8,066	76,299	66.0	62.4	5.5
Nov	224,422	148,313	140,293	2,212	138,068	8,020	76,109	66.1	62.5	5.4
Dec	224,640	148,203	140,156	2,179	137,973	8,047	76,437	66.0	62.4	5.4

[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, 1959–2004*

[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
2003: Jan	137,429	72,891	2,997	69,894	64,538	3,086	61,452	8,484	4,800	701	4,099	3,684	558	3,126
Feb	137,365	73,163	2,961	70,202	64,202	3,075	61,127	8,636	4,819	730	4,089	3,816	538	3,278
Mar	137,451	73,096	2,852	70,244	64,355	3,076	61,279	8,493	4,696	719	3,977	3,798	546	3,252
Apr	137,628	73,207	2,864	70,343	64,421	3,073	61,349	8,822	4,969	723	4,246	3,852	573	3,280
May	137,552	73,145	2,892	70,253	64,407	3,034	61,372	8,926	5,033	721	4,313	3,893	574	3,318
June	137,775	73,123	2,948	70,175	64,652	2,951	61,700	9,228	5,218	733	4,485	4,010	647	3,363
July	137,511	73,090	2,866	70,224	64,421	2,986	61,435	9,024	5,127	740	4,387	3,898	558	3,340
Aug	137,593	73,174	2,913	70,262	64,418	2,963	61,456	8,914	4,956	618	4,337	3,958	563	3,396
Sept	137,619	73,493	2,897	70,596	64,126	2,963	61,163	8,961	4,995	711	4,283	3,967	539	3,427
Oct	138,022	73,589	2,895	70,694	64,433	2,938	61,495	8,755	4,856	661	4,195	3,899	539	3,360
Nov	138,457	73,869	2,931	70,939	64,588	3,056	61,532	8,651	4,893	663	4,230	3,758	456	3,302
Dec	138,409	74,122	2,987	71,135	64,286	2,849	61,437	8,399	4,587	620	3,968	3,811	505	3,306
2004: Jan	138,481	74,284	3,001	71,283	64,197	2,960	61,237	8,303	4,494	638	3,856	3,809	572	3,238
Feb	138,334	73,937	2,923	71,014	64,397	2,941	61,456	8,195	4,454	613	3,840	3,741	562	3,179
Mar	138,408	74,062	2,904	71,158	64,345	2,921	61,424	8,330	4,527	650	3,877	3,803	504	3,299
Apr	138,645	74,104	2,947	71,158	64,541	2,950	61,591	8,143	4,451	700	3,751	3,692	506	3,185
May	138,846	74,118	2,891	71,226	64,728	3,005	61,723	8,172	4,545	676	3,869	3,627	547	3,080
June	139,158	74,501	2,925	71,575	64,658	2,927	61,731	8,228	4,427	642	3,786	3,800	542	3,259
July	139,639	74,811	2,981	71,830	64,828	2,926	61,902	8,184	4,381	645	3,737	3,803	620	3,183
Aug	139,658	74,824	2,977	71,847	64,834	2,957	61,877	8,018	4,429	660	3,768	3,589	557	3,032
Sept	139,527	74,629	2,927	71,701	64,898	2,959	61,939	8,005	4,413	652	3,761	3,592	523	3,069
Oct	139,827	74,852	2,957	71,895	64,975	2,951	62,024	8,066	4,438	701	3,736	3,628	526	3,102
Nov	140,293	75,188	3,055	72,134	65,104	2,959	62,145	8,020	4,414	681	3,733	3,606	507	3,099
Dec	140,156	74,938	2,917	72,020	65,218	3,010	62,208	8,047	4,474	741	3,733	3,573	522	3,051

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, 1959–2004*

[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
2003: Jan	137,429	114,110	61,633	52,476	5,231	...	...	...	...	14,713	6,745	7,968	565
Feb	137,365	114,149	61,840	52,309	5,159	...	...	...	...	14,670	6,827	7,843	551
Mar	137,451	114,187	61,785	52,402	5,057	...	...	...	...	14,678	6,742	7,937	515
Apr	137,628	114,265	61,804	52,460	5,069	...	...	...	...	14,757	6,798	7,959	533
May	137,552	113,964	61,675	52,289	5,077	...	...	...	...	14,858	6,767	8,091	516
June	137,775	114,233	61,676	52,557	5,070	...	...	...	...	14,720	6,806	7,915	476
July	137,511	114,042	61,667	52,375	5,012	...	...	...	...	14,750	6,845	7,905	512
Aug	137,593	114,074	61,705	52,368	5,042	...	...	...	...	14,759	6,829	7,930	505
Sept	137,619	113,962	61,888	52,074	5,012	...	...	...	...	14,794	6,855	7,939	549
Oct	138,022	114,485	62,081	52,404	5,015	...	...	...	...	14,658	6,819	7,839	482
Nov	138,457	114,699	62,261	52,438	5,091	...	...	...	...	14,818	6,873	7,945	496
Dec	138,409	114,626	62,346	52,280	4,944	...	...	...	...	14,697	6,926	7,770	511
2004: Jan	138,481	114,771	62,629	52,142	5,121	...	...	...	...	14,875	6,936	7,939	529
Feb	138,334	114,615	62,343	52,272	5,036	...	...	...	...	14,829	6,852	7,977	507
Mar	138,408	114,500	62,288	52,212	4,982	...	...	...	...	14,917	6,914	8,003	515
Apr	138,645	114,779	62,426	52,353	5,045	...	...	...	...	14,893	6,847	8,046	489
May	138,846	115,006	62,340	52,666	5,065	...	...	...	...	14,837	6,896	7,942	504
June	139,158	115,199	62,645	52,554	4,994	...	...	...	...	14,825	6,933	7,892	502
July	139,639	115,610	63,037	52,573	5,070	...	...	...	...	14,937	6,854	8,083	496
Aug	139,658	115,526	62,927	52,599	5,032	...	...	...	...	14,972	6,918	8,054	564
Sept	139,527	115,318	62,674	52,644	5,028	...	...	...	...	14,981	6,947	8,033	526
Oct	139,827	115,618	62,965	52,652	5,017	...	...	...	...	15,012	6,970	8,043	534
Nov	140,293	115,966	63,176	52,789	5,083	...	...	...	...	14,913	6,951	7,962	542
Dec	140,156	115,910	63,060	52,850	4,995	...	...	...	...	14,907	6,911	7,996	528

[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, 1959–2004*

[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
2003: Jan	8,484	6,139	3,577	2,562	906	...	...	...	...	1,726	883	843	248
Feb	8,636	6,183	3,540	2,642	941	...	...	...	...	1,772	914	858	252
Mar	8,493	6,128	3,475	2,653	921	...	...	...	...	1,676	842	835	268
Apr	8,822	6,308	3,673	2,634	917	...	...	...	...	1,808	911	896	264
May	8,926	6,491	3,702	2,789	917	...	...	...	...	1,810	982	828	289
June	9,228	6,570	3,837	2,733	991	...	...	...	...	1,934	966	968	286
July	9,024	6,540	3,891	2,649	929	...	...	...	...	1,809	878	931	267
Aug	8,914	6,494	3,784	2,710	900	...	...	...	...	1,810	860	950	218
Sept	8,961	6,387	3,658	2,729	904	...	...	...	...	1,854	943	911	265
Oct	8,755	6,192	3,525	2,666	841	...	...	...	...	1,876	932	944	283
Nov	8,651	6,265	3,672	2,593	850	...	...	...	...	1,692	838	854	202
Dec	8,399	6,077	3,445	2,632	852	...	...	...	...	1,665	777	889	195
2004: Jan	8,303	5,972	3,286	2,686	841	...	...	...	...	1,728	856	872	262
Feb	8,195	5,975	3,339	2,636	912	...	...	...	...	1,598	768	830	171
Mar	8,330	6,098	3,414	2,684	867	...	...	...	...	1,685	809	876	222
Apr	8,143	5,934	3,374	2,560	936	...	...	...	...	1,612	777	834	194
May	8,172	5,991	3,493	2,498	939	...	...	...	...	1,642	793	849	241
June	8,228	6,013	3,316	2,697	867	...	...	...	...	1,696	822	873	244
July	8,184	5,773	3,168	2,605	886	...	...	...	...	1,838	899	939	294
Aug	8,018	5,752	3,228	2,523	917	...	...	...	...	1,749	910	839	235
Sept	8,005	5,677	3,186	2,491	865	...	...	...	...	1,730	897	834	211
Oct	8,066	5,655	3,217	2,438	894	...	...	...	...	1,808	914	894	283
Nov	8,020	5,640	3,138	2,502	855	...	...	...	...	1,814	944	870	263
Dec	8,047	5,600	3,171	2,429	931	...	...	...	...	1,806	938	868	235

[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, 1959–2004*

[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
2003: Jan	66.4	73.5	59.8	45.8	66.6	.....	64.5	62.5	68.9	56.5	38.0	63.2	.....	57.7
Feb	66.3	73.6	59.6	45.6	66.6	.....	64.4	62.4	69.1	56.2	37.7	63.2	.....	57.5
Mar	66.2	73.4	59.6	44.8	66.6	.....	64.0	62.4	69.0	56.3	37.0	63.2	.....	57.4
Apr	66.4	73.7	59.7	45.1	66.7	.....	64.7	62.4	69.0	56.3	37.0	63.2	.....	57.7
May	66.3	73.6	59.6	44.9	66.5	.....	65.0	62.3	68.9	56.2	36.9	63.0	.....	58.0
June	66.5	73.7	59.9	45.2	66.7	.....	64.9	62.3	68.7	56.4	36.7	63.0	.....	57.4
July	66.2	73.5	59.5	44.4	66.5	.....	64.4	62.2	68.6	56.1	36.3	62.9	.....	57.4
Aug	66.1	73.3	59.5	43.8	66.4	.....	64.4	62.1	68.6	56.1	36.5	62.8	.....	57.3
Sept	66.1	73.5	59.2	44.1	66.2	.....	64.6	62.1	68.9	55.7	36.3	62.7	.....	57.4
Oct	66.1	73.4	59.3	43.6	66.4	.....	64.0	62.2	68.9	56.0	36.1	62.9	.....	56.8
Nov	66.2	73.6	59.3	44.0	66.5	.....	63.8	62.3	69.0	56.0	37.0	63.0	.....	57.3
Dec	66.0	73.5	59.0	43.0	66.3	.....	63.2	62.2	69.2	55.7	36.1	62.9	.....	56.8
2004: Jan	66.1	73.6	59.1	44.4	66.4	.....	64.2	62.3	69.4	55.8	36.9	63.1	.....	57.5
Feb	65.9	73.1	59.2	43.5	66.3	.....	63.4	62.2	69.0	55.9	36.3	63.0	.....	57.3
Mar	65.9	73.3	59.1	43.1	66.2	.....	64.0	62.2	69.0	55.8	36.0	62.9	.....	57.5
Apr	65.9	73.1	59.1	43.9	66.2	.....	63.6	62.2	69.0	55.9	36.4	63.0	.....	57.4
May	65.9	73.2	59.2	43.9	66.3	.....	63.4	62.3	68.9	56.1	36.4	63.1	.....	57.1
June	66.0	73.3	59.2	43.4	66.4	.....	63.4	62.3	69.2	55.9	36.1	63.1	.....	56.9
July	66.2	73.5	59.3	44.2	66.4	.....	64.3	62.5	69.4	56.0	36.4	63.3	.....	57.3
Aug	66.0	73.5	59.1	44.1	66.3	.....	64.0	62.4	69.4	56.0	36.6	63.2	.....	57.3
Sept	65.9	73.2	59.1	43.5	66.1	.....	63.9	62.3	69.1	56.0	36.2	63.0	.....	57.3
Oct	66.0	73.3	59.1	43.9	66.2	.....	64.2	62.4	69.2	56.0	36.3	63.1	.....	57.3
Nov	66.1	73.5	59.2	44.2	66.3	.....	63.8	62.5	69.4	56.1	36.9	63.3	.....	56.8
Dec	66.0	73.3	59.2	44.1	66.2	.....	63.6	62.4	69.1	56.1	36.4	63.2	.....	56.7

[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, 1965–2004*

[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
2003: Jan	66.4	66.6	74.3	48.8	76.3	59.4	49.6	60.1	64.5	67.2	33.5	71.1	62.4	35.4	64.9
Feb	66.3	66.6	74.4	48.3	76.4	59.3	49.4	60.0	64.4	68.1	35.0	71.9	61.5	32.9	64.1
Mar	66.2	66.6	74.2	47.0	76.3	59.3	48.8	60.1	64.0	66.6	31.4	70.6	61.9	34.7	64.4
Apr	66.4	66.7	74.4	46.9	76.5	59.3	49.0	60.1	64.7	67.6	31.8	71.7	62.5	35.4	65.0
May	66.3	66.5	74.2	47.3	76.3	59.3	48.5	60.0	65.0	67.8	32.1	71.9	62.8	35.6	65.3
June	66.5	66.7	74.3	48.3	76.3	59.5	48.5	60.2	64.9	67.9	30.7	72.2	62.5	33.2	65.2
July	66.2	66.5	74.3	47.6	76.3	59.1	47.2	60.0	64.4	67.4	31.1	71.5	62.1	34.2	64.6
Aug	66.1	66.4	74.1	47.0	76.2	59.1	47.8	59.9	64.4	67.0	28.3	71.4	62.3	32.2	65.0
Sept	66.1	66.2	74.1	47.3	76.2	58.8	47.0	59.6	64.6	67.8	32.1	71.9	62.0	35.9	64.4
Oct	66.1	66.4	74.1	46.0	76.3	59.0	47.3	59.8	64.0	67.3	33.8	71.1	61.4	30.0	64.3
Nov	66.2	66.5	74.4	47.6	76.5	58.9	46.9	59.8	63.8	66.8	26.7	71.4	61.4	31.4	64.2
Dec	66.0	66.3	74.1	47.6	76.2	58.8	44.5	59.8	63.2	66.7	26.8	71.2	60.4	31.9	63.0
2004: Jan	66.1	66.4	74.4	48.2	76.4	58.8	46.6	59.7	64.2	67.4	29.4	71.8	61.6	36.3	63.9
Feb	65.9	66.3	74.1	47.5	76.1	58.8	47.1	59.7	63.4	65.8	24.3	70.6	61.5	31.9	64.2
Mar	65.9	66.2	74.0	46.9	76.1	58.8	46.1	59.7	64.0	66.6	30.1	70.8	61.9	31.1	64.8
Apr	65.9	66.2	74.1	48.4	76.1	58.8	46.5	59.6	63.6	65.7	26.0	70.2	61.8	30.5	64.8
May	65.9	66.3	74.1	47.6	76.1	59.0	47.7	59.8	63.4	66.1	27.0	70.6	61.1	34.6	63.6
June	66.0	66.4	74.1	46.6	76.3	59.1	46.5	60.0	63.4	66.6	29.6	70.8	60.9	32.0	63.6
July	66.2	66.4	74.3	47.5	76.4	58.9	47.1	59.8	64.3	66.5	30.3	70.6	62.6	34.9	65.2
Aug	66.0	66.3	74.2	47.3	76.3	58.8	47.1	59.7	64.0	67.0	32.5	70.9	61.6	33.4	64.2
Sept	65.9	66.1	73.8	46.7	75.9	58.8	46.8	59.6	63.9	67.0	31.2	71.1	61.3	29.4	64.3
Oct	66.0	66.2	74.1	48.0	76.1	58.7	45.7	59.6	64.2	67.2	32.7	71.2	61.7	34.4	64.3
Nov	66.1	66.3	74.2	48.0	76.2	58.9	46.1	59.8	63.8	67.2	34.1	71.0	60.9	31.9	63.6
Dec	66.0	66.2	74.0	47.0	76.1	58.8	46.8	59.7	63.6	66.7	31.2	70.8	61.1	31.3	63.9

[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, 1965–2004*

[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
2003: Jan	62.5	63.2	70.2	40.7	72.5	56.6	43.1	57.6	57.7	59.4	22.3	63.7	56.4	25.5	59.2
Feb	62.4	63.2	70.4	40.0	72.7	56.4	42.7	57.4	57.5	60.0	21.9	64.4	55.4	24.7	58.3
Mar	62.4	63.2	70.2	38.7	72.7	56.5	42.4	57.5	57.4	59.2	17.8	63.9	56.0	25.6	58.9
Apr	62.4	63.2	70.2	38.7	72.7	56.5	42.5	57.5	57.7	59.6	19.9	64.1	56.1	25.0	59.0
May	62.3	63.0	70.0	39.3	72.4	56.3	41.9	57.3	58.0	59.2	18.8	63.9	57.0	24.5	60.0
June	62.3	63.0	69.9	39.8	72.3	56.5	41.1	57.6	57.4	59.5	19.5	64.1	55.7	20.5	58.9
July	62.2	62.9	69.9	39.0	72.3	56.3	41.0	57.4	57.4	59.7	19.7	64.3	55.5	23.1	58.5
Aug	62.1	62.8	69.8	39.2	72.2	56.2	41.3	57.3	57.3	59.5	20.4	64.0	55.6	21.9	58.7
Sept	62.1	62.7	70.0	38.9	72.4	55.9	41.0	56.9	57.4	59.6	21.1	64.0	55.6	24.8	58.4
Oct	62.2	62.9	70.1	38.8	72.5	56.2	41.2	57.2	56.8	59.2	19.8	63.7	54.8	20.4	58.0
Nov	62.3	63.0	70.2	39.5	72.6	56.2	41.5	57.2	57.3	59.6	17.9	64.3	55.5	23.4	58.4
Dec	62.2	62.9	70.3	40.0	72.6	55.9	38.6	57.2	56.8	59.9	19.2	64.6	54.2	23.3	57.1
2004: Jan	62.3	63.1	70.7	41.5	73.0	55.9	40.0	57.0	57.5	60.0	17.0	64.9	55.5	26.9	58.1
Feb	62.2	63.0	70.3	40.1	72.7	56.0	40.0	57.2	57.3	59.2	17.2	64.0	55.7	24.8	58.6
Mar	62.2	62.9	70.2	39.3	72.6	55.9	39.9	57.1	57.5	59.7	18.9	64.3	55.8	23.8	58.8
Apr	62.2	63.0	70.3	39.8	72.7	56.0	40.4	57.1	57.4	59.0	18.0	63.7	56.0	22.4	59.2
May	62.3	63.1	70.1	38.8	72.6	56.3	41.7	57.4	57.1	59.3	18.8	63.9	55.2	22.9	58.2
June	62.3	63.1	70.4	39.0	72.8	56.2	40.3	57.3	56.9	59.5	19.4	64.1	54.8	22.0	57.9
July	62.5	63.3	70.8	40.1	73.2	56.2	40.4	57.3	57.3	58.8	18.8	63.3	56.1	22.1	59.2
Aug	62.4	63.2	70.6	39.8	73.0	56.1	40.1	57.3	57.3	59.2	21.1	63.6	55.8	25.3	58.6
Sept	62.3	63.0	70.2	39.3	72.6	56.1	40.5	57.2	57.3	59.4	20.0	63.8	55.6	23.2	58.6
Oct	62.4	63.1	70.5	39.6	72.9	56.1	39.9	57.2	57.3	59.4	20.6	63.9	55.5	23.2	58.6
Nov	62.5	63.3	70.6	40.5	73.0	56.2	40.0	57.4	56.8	59.2	21.1	63.5	54.9	23.3	57.9
Dec	62.4	63.2	70.5	38.6	72.9	56.2	40.5	57.3	56.7	58.8	19.4	63.3	55.1	23.7	58.0

[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, 1959–2004*

[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
2003: Jan	5.8	6.2	19.0	5.5	5.4	15.3	4.8	17.1	5.1	...	10.5	5.6	7.8	3.6	8.0
Feb	5.9	6.2	19.8	5.5	5.6	14.9	5.1	17.4	5.1	...	10.8	6.0	7.6	3.7	9.0
Mar	5.8	6.0	20.1	5.4	5.6	15.1	5.0	17.6	5.1	...	10.2	6.5	7.6	3.8	8.4
Apr	6.0	6.4	20.2	5.7	5.6	15.7	5.1	17.9	5.2	...	10.9	5.8	7.6	3.8	8.5
May	6.1	6.4	19.9	5.8	5.7	15.9	5.1	17.9	5.4	...	10.9	5.1	8.1	3.9	8.3
June	6.3	6.7	19.9	6.0	5.8	18.0	5.2	19.0	5.4	...	11.6	7.8	8.4	4.2	8.7
July	6.2	6.6	20.5	5.9	5.7	15.7	5.2	18.2	5.4	...	10.9	6.2	8.1	3.9	9.0
Aug	6.1	6.3	17.5	5.8	5.8	16.0	5.2	16.7	5.4	...	10.9	5.9	7.8	3.9	8.4
Sept	6.1	6.4	19.7	5.7	5.8	15.4	5.3	17.6	5.3	...	11.1	6.2	7.5	3.8	8.5
Oct	6.0	6.2	18.6	5.6	5.7	15.5	5.2	17.1	5.1	...	11.3	6.1	7.4	3.8	8.4
Nov	5.9	6.2	18.4	5.6	5.5	13.0	5.1	15.7	5.2	...	10.2	5.2	7.4	3.7	8.3
Dec	5.7	5.8	17.2	5.3	5.6	15.1	5.1	16.2	5.0	...	10.2	5.3	6.6	3.4	8.4
2004: Jan	5.7	5.7	17.5	5.1	5.6	16.2	5.0	16.9	4.9	...	10.4	5.2	7.3	3.3	8.3
Feb	5.6	5.7	17.3	5.1	5.5	16.0	4.9	16.7	5.0	...	9.7	4.7	7.4	3.4	8.1
Mar	5.7	5.8	18.3	5.2	5.6	14.7	5.1	16.5	5.1	...	10.2	4.2	7.4	3.2	8.4
Apr	5.5	5.7	19.2	5.0	5.4	14.7	4.9	17.0	4.9	...	9.8	4.4	7.1	3.1	7.5
May	5.6	5.8	19.0	5.2	5.3	15.4	4.8	17.2	5.0	...	10.0	4.2	6.9	3.1	7.4
June	5.6	5.6	18.0	5.0	5.6	15.6	5.0	16.8	5.0	...	10.3	5.0	6.7	3.2	8.2
July	5.5	5.5	17.8	4.9	5.5	17.5	4.9	17.6	4.8	...	11.0	4.3	6.8	3.2	9.0
Aug	5.4	5.6	18.1	5.0	5.2	15.9	4.7	17.0	4.7	...	10.5	3.6	6.9	3.1	8.3
Sept	5.4	5.6	18.2	5.0	5.2	15.0	4.7	16.6	4.7	...	10.4	4.3	7.0	3.0	8.2
Oct	5.5	5.6	19.2	4.9	5.3	15.1	4.8	17.2	4.7	...	10.7	4.8	6.7	3.0	7.8
Nov	5.4	5.5	18.2	4.9	5.2	14.6	4.7	16.5	4.6	...	10.8	4.2	6.7	3.1	7.7
Dec	5.4	5.6	20.3	4.9	5.2	14.8	4.7	17.6	4.6	...	10.8	4.1	6.6	3.1	7.1

[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, 1965–2004*

[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
2003: Jan	5.8	5.1	5.5	16.5	4.9	4.7	13.0	4.2	10.5	11.6	33.3	10.4	9.6	27.9	8.6
Feb	5.9	5.1	5.4	17.3	4.8	4.8	13.5	4.3	10.8	11.8	37.5	10.4	9.9	25.1	9.1
Mar	5.8	5.1	5.3	17.6	4.7	4.8	13.2	4.3	10.2	11.1	43.2	9.5	9.5	26.3	8.7
Apr	6.0	5.2	5.6	17.3	5.0	4.8	13.3	4.3	10.9	11.8	37.3	10.5	10.1	29.4	9.2
May	6.1	5.4	5.7	16.9	5.1	5.1	13.7	4.6	10.9	12.7	41.5	11.2	9.3	31.0	8.2
June	6.3	5.4	5.9	17.5	5.3	4.9	15.1	4.4	11.6	12.4	36.7	11.2	10.9	38.3	9.6
July	6.2	5.4	5.9	18.0	5.3	4.8	13.1	4.4	10.9	11.4	36.5	10.1	10.5	32.3	9.5
Aug	6.1	5.4	5.8	16.6	5.3	4.9	13.7	4.4	10.9	11.2	28.0	10.4	10.7	32.0	9.7
Sept	6.1	5.3	5.6	17.7	5.0	5.0	12.7	4.6	11.1	12.1	34.3	11.0	10.3	31.0	9.2
Oct	6.0	5.1	5.4	15.8	4.9	4.8	12.9	4.4	11.3	12.0	41.4	10.4	10.7	32.2	9.8
Nov	5.9	5.2	5.6	17.0	5.0	4.7	11.4	4.3	10.2	10.9	33.1	9.9	9.7	25.5	9.0
Dec	5.7	5.0	5.2	15.9	4.7	4.8	13.3	4.3	10.2	10.1	28.2	9.3	10.3	27.1	9.5
2004: Jan	5.7	4.9	5.0	14.0	4.5	4.9	14.2	4.4	10.4	11.0	42.2	9.5	9.9	25.9	9.0
Feb	5.6	5.0	5.1	15.6	4.6	4.8	15.1	4.2	9.7	10.1	29.1	9.3	9.4	22.4	8.8
Mar	5.7	5.1	5.2	16.3	4.7	4.9	13.3	4.4	10.2	10.5	37.0	9.2	9.9	23.5	9.3
Apr	5.5	4.9	5.1	17.8	4.5	4.7	13.3	4.2	9.8	10.2	30.7	9.3	9.4	26.4	8.6
May	5.6	5.0	5.3	18.5	4.7	4.5	12.7	4.1	10.0	10.3	30.4	9.4	9.7	33.9	8.4
June	5.6	5.0	5.0	16.2	4.5	4.9	13.3	4.4	10.3	10.6	34.4	9.5	10.0	31.2	9.0
July	5.5	4.8	4.8	15.5	4.3	4.7	14.2	4.2	11.0	11.6	37.9	10.3	10.4	36.6	9.1
Aug	5.4	4.7	4.9	15.8	4.4	4.6	15.0	4.0	10.5	11.6	34.9	10.4	9.4	24.2	8.7
Sept	5.4	4.7	4.8	15.9	4.3	4.5	13.5	4.0	10.4	11.4	35.9	10.2	9.4	21.1	8.9
Oct	5.5	4.7	4.9	17.4	4.2	4.4	12.6	4.0	10.7	11.6	37.1	10.2	10.0	32.4	8.9
Nov	5.4	4.6	4.7	15.5	4.2	4.5	13.2	4.1	10.8	12.0	38.1	10.5	9.9	27.0	9.0
Dec	5.4	4.6	4.8	17.9	4.2	4.4	13.4	3.9	10.8	11.9	37.7	10.7	9.8	24.0	9.1

[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, 1959–2004*

[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
2003: Jan	8,484	2,819	2,596	1,420	1,733	18.5	9.6	4,719	1,104	3,615	830	2,365	600
Feb	8,636	2,814	2,599	1,283	1,883	18.6	9.5	4,799	1,133	3,667	787	2,426	589
Mar	8,493	2,812	2,555	1,350	1,823	18.1	9.7	4,671	1,151	3,521	803	2,408	631
Apr	8,822	2,790	2,642	1,412	1,926	19.4	10.2	4,796	1,125	3,671	825	2,546	639
May	8,926	3,002	2,627	1,372	1,915	19.0	9.9	5,092	1,214	3,878	781	2,485	632
June	9,228	2,942	2,761	1,493	2,013	19.5	11.4	4,990	1,171	3,819	874	2,611	655
July	9,024	2,709	2,661	1,606	1,992	19.5	10.3	4,964	1,134	3,829	792	2,549	660
Aug	8,914	2,763	2,604	1,577	2,032	19.4	10.2	4,989	1,088	3,900	788	2,519	647
Sept	8,961	2,727	2,756	1,462	2,062	19.6	10.2	4,961	1,135	3,826	852	2,438	682
Oct	8,755	2,729	2,590	1,462	1,986	19.4	10.4	4,844	1,104	3,740	803	2,512	640
Nov	8,651	2,638	2,525	1,446	2,004	19.9	10.4	4,696	1,063	3,633	928	2,445	609
Dec	8,399	2,595	2,453	1,496	1,893	19.8	10.4	4,569	1,054	3,516	759	2,387	696
2004: Jan	8,303	2,623	2,402	1,447	1,892	19.8	10.6	4,380	1,030	3,350	807	2,514	677
Feb	8,195	2,449	2,418	1,382	1,870	20.2	10.2	4,284	1,060	3,224	835	2,421	671
Mar	8,330	2,623	2,417	1,330	1,991	19.9	10.2	4,475	1,035	3,440	845	2,419	629
Apr	8,143	2,772	2,370	1,165	1,791	19.7	9.4	4,322	993	3,329	835	2,310	650
May	8,172	2,731	2,376	1,277	1,783	19.8	9.9	4,190	920	3,270	855	2,437	723
June	8,228	2,715	2,397	1,294	1,757	19.8	10.8	4,117	1,009	3,108	909	2,426	642
July	8,184	2,803	2,458	1,198	1,686	18.5	8.9	4,228	1,068	3,160	896	2,333	686
Aug	8,018	2,605	2,521	1,243	1,681	19.2	9.5	3,978	971	3,007	885	2,440	699
Sept	8,005	2,796	2,251	1,227	1,744	19.6	9.5	4,014	919	3,094	830	2,417	697
Oct	8,066	2,753	2,290	1,261	1,771	19.7	9.5	4,074	947	3,127	829	2,411	747
Nov	8,020	2,611	2,361	1,294	1,718	19.8	9.8	4,066	941	3,124	880	2,388	723
Dec	8,047	2,865	2,264	1,325	1,636	19.3	9.5	4,108	965	3,144	898	2,361	709

[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, 1978–2004*

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] 42,978	3,585	407	85	2.8	42,130	256.79
2003	127,796	3,573	[8] 42,413	3,531	404	85	2.8	41,358	261.67
2004 *p*	.....	2,999	.....	2,950	345	68	.....	.....	.....
				**	**		**		
2003: Jan	.....	3,977	4,130.1	3,416	396	84	2.7	4,035.1	261.09
Feb	.....	4,179	3,889.6	3,486	411	83	2.7	3,806.3	263.60
Mar	.....	4,354	4,204.7	3,541	420	88	2.8	4,125.6	264.74
Apr	.....	3,712	3,862.7	3,614	433	92	2.9	3,792.9	263.66
May	.....	3,273	3,305.1	3,675	424	84	2.9	3,244.9	262.72
June	.....	3,676	3,387.0	3,675	420	85	2.9	3,323.9	261.15
July	.....	3,452	3,615.3	3,598	404	89	2.8	3,551.2	258.74
Aug	.....	3,382	3,174.1	3,594	400	84	2.8	3,099.1	257.23
Sept	.....	3,226	3,212.8	3,581	399	83	2.8	3,116.8	261.06
Oct	.....	2,802	2,974.9	3,491	383	77	2.8	2,883.9	262.39
Nov	.....	3,207	2,806.6	3,379	369	81	2.7	2,715.5	260.83
Dec	.....	3,548	3,697.3	3,289	362	86	2.6	3,596.6	261.62
2004: Jan	.....	3,709	3,696.7	3,172	356	82	2.5	3,608.3	264.44
Feb	.....	3,982	3,630.8	3,139	356	79	2.5	3,561.5	266.02
Mar	.....	3,576	3,880.9	3,028	339	77	2.4	3,811.8	266.00
Apr	.....	2,974	3,007.0	2,970	342	73	2.4	2,943.0	263.99
May	.....	2,846	2,650.9	2,928	342	70	2.3	2,592.5	263.05
June	.....	2,871	2,856.8	2,921	341	68	2.3	2,794.0	260.10
July	.....	2,726	2,630.9	2,888	340	65	2.3	2,572.7	258.05
Aug	.....	2,917	2,773.7	2,884	340	66	2.3	2,706.0	255.63
Sept	.....	2,403	2,391.1	2,856	345	56	2.3	2,329.4	261.80
Oct	.....	2,429	2,224.2	2,803	342	57	2.2	2,161.9	262.19
Nov	.....	2,624	2,543.6	2,755	339	59	2.2	2,473.4	261.36
Dec *p*	.....	2,696	2,826.5	2,750	335	55	2.2	2,753.3	264.24

** 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 for 2002 and 2003 (not including RRB program) would be approximately (in millions of dollars): for 2002, 53,829 and for 2003, 53,244.

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, 1959–2004*

[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	129,931	21,817	517	6,722	14,525	8,970	5,555	108,114	25,275	14,912
2004 *p*	131,287	21,889	587	6,923	14,379	8,946	5,434	109,398	25,481	15,028
2003: Jan	130,190	22,122	572	6,712	14,838	9,180	5,658	108,068	25,375	14,946
Feb	130,031	22,005	574	6,661	14,770	9,129	5,641	108,026	25,352	14,925
Mar	129,921	21,949	571	6,661	14,717	9,092	5,625	107,972	25,328	14,912
Apr	129,901	21,880	568	6,689	14,623	9,025	5,598	108,021	25,326	14,929
May	129,873	21,859	570	6,715	14,574	8,993	5,581	108,014	25,302	14,917
June	129,859	21,805	573	6,718	14,514	8,958	5,556	108,054	25,266	14,908
July	129,814	21,744	571	6,721	14,452	8,908	5,544	108,070	25,225	14,897
Aug	129,789	21,712	569	6,739	14,404	8,886	5,518	108,077	25,225	14,912
Sept	129,856	21,697	568	6,754	14,375	8,867	5,508	108,159	25,252	14,927
Oct	129,944	21,674	569	6,754	14,351	8,854	5,497	108,270	25,272	14,948
Nov	130,027	21,686	571	6,771	14,344	8,874	5,470	108,341	25,261	14,922
Dec	130,035	21,668	570	6,774	14,324	8,868	5,456	108,367	25,211	14,876
2004: Jan	130,194	21,696	570	6,812	14,314	8,869	5,445	108,498	25,312	14,945
Feb	130,277	21,684	572	6,791	14,321	8,882	5,439	108,593	25,331	14,963
Mar	130,630	21,778	581	6,853	14,344	8,899	5,445	108,852	25,415	15,013
Apr	130,954	21,822	585	6,872	14,365	8,924	5,441	109,132	25,448	15,037
May	131,162	21,894	589	6,909	14,396	8,946	5,450	109,268	25,477	15,048
June	131,258	21,891	587	6,911	14,393	8,955	5,438	109,367	25,497	15,055
July	131,343	21,906	592	6,916	14,398	8,955	5,443	109,437	25,499	15,038
Aug	131,541	21,939	591	6,936	14,412	8,986	5,426	109,602	25,516	15,049
Sept	131,660	21,958	593	6,958	14,407	8,979	5,428	109,702	25,522	15,031
Oct	131,972	22,016	592	7,018	14,406	8,985	5,421	109,956	25,562	15,056
Nov *p*	132,109	22,017	595	7,025	14,397	8,979	5,418	110,092	25,580	15,065
Dec *p*	132,266	22,030	598	7,032	14,400	8,979	5,421	110,236	25,580	15,045

[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, 1959–2004*—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	3,198	7,974	15,997	16,577	12,125	5,393	21,575	2,756	5,017	13,802
2004 *p*	3,169	8,048	16,452	16,921	12,322	5,405	21,600	2,713	5,032	13,855
2003: Jan	3,258	7,915	15,902	16,432	12,171	5,397	21,618	2,785	5,021	13,812
Feb	3,233	7,933	15,906	16,465	12,116	5,396	21,625	2,787	5,028	13,810
Mar	3,221	7,945	15,871	16,488	12,107	5,396	21,616	2,789	5,024	13,803
Apr	3,214	7,968	15,897	16,538	12,084	5,397	21,597	2,768	5,020	13,809
May	3,203	7,987	15,943	16,564	12,078	5,396	21,541	2,769	5,013	13,759
June	3,194	7,988	15,967	16,576	12,097	5,399	21,567	2,763	4,996	13,808
July	3,188	7,995	16,021	16,568	12,118	5,394	21,561	2,758	4,990	13,813
Aug	3,174	7,996	15,998	16,591	12,117	5,396	21,580	2,750	4,997	13,833
Sept	3,175	8,004	16,051	16,622	12,126	5,390	21,539	2,747	5,019	13,773
Oct	3,166	7,990	16,070	16,678	12,147	5,387	21,560	2,736	5,031	13,793
Nov	3,172	7,985	16,114	16,705	12,178	5,382	21,544	2,723	5,023	13,798
Dec	3,175	7,981	16,159	16,731	12,192	5,374	21,544	2,720	5,027	13,797
2004: Jan	3,163	7,981	16,172	16,746	12,218	5,379	21,527	2,715	5,007	13,805
Feb	3,169	7,989	16,196	16,764	12,229	5,376	21,539	2,716	5,018	13,805
Mar	3,169	8,003	16,237	16,813	12,271	5,391	21,553	2,710	5,023	13,820
Apr	3,173	8,015	16,363	16,854	12,303	5,404	21,572	2,727	5,019	13,826
May	3,177	8,029	16,432	16,871	12,331	5,407	21,544	2,712	5,004	13,828
June	3,182	8,049	16,457	16,897	12,339	5,418	21,528	2,716	5,004	13,808
July	3,173	8,044	16,490	16,901	12,344	5,414	21,572	2,710	5,019	13,843
Aug	3,166	8,053	16,518	16,965	12,341	5,414	21,629	2,712	5,035	13,882
Sept	3,159	8,078	16,548	16,980	12,353	5,410	21,652	2,713	5,047	13,892
Oct	3,163	8,092	16,643	17,049	12,362	5,410	21,675	2,706	5,058	13,911
Nov *p*	3,164	8,107	16,664	17,086	12,387	5,417	21,687	2,713	5,066	13,908
Dec *p*	3,161	8,121	16,705	17,133	12,399	5,421	21,716	2,706	5,076	13,934

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, 1959–2004* [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	517.36	278.75	2.2	–.0
2004 *p*	33.7	40.8	4.6	15.68	8.24	16.15	528.97	277.82	2.2	–.3
2003: Jan	33.8	40.3	4.3	15.18	8.25	15.58	513.08	279.00	3.1	.4
Feb	33.7	40.4	4.3	15.27	8.25	15.62	514.60	278.16	3.1	–.0
Mar	33.8	40.4	4.1	15.27	8.21	15.63	516.13	277.49	3.2	–.1
Apr	33.6	40.1	4.0	15.25	8.23	15.64	512.40	276.67	2.1	–.3
May	33.7	40.2	4.1	15.31	8.28	15.68	515.95	279.19	2.7	.7
June	33.7	40.3	4.1	15.34	8.29	15.72	516.96	279.29	1.8	–.3
July	33.6	40.1	4.1	15.40	8.31	15.73	517.44	279.24	2.3	.3
Aug	33.6	40.2	4.1	15.41	8.28	15.79	517.78	278.08	1.8	–.4
Sept	33.6	40.4	4.2	15.41	8.25	15.84	517.78	277.33	1.5	–.7
Oct	33.7	40.5	4.3	15.43	8.28	15.83	519.99	278.96	1.9	.0
Nov	33.8	40.8	4.5	15.46	8.32	15.89	522.55	281.09	2.2	.6
Dec	33.6	40.6	4.5	15.45	8.30	15.93	519.12	278.80	1.2	–.5
2004: Jan	33.8	41.0	4.5	15.49	8.27	15.94	523.56	279.68	2.0	.2
Feb	33.8	41.0	4.6	15.52	8.27	15.99	524.58	279.48	1.9	.5
Mar	33.8	40.9	4.6	15.55	8.24	16.01	525.59	278.53	1.8	.4
Apr	33.7	40.7	4.5	15.59	8.25	16.08	525.38	277.98	2.5	.5
May	33.8	41.1	4.6	15.63	8.21	16.08	528.29	277.61	2.4	–.6
June	33.6	40.8	4.6	15.66	8.20	16.13	526.18	275.63	1.8	–1.3
July	33.8	40.8	4.6	15.71	8.23	16.16	531.00	278.30	2.6	–.3
Aug	33.7	40.9	4.6	15.76	8.26	16.23	531.11	278.21	2.6	.0
Sept	33.8	40.8	4.6	15.78	8.25	16.29	533.36	278.95	3.0	.6
Oct	33.8	40.6	4.5	15.82	8.22	16.29	534.72	277.78	2.8	–.4
Nov *p*	33.7	40.5	4.5	15.84	8.22	16.30	533.81	276.87	2.2	–1.5
Dec *p*	33.8	40.5	4.5	15.86	8.23	16.36	536.07	278.33	3.3	–.2

[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, 1984–2004*

Year and month	Total private			Goods-producing			Service-producing			Manufacturing			Nonmanufacturing		
	Total compensation	Wages and salaries	Benefits [1]	Total compensation	Wages and salaries	Benefits [1]	Total compensation	Wages and salaries	Benefits [1]	Total compensation	Wages and salaries	Benefits [1]	Total compensation	Wages and salaries	Benefits [1]
	Index, June 1989=100; not seasonally adjusted														
December:															
1984	84.0	84.8	81.7	85.4	86.4	83.2	82.9	83.7	80.4	85.0	86.1	82.7	83.4	84.2	81.1
1985	87.3	88.3	84.6	88.2	89.4	85.7	86.6	87.7	83.6	87.8	89.2	85.0	87.0	88.0	84.4
1986	90.1	91.1	87.5	91.0	92.3	88.3	89.3	90.3	86.8	90.7	92.1	87.5	89.7	90.6	87.5
1987	93.1	94.1	90.5	93.8	95.2	90.9	92.6	93.4	90.2	93.4	95.2	89.8	92.9	93.7	91.0
1988	97.6	98.0	96.7	97.9	98.2	97.3	97.3	97.8	96.1	97.6	98.1	96.6	97.5	97.8	96.8
1989	102.3	102.0	102.6	102.1	102.0	102.6	102.3	102.2	102.6	102.0	101.9	102.3	102.3	102.2	102.8
1990	107.0	106.1	109.4	107.0	105.8	109.9	107.0	106.3	109.0	107.2	106.2	109.5	106.9	106.1	109.3
1991	111.7	110.0	116.2	111.9	109.7	116.7	111.6	110.2	115.7	112.2	110.3	116.1	111.5	109.8	116.2
1992	115.6	112.9	122.2	116.1	112.8	123.4	115.2	113.0	121.2	116.5	113.7	122.6	115.1	112.6	122.0
1993	119.8	116.4	128.3	120.6	116.1	130.3	119.3	116.6	126.7	121.3	117.3	130.0	119.0	116.0	127.4
1994	123.5	119.7	133.0	124.3	119.6	134.8	122.8	119.7	131.5	125.1	120.8	134.3	122.6	119.1	132.3
1995	126.7	123.1	135.9	127.3	122.9	137.1	126.2	123.2	134.7	128.3	124.3	136.7	125.9	122.5	135.3
1996	130.6	127.3	138.6	130.9	126.8	139.7	130.2	127.5	137.4	132.1	128.4	139.8	129.8	126.8	137.9
1997	135.1	132.3	141.8	134.1	130.6	141.5	135.3	133.1	141.4	135.3	132.2	141.7	134.7	132.1	141.5
1998	139.8	137.4	145.2	137.8	135.2	143.2	140.5	138.4	145.7	138.9	136.8	142.7	139.7	137.4	145.8
1999	144.6	142.2	150.2	142.5	139.7	148.2	145.3	143.3	150.7	143.6	141.5	147.8	144.5	142.1	150.7
2000	150.9	147.7	158.6	148.8	145.2	156.2	151.7	148.9	159.4	149.3	146.5	154.8	151.1	147.9	159.7
2001	157.2	153.3	166.7	154.4	150.5	162.6	158.2	154.5	168.4	154.6	151.7	160.4	157.6	153.5	168.8
2002	162.3	157.5	174.6	160.1	155.0	171.0	163.1	158.6	175.9	160.5	156.5	168.9	162.5	157.5	176.3
2003	168.8	162.3	185.8	166.5	158.7	183.8	169.7	163.9	186.2	167.1	160.1	182.3	169.0	162.6	186.7
2004: Mar	171.4	163.4	192.2	170.3	159.9	193.7	171.6	165.0	190.6	171.7	161.3	194.4	170.9	163.7	190.9
June	173.0	164.5	195.3	171.8	160.9	196.2	173.3	166.1	194.1	173.2	162.4	196.9	172.5	164.8	194.3
Sept	174.4	165.9	196.9	173.3	162.3	198.1	174.7	167.5	195.5	174.9	163.8	199.2	173.9	166.2	195.7
Dec	175.2	166.2	198.7	174.3	162.4	201.2	175.3	167.9	196.5	175.4	164.0	200.4	174.7	166.6	197.6
	Index, June 1989=100; seasonally adjusted														
2003: Mar	165.0	159.3	178.6	163.3	156.3	177.2	165.8	160.6	179.5	163.6	158.0	175.9	164.8	159.4	179.9
June	166.4	160.3	181.1	164.9	157.4	179.6	167.1	161.5	182.1	164.9	159.0	178.2	166.3	160.3	182.5
Sept	168.2	161.7	183.8	166.5	158.3	182.6	169.0	163.2	184.5	166.5	159.7	181.4	168.0	161.9	185.0
Dec	169.5	162.5	186.3	167.6	158.7	185.1	170.4	164.2	187.0	167.6	160.1	183.9	169.4	162.9	187.6
2004: Mar	171.3	163.5	191.2	170.6	159.9	192.8	171.7	165.0	190.2	171.4	161.3	193.3	170.8	163.7	190.5
June	173.0	164.4	194.5	172.1	160.9	195.5	173.4	165.9	193.9	172.8	162.4	196.0	172.4	164.6	193.9
Sept	174.5	165.8	196.4	174.0	162.3	198.4	174.8	167.4	195.3	174.9	163.8	199.5	173.7	166.0	195.6
Dec	175.8	166.4	199.3	175.5	162.4	202.6	176.0	168.2	197.4	175.9	164.0	202.2	175.1	166.9	198.5
	Percent change from 12 months earlier, not seasonally adjusted														
December:															
1984	4.9	4.2	6.5	4.7	3.8	6.3	5.1	4.4	6.9	5.2	4.4	6.7	4.8	4.0	6.4
1985	3.9	4.1	3.5	3.3	3.5	3.0	4.5	4.8	4.0	3.3	3.6	2.8	4.3	4.5	4.1
1986	3.2	3.2	3.4	3.2	3.2	3.0	3.1	3.0	3.8	3.3	3.3	2.9	3.1	3.0	3.7
1987	3.3	3.3	3.4	3.1	3.1	2.9	3.7	3.4	3.9	3.0	3.4	2.6	3.6	3.4	4.0
1988	4.8	4.1	6.9	4.4	3.2	7.0	5.1	4.7	6.5	4.5	3.0	7.6	5.0	4.4	6.4
1989	4.8	4.1	6.1	4.3	3.9	5.4	5.1	4.5	6.8	4.5	3.9	5.9	4.9	4.5	6.2
1990	4.6	4.0	6.6	4.8	3.7	7.1	4.6	4.0	6.2	5.1	4.2	7.0	4.5	3.8	6.3
1991	4.4	3.7	6.2	4.6	3.7	6.2	4.3	3.7	6.1	4.7	3.9	6.0	4.3	3.5	6.3
1992	3.5	2.6	5.2	3.8	2.8	5.7	3.2	2.5	4.8	3.8	3.1	5.6	3.2	2.6	5.0
1993	3.6	3.1	5.0	3.9	2.9	5.6	3.6	3.2	4.5	4.1	3.2	6.0	3.4	3.0	4.4
1994	3.1	2.8	3.7	3.1	3.0	3.5	2.9	2.7	3.8	3.1	3.0	3.3	3.0	2.7	3.8
1995	2.6	2.8	2.2	2.4	2.8	1.7	2.8	2.9	2.4	2.6	2.9	1.8	2.7	2.9	2.3
1996	3.1	3.4	2.0	2.8	3.2	1.9	3.2	3.5	2.0	3.0	3.3	2.3	3.1	3.5	1.9
1997	3.4	3.9	2.3	2.4	3.0	1.3	3.9	4.4	2.9	2.4	3.0	1.4	3.8	4.2	2.6
1998	3.5	3.9	2.4	2.8	3.5	1.2	3.8	4.0	3.0	2.7	3.5	.7	3.7	4.0	3.0
1999	3.4	3.5	3.4	3.4	3.3	3.4	3.4	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2000	4.4	3.9	5.6	4.4	3.9	5.4	4.4	3.9	5.8	4.0	3.5	4.7	4.6	4.1	6.0
2001	4.2	3.8	5.1	3.8	3.7	4.1	4.3	3.8	5.6	3.5	3.5	3.6	4.3	3.8	5.7
2002	3.2	2.7	4.7	3.7	3.0	5.2	3.1	2.7	4.5	3.8	3.2	5.3	3.1	2.6	4.4
2003	4.0	3.0	6.4	4.0	2.4	7.5	4.0	3.3	5.9	4.1	2.3	7.9	4.0	3.2	5.9
2004: Mar	3.9	2.6	7.0	4.5	2.3	8.8	3.6	2.7	5.9	4.7	2.1	9.9	3.6	2.7	5.9
June	4.0	2.6	7.3	4.4	2.2	8.9	3.8	2.7	6.5	4.7	2.1	10.0	3.7	2.7	6.3
Sept	3.7	2.6	6.8	4.6	2.5	8.7	3.5	2.6	5.8	5.0	2.6	10.0	3.5	2.5	5.7
Dec	3.8	2.4	6.9	4.7	2.3	9.5	3.3	2.4	5.5	5.0	2.4	9.9	3.4	2.5	5.8
	Percent change from 3 months earlier, seasonally adjusted														
2003: Mar	1.4	1.0	2.1	1.6	0.8	3.0	1.3	1.1	1.6	1.6	1.0	3.3	1.2	1.0	1.6
June	.8	.6	1.4	1.0	.7	1.4	.8	.6	1.4	.8	.6	1.3	.9	.6	1.4
Sept	1.1	.9	1.5	1.0	.6	1.7	1.1	1.1	1.3	1.0	.4	1.8	1.0	1.0	1.4
Dec	.8	.5	1.4	.7	.3	1.4	.8	.6	1.4	.7	.3	1.4	.8	.6	1.4
2004: Mar	1.1	.6	2.6	1.8	.8	4.2	.8	.5	1.7	2.3	.7	5.1	.8	.5	1.5
June	1.0	.6	1.7	.9	.6	1.4	1.0	.5	1.9	.8	.7	1.4	.9	.5	1.8
Sept	.9	.9	1.0	1.1	.9	1.5	.8	.9	.7	1.2	.9	1.8	.8	.9	.9
Dec	.7	.4	1.5	.9	.1	2.1	.7	.5	1.1	.6	.1	1.4	.8	.5	1.5

[1] Employer costs for employee benefits.

Note.—The employment cost index is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries.

Data exclude farm and household workers.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–49.—*Productivity and related data, business sector, 1959–2004*

[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	48.1	51.2	31.4	31.2	65.4	60.9	13.4	13.9	59.5	61.8	27.8	27.1	26.8	26.3
1960	48.9	51.8	32.0	31.8	65.5	61.3	13.9	14.5	60.9	63.3	28.4	27.9	27.1	26.6
1961	50.6	53.4	32.7	32.4	64.5	60.6	14.5	15.0	62.6	64.8	28.5	28.0	27.3	26.8
1962	52.9	55.8	34.8	34.6	65.7	62.0	15.1	15.6	64.7	66.7	28.5	27.9	27.6	27.1
1963	55.0	57.8	36.4	36.2	66.2	62.7	15.6	16.1	66.1	68.1	28.4	27.8	27.7	27.3
1964	56.8	59.5	38.7	38.7	68.1	65.0	16.2	16.6	67.7	69.3	28.5	27.9	28.1	27.6
1965	58.8	61.3	41.4	41.4	70.4	67.5	16.8	17.1	69.1	70.5	28.6	27.9	28.5	28.0
1966	61.2	63.5	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	64.6	45.1	45.1	72.1	69.8	19.0	19.2	73.5	74.5	30.3	29.7	30.0	29.5
1968	64.6	66.8	47.3	47.5	73.2	71.1	20.5	20.7	76.3	77.1	31.7	31.0	31.2	30.7
1969	64.9	66.9	48.8	48.9	75.1	73.1	21.9	22.1	77.4	78.1	33.8	33.1	32.6	32.1
1970	66.2	67.9	48.7	48.9	73.6	72.0	23.6	23.7	78.8	79.1	35.6	34.9	34.1	33.5
1971	69.0	70.6	50.6	50.7	73.3	71.8	25.1	25.2	80.2	80.7	36.3	35.7	35.5	35.0
1972	71.2	73.0	53.9	54.1	75.6	74.1	26.7	26.9	82.6	83.2	37.4	36.8	36.8	36.1
1973	73.5	75.3	57.6	58.0	78.5	77.1	28.9	29.1	84.4	84.8	39.4	38.6	38.7	37.4
1974	72.3	74.2	56.8	57.3	78.6	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	35.0	35.1	84.1	84.5	46.7	46.1	46.6	45.6
1976	77.2	78.7	60.0	60.2	77.7	76.5	38.0	38.1	86.4	86.6	49.2	48.4	49.0	48.1
1977	78.5	79.9	63.3	63.6	80.7	79.6	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	84.8	83.7	44.6	44.8	89.1	89.6	56.2	55.3	55.6	54.6
1979	79.4	80.7	69.6	70.0	87.7	86.6	48.9	49.1	89.4	89.7	61.6	60.8	60.4	59.2
1980	79.2	80.6	68.8	69.2	86.9	85.9	54.2	54.4	89.2	89.5	68.4	67.5	65.8	64.9
1981	80.8	81.7	70.7	70.7	87.5	86.5	59.4	59.7	89.3	89.9	73.5	73.1	71.8	71.1
1982	80.2	80.9	68.6	68.4	85.5	84.6	63.6	64.0	90.4	90.8	79.3	79.1	75.9	75.5
1983	83.1	84.6	72.3	72.9	87.0	86.2	66.3	66.6	90.4	90.9	79.7	78.8	78.5	77.9
1984	85.3	86.3	78.6	78.9	92.1	91.4	69.1	69.5	90.7	91.1	81.0	80.5	80.8	80.1
1985	87.2	87.6	82.2	82.2	94.2	93.8	72.4	72.6	91.9	92.2	83.0	82.9	82.7	82.5
1986	89.9	90.3	85.3	85.4	94.9	94.6	76.2	76.4	94.9	95.2	84.8	84.6	84.1	83.9
1987	90.4	90.7	88.3	88.4	97.7	97.5	79.0	79.2	95.3	95.4	87.5	87.3	85.9	85.7
1988	91.7	92.1	92.1	92.4	100.3	100.3	83.1	83.1	96.6	96.6	90.6	90.2	88.6	88.3
1989	92.6	92.8	95.4	95.7	103.0	103.1	85.3	85.2	95.1	95.0	92.1	91.9	91.9	91.5
1990	94.5	94.6	96.9	97.1	102.5	102.7	90.6	90.4	96.2	96.0	95.9	95.6	95.1	94.9
1991	96.0	96.1	96.1	96.3	100.2	100.2	95.0	95.0	97.4	97.4	99.0	98.8	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	100.3	100.4	103.1	103.4	102.8	103.0	102.2	102.0	99.7	99.5	101.9	101.6	102.1	102.1
1994	101.5	101.5	108.2	108.3	106.7	106.6	103.8	103.8	99.2	99.1	102.3	102.2	103.9	104.0
1995	101.6	102.0	111.4	111.8	109.6	109.5	106.0	105.9	98.9	98.8	104.3	103.8	105.7	105.8
1996	104.6	104.8	116.5	116.8	111.4	111.5	109.6	109.5	99.6	99.5	104.8	104.5	107.4	107.3
1997	106.5	106.5	122.7	122.8	115.1	115.4	113.1	112.9	100.6	100.4	106.1	106.0	109.0	109.1
1998	109.4	109.3	128.6	128.9	117.6	117.9	119.9	119.6	105.1	104.9	109.6	109.4	109.7	109.9
1999	112.6	112.3	135.2	135.6	120.1	120.7	125.6	125.1	107.9	107.5	111.6	111.4	110.7	111.1
2000	115.9	115.5	140.5	140.8	121.3	121.9	134.5	134.0	111.8	111.4	116.1	116.0	112.7	113.3
2001	118.8	118.3	141.0	141.3	118.7	119.4	140.1	139.3	113.3	112.7	118.0	117.7	114.9	115.4
2002	123.9	123.5	143.5	143.9	115.8	116.5	144.5	143.8	115.0	114.5	116.6	116.5	116.0	116.6
2003	129.5	129.0	149.0	149.4	115.1	115.8	150.5	149.7	117.1	116.5	116.2	116.1	117.4	117.9
2000:I	114.0	113.7	138.6	138.8	121.6	122.1	132.4	132.1	111.5	111.2	116.2	116.2	112.1	112.6
II	116.2	115.8	141.1	141.4	121.5	122.1	133.0	132.5	111.0	110.6	114.4	114.4	112.6	113.1
III	115.9	115.5	140.8	141.1	121.5	122.1	135.6	135.1	112.2	111.8	117.0	116.9	112.9	113.5
IV	117.1	116.6	141.5	141.8	120.8	121.6	136.5	135.9	112.2	111.6	116.6	116.5	113.3	113.9
2001:I	117.0	116.5	141.1	141.4	120.7	121.4	138.8	138.1	113.0	112.5	118.7	118.6	114.1	114.6
II	118.4	118.1	141.4	141.9	119.4	120.2	139.7	138.9	112.8	112.2	117.9	117.6	114.9	115.4
III	118.8	118.5	140.3	140.8	118.1	118.9	140.4	139.6	113.2	112.5	118.2	117.8	115.2	115.6
IV	120.9	120.4	141.0	141.2	116.6	117.3	141.5	140.7	114.2	113.5	117.0	116.8	115.6	116.0
2002:I	122.7	122.4	142.2	142.6	115.9	116.5	143.2	142.6	115.2	114.7	116.7	116.4	115.5	116.0
II	123.2	122.8	142.9	143.2	116.0	116.7	144.4	143.8	115.2	114.7	117.2	117.1	115.9	116.5
III	124.7	124.1	144.3	144.5	115.7	116.4	145.0	144.3	115.0	114.4	116.3	116.2	116.1	116.8
IV	125.0	124.6	144.7	145.0	115.7	116.4	145.5	144.7	114.8	114.3	116.3	116.1	116.5	117.2
2003:I	126.2	125.8	145.5	145.9	115.3	116.0	147.4	146.6	115.3	114.7	116.8	116.6	117.1	117.7
II	128.6	127.8	147.5	147.8	114.7	115.6	149.6	148.7	116.8	116.1	116.4	116.3	117.3	117.8
III	131.2	130.6	150.8	151.1	114.9	115.7	151.7	150.9	117.7	117.1	115.6	115.5	117.5	118.0
IV	132.0	131.7	152.3	152.8	115.4	116.1	153.2	152.5	118.7	118.2	116.0	115.9	117.8	118.1
2004:I	133.3	132.8	154.3	155.0	115.8	116.7	154.2	153.3	118.4	117.7	115.7	115.4	118.4	118.7
II	134.2	134.1	155.8	156.5	116.1	116.7	156.2	155.5	118.6	118.0	116.4	115.9	119.4	119.6
III	135.0	134.7	157.5	158.2	116.6	117.4	157.7	156.9	119.2	118.5	116.8	116.5	119.6	120.0

[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 1978–2003 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, 1959–2004*

[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	4.7	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	3.8	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	3.3	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	7.1	7.1	3.4	3.9	3.7	3.3	2.1	1.7	.2	.2	1.6	1.3
1966	4.0	3.5	6.8	7.1	2.6	3.5	6.7	5.9	3.7	3.0	2.6	2.3	2.5	2.3
1967	2.2	1.7	1.9	1.7	–.2	.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	2.6	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	1.8	1.4	5.6	5.6	4.4	4.5
1971	4.2	4.1	3.8	3.8	–.4	–.3	6.3	6.4	1.8	1.9	2.0	2.2	4.2	4.3
1972	3.2	3.3	6.5	6.7	3.2	3.2	6.3	6.5	3.0	3.2	3.0	3.1	3.6	3.2
1973	3.1	3.1	7.0	7.3	3.8	4.0	8.5	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	–1.1	11.4	11.4	9.6	10.2
1975	3.4	2.7	–1.0	–1.7	–4.3	–4.2	10.2	10.0	1.0	.8	6.5	7.2	9.8	10.8
1976	3.2	3.3	6.6	7.0	3.3	3.5	8.6	8.5	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	7.9	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	3.3	3.5	9.8	9.6	.3	.2	9.7	9.9	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	8.2	9.2	9.6
1982	–.8	–1.0	–3.0	–3.2	–2.3	–2.2	7.2	7.1	1.2	1.1	8.0	8.2	5.7	6.2
1983	3.6	4.5	5.4	6.5	1.7	1.9	4.1	4.2	.0	.0	.5	–.3	3.4	3.1
1984	2.7	2.0	8.7	8.2	5.8	6.1	4.3	4.2	.3	.2	1.6	2.2	2.9	2.9
1985	2.3	1.6	4.6	4.2	2.3	2.6	4.8	4.6	1.4	1.2	2.5	2.9	2.4	3.0
1986	3.0	3.0	3.7	3.9	.7	.8	5.2	5.2	3.3	3.3	2.1	2.1	1.6	1.7
1987	.6	.5	3.5	3.6	2.9	3.1	3.8	3.7	.3	.3	3.2	3.2	2.2	2.2
1988	1.5	1.6	4.3	4.6	2.8	2.9	5.1	4.9	1.4	1.2	3.5	3.2	3.1	3.0
1989	.9	.7	3.7	3.5	2.7	2.8	2.7	2.6	–1.6	–1.6	1.7	1.9	3.7	3.6
1990	2.0	1.9	1.5	1.5	–.5	–.4	6.2	6.1	1.2	1.0	4.1	4.1	3.6	3.7
1991	1.6	1.7	–.8	–.8	–2.3	–2.4	4.9	5.1	1.2	1.4	3.3	3.3	3.2	3.4
1992	4.2	4.0	4.0	3.9	–.2	–.2	5.2	5.3	2.7	2.7	1.0	1.2	1.8	1.9
1993	.3	.4	3.1	3.4	2.8	3.0	2.2	2.0	–.3	–.5	1.9	1.6	2.1	2.1
1994	1.1	1.2	5.0	4.8	3.8	3.6	1.6	1.7	–.5	–.4	.4	.5	1.8	1.9
1995	.2	.5	2.9	3.2	2.7	2.7	2.0	2.1	–.4	–.3	1.9	1.6	1.8	1.7
1996	2.9	2.7	4.6	4.5	1.6	1.8	3.4	3.4	.7	.7	.5	.7	1.6	1.4
1997	1.9	1.6	5.3	5.2	3.4	3.5	3.2	3.1	1.0	.9	1.3	1.4	1.5	1.7
1998	2.7	2.7	4.8	5.0	2.1	2.2	6.0	5.9	4.6	4.5	3.3	3.2	.6	.7
1999	2.9	2.8	5.1	5.2	2.2	2.3	4.8	4.6	2.6	2.5	1.8	1.8	.9	1.1
2000	2.9	2.8	3.9	3.8	1.0	1.0	7.1	7.1	3.6	3.6	4.0	4.2	1.8	1.9
2001	2.5	2.5	.3	.4	–2.1	–2.0	4.2	4.0	1.3	1.1	1.6	1.5	2.0	1.9
2002	4.3	4.4	1.8	1.8	–2.4	–2.5	3.2	3.3	1.5	1.6	–1.1	–1.1	.9	1.0
2003	4.5	4.4	3.8	3.8	–.7	–.6	4.1	4.1	1.8	1.7	–.4	–.4	1.3	1.1
2000: I	–1.4	–1.7	.3	–.1	1.7	1.6	14.5	14.7	10.3	10.5	16.0	16.7	3.4	3.3
II	8.0	7.4	7.5	7.5	–.5	.1	1.7	1.0	–1.6	–2.2	–5.9	–6.0	1.8	1.8
III	–.9	–.8	–.8	–.8	.1	.0	8.1	8.2	4.2	4.3	9.1	9.1	1.3	1.4
IV	4.2	3.7	2.0	2.2	–2.1	–1.5	2.9	2.4	.0	–.5	–1.2	–1.3	1.4	1.3
2001: I	–.5	–.4	–1.1	–1.1	–.6	–.7	6.8	6.7	3.1	3.0	7.4	7.2	2.7	2.6
II	5.1	5.5	.8	1.2	–4.1	–4.1	2.5	2.2	–.8	–1.0	–2.5	–3.1	3.0	2.7
III	1.4	1.5	–3.1	–2.9	–4.4	–4.3	2.2	2.1	1.2	1.1	.8	.6	1.0	.7
IV	7.2	6.6	1.8	1.2	–5.0	–5.1	3.1	3.1	3.7	3.7	–3.8	–3.3	1.3	1.5
2002: I	5.9	6.9	3.5	4.0	–2.3	–2.7	4.9	5.5	3.5	4.1	–1.0	–1.4	–.3	–.3
II	1.7	1.1	2.1	1.7	.4	.6	3.4	3.4	–.1	–.1	1.7	2.3	1.4	1.8
III	4.8	4.5	3.8	3.6	–1.0	–.9	1.6	1.5	–.7	–.8	–3.1	–2.9	.7	1.0
IV	1.2	1.6	1.2	1.4	.0	–.2	1.3	1.2	–.6	–.6	.0	–.3	1.4	1.3
2003: I	3.9	3.7	2.2	2.4	–1.6	–1.3	5.5	5.3	1.7	1.5	1.6	1.6	2.1	1.9
II	7.6	6.7	5.6	5.3	–1.9	–1.4	6.1	5.7	5.4	5.0	–1.4	–1.0	.8	.5
III	8.5	9.0	9.3	9.3	.7	.3	5.6	6.1	3.1	3.6	–2.6	–2.7	.7	.6
IV	2.4	3.1	4.2	4.6	1.7	1.4	4.0	4.4	3.3	3.6	1.6	1.2	.8	.3
2004: I	3.9	3.7	5.3	5.7	1.3	2.0	2.8	2.0	–.8	–1.6	–1.1	–1.6	2.1	2.0
II	2.9	3.9	3.9	4.2	1.0	.3	5.2	5.9	.5	1.1	2.3	1.9	3.3	2.9
III	2.4	1.8	4.5	4.2	2.0	2.4	4.0	3.6	2.1	1.8	1.5	1.8	.9	1.6

[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 the 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, 1959–2004*

[1997=100; monthly data seasonally adjusted]

Year or month	Total industrial production [1]	Manufacturing				Mining	Utilities
		Total [1]	Durable	Nondurable	Other (non-NAICS) [1]		
1959	28.4	26.2	...	...	...	...	...
1960	29.0	26.7	...	...	...	...	...
1961	29.2	26.8	...	...	...	...	...
1962	31.7	29.1	...	...	...	...	...
1963	33.5	30.9	...	...	...	...	...
1964	35.8	33.0	...	...	...	...	...
1965	39.4	36.6	...	...	...	...	...
1966	42.8	39.9	...	...	...	...	...
1967	43.8	40.7	...	...	...	...	...
1968	46.2	42.9	...	...	...	...	...
1969	48.3	44.8	...	...	...	...	...
1970	46.7	42.8	...	...	...	...	...
1971	47.4	43.5	...	...	...	...	...
1972	51.9	48.0	38.9	61.2	67.2	99.0	56.1
1973	56.2	52.4	43.7	64.1	69.3	99.5	59.3
1974	56.0	52.2	43.4	64.4	69.7	98.1	59.1
1975	51.0	46.7	37.6	59.7	66.4	95.7	60.2
1976	55.0	50.9	41.1	65.2	68.4	96.4	62.9
1977	59.2	55.3	45.2	69.6	75.0	98.6	65.4
1978	62.4	58.6	48.8	72.1	77.6	101.7	67.1
1979	64.3	60.4	51.1	72.5	79.2	104.8	68.6
1980	62.6	58.2	48.9	70.3	82.0	106.7	69.1
1981	63.4	58.8	49.4	70.9	83.9	109.5	70.1
1982	60.2	55.7	45.2	69.9	84.9	104.1	67.9
1983	61.8	58.3	47.3	73.1	87.2	98.6	68.4
1984	67.3	64.0	54.1	76.5	91.3	105.0	72.4
1985	68.2	65.1	55.4	76.9	94.8	102.9	74.0
1986	68.9	66.6	56.3	79.2	96.7	95.4	74.6
1987	72.4	70.3	59.5	83.4	102.2	96.2	78.2
1988	76.0	73.9	63.8	86.2	101.8	98.7	82.6
1989	76.7	74.5	64.5	86.7	100.4	97.5	85.2
1990	77.4	75.0	64.6	88.1	99.1	99.0	86.8
1991	76.2	73.6	62.6	87.8	95.2	96.8	88.9
1992	78.4	76.2	65.9	90.0	93.1	94.6	88.9
1993	80.9	78.9	69.6	91.3	93.8	94.6	92.0
1994	85.3	83.7	75.7	94.5	93.1	96.8	93.9
1995	89.4	88.1	82.1	96.2	93.0	96.7	97.2
1996	93.2	92.2	89.1	96.4	92.3	98.3	100.0
1997	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1998	105.8	106.6	110.5	101.5	106.5	98.5	102.6
1999	110.6	112.2	120.1	102.2	109.9	93.6	105.5
2000	115.4	117.3	129.4	102.8	112.2	95.8	108.6
2001	111.3	112.3	123.1	99.4	105.7	96.7	108.1
2002	111.0	111.9	122.8	99.6	100.5	92.6	111.4
2003	110.9	111.9	124.4	98.1	99.5	92.2	111.9
2004 *p*	115.5	117.2	133.1	100.1	103.3	91.5	114.9
2003: Jan	110.9	111.8	123.9	98.2	99.7	92.6	112.3
Feb	111.0	111.6	123.1	98.7	100.1	92.6	114.7
Mar	110.6	111.5	122.3	99.0	100.9	92.3	111.5
Apr	109.5	110.4	121.3	98.0	98.7	92.0	110.3
May	109.6	110.5	121.8	97.7	99.3	91.5	111.1
June	109.9	111.1	123.0	97.6	101.3	92.1	108.2
July	110.6	111.5	124.0	97.7	99.3	92.1	111.7
Aug	110.5	111.3	123.9	97.5	98.5	92.1	112.7
Sept	111.3	112.4	126.0	97.7	98.0	92.8	111.2
Oct	111.6	112.7	126.5	97.8	98.9	92.3	111.5
Nov	112.7	113.9	128.2	98.6	100.1	92.4	112.2
Dec	112.9	113.9	128.4	98.3	99.8	92.2	114.9
2004: Jan	113.2	114.1	129.0	98.1	99.8	92.9	115.8
Feb	114.4	115.5	130.7	98.9	102.9	92.1	117.7
Mar	114.1	115.6	130.8	99.1	102.6	92.1	113.1
Apr	114.7	116.4	131.6	99.8	103.4	92.2	113.3
May	115.5	117.1	132.4	100.3	104.5	91.6	116.2
June	115.1	116.9	132.3	100.2	103.5	91.2	113.8
July	115.9	117.8	133.7	100.7	104.0	92.3	113.3
Aug	116.0	118.3	134.4	100.7	105.9	91.9	111.1
Sept	115.7	117.7	134.1	100.2	104.0	89.4	114.8
Oct *p*	116.6	118.8	135.7	101.0	103.7	89.5	114.5
Nov *p*	116.8	118.9	135.9	100.9	103.8	91.4	114.4
Dec *p*	117.8	119.7	137.1	101.2	105.0	91.8	117.5

[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, 1959–2004*

[1997=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	28.4	27.1	33.4	24.3	21.6	38.7	19.0	14.1	48.6	28.7	39.9	23.7	28.9	.....	51.3
1960	29.0	28.1	34.7	27.9	21.8	39.9	19.6	14.5	49.9	28.9	39.0	24.5	29.3	.....	52.1
1961	29.2	28.3	35.4	25.4	22.4	41.3	19.3	14.1	50.7	29.5	39.3	25.2	29.3	.....	52.4
1962	31.7	30.7	37.8	30.8	24.4	43.2	21.5	15.3	58.7	31.3	41.7	26.8	31.9	.....	54.2
1963	33.5	32.4	39.8	33.7	26.3	45.1	22.7	16.1	63.3	33.0	43.7	28.5	34.0	.....	57.4
1964	35.8	34.3	42.1	35.3	28.7	47.4	24.0	18.0	61.3	35.2	46.3	30.6	36.7	.....	59.8
1965	39.4	37.6	45.4	43.5	32.5	49.4	27.2	20.6	67.8	37.4	49.2	32.6	40.9	.....	62.5
1966	42.8	41.2	47.7	43.4	35.9	51.8	31.7	23.9	79.7	39.7	51.2	35.1	44.6	.....	66.5
1967	43.8	42.9	48.9	38.1	36.3	54.4	33.7	24.3	90.9	41.4	52.6	37.0	44.1	37.5	68.8
1968	46.2	44.9	51.8	45.4	38.9	56.6	34.6	25.4	91.1	43.7	55.3	39.2	47.1	40.3	71.9
1969	48.3	46.4	53.7	45.6	41.5	58.5	35.6	27.0	86.7	46.1	57.7	41.7	49.9	42.8	75.6
1970	46.7	44.7	53.1	38.4	40.2	59.5	33.0	26.1	73.4	45.4	55.7	41.9	48.1	40.3	79.3
1971	47.4	45.1	56.2	48.9	42.6	61.2	30.9	24.8	66.0	46.8	57.4	43.1	48.8	41.0	80.0
1972	51.9	49.0	60.7	52.7	48.7	65.1	33.8	28.2	64.2	52.3	65.2	47.5	53.8	45.9	83.0
1973	56.2	52.7	63.5	57.3	52.0	67.1	38.5	32.6	69.9	55.9	70.7	50.4	58.6	50.9	85.1
1974	56.0	52.6	61.6	49.5	48.9	67.1	40.3	34.4	72.0	55.4	69.0	50.3	58.5	50.8	84.7
1975	51.0	49.5	59.2	47.6	42.8	66.0	36.6	30.4	73.2	49.7	58.5	46.4	52.1	43.6	84.0
1976	55.0	52.9	64.0	54.3	48.1	70.1	38.3	32.2	70.9	53.0	63.0	49.3	56.7	48.6	85.8
1977	59.2	57.2	68.0	61.4	53.7	72.7	42.8	37.3	63.5	57.6	68.7	53.5	60.7	52.7	88.5
1978	62.4	60.7	70.1	61.0	56.2	75.2	47.6	42.1	63.9	60.8	72.6	56.4	63.7	56.1	89.6
1979	64.3	62.7	69.1	55.0	56.5	74.8	53.2	47.5	68.9	62.7	74.4	58.3	65.4	57.6	92.0
1980	62.6	62.4	66.5	42.3	52.4	74.9	55.5	48.3	82.0	60.1	68.8	56.9	62.9	54.2	92.7
1981	63.4	63.8	67.0	43.7	52.8	75.2	58.1	49.7	89.2	60.8	67.6	58.3	63.3	54.4	93.6
1982	60.2	62.4	66.8	42.4	48.9	76.5	55.3	45.4	106.6	58.6	61.4	57.6	58.5	49.0	89.6
1983	61.8	63.5	69.2	49.2	53.0	77.4	54.5	45.3	107.1	61.7	65.7	60.4	60.0	52.4	86.8
1984	67.3	68.8	72.4	55.1	59.2	78.9	62.5	52.3	121.6	67.2	71.5	65.6	65.8	58.5	92.3
1985	68.2	70.6	73.1	55.2	59.3	79.9	65.7	54.4	136.3	68.9	73.3	67.4	65.7	58.6	91.8
1986	68.9	71.6	75.6	59.2	62.7	81.8	64.6	53.5	144.7	71.2	75.8	69.6	65.7	59.8	88.2
1987	72.4	74.8	78.7	63.1	66.0	84.7	67.8	56.7	147.6	75.5	80.5	73.7	69.2	63.7	90.3
1988	76.0	78.6	81.8	66.5	69.5	87.5	72.7	62.0	148.3	78.0	82.3	76.5	73.0	67.8	93.4
1989	76.7	79.4	82.1	69.1	70.2	87.2	74.2	63.9	148.5	78.7	81.9	77.6	73.5	68.2	94.3
1990	77.4	80.1	82.5	64.7	70.1	88.7	75.5	66.0	142.7	79.9	81.1	79.5	74.0	68.3	96.2
1991	76.2	79.1	82.4	60.5	68.1	90.0	72.9	64.8	132.1	78.0	76.6	78.5	73.0	66.9	96.3
1992	78.4	80.9	84.8	70.8	71.2	90.7	73.7	67.3	122.6	80.2	79.8	80.3	75.4	70.3	95.4
1993	80.9	83.5	87.8	78.2	77.5	91.9	75.6	69.9	115.8	83.0	83.4	82.9	78.0	73.4	95.6
1994	85.3	87.1	91.8	87.6	84.9	94.2	78.4	73.9	108.8	87.0	89.5	86.2	83.1	79.5	97.2
1995	89.4	90.6	94.6	90.2	89.8	96.5	83.2	79.9	105.8	90.3	91.4	89.9	88.0	85.1	98.6
1996	93.2	94.0	96.6	93.1	94.2	97.7	89.2	87.3	101.8	93.8	95.5	93.2	92.3	90.1	100.1
1997	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
1998	105.8	105.6	103.5	106.6	107.2	102.2	109.6	110.9	103.7	105.7	105.2	105.8	106.1	107.7	100.5
1999	110.6	108.4	105.5	116.9	111.6	102.2	114.2	117.4	100.7	109.9	107.9	110.6	113.1	116.6	100.2
2000	115.4	111.7	107.7	119.7	116.1	103.8	119.7	125.8	90.1	114.3	110.2	115.8	119.6	124.7	101.6
2001	111.3	109.1	106.5	116.0	109.9	103.9	113.9	116.8	98.1	109.5	105.1	111.1	114.1	117.6	100.4
2002	111.0	107.7	108.0	126.3	112.1	103.9	105.6	107.6	99.2	108.6	104.2	110.3	115.2	119.1	100.4
2003	110.9	108.6	108.3	132.3	111.3	103.3	107.9	108.9	106.4	107.6	101.8	109.9	114.6	118.5	99.8
2004 *p*	115.5	113.3	111.2	134.9	115.7	106.0	117.2	119.2	111.3	112.6	107.1	114.7	118.8	124.6	99.6
2003: Jan	110.9	107.6	107.8	132.4	112.3	102.4	106.0	107.3	104.2	108.1	102.4	110.3	115.3	119.2	100.5
Feb	111.0	108.4	108.5	129.8	110.1	104.3	106.8	108.0	105.2	107.8	101.2	110.4	114.9	118.4	101.1
Mar	110.6	108.2	108.3	129.0	109.6	104.2	106.7	107.8	105.0	107.3	100.4	110.0	114.1	117.9	99.6
Apr	109.5	107.2	107.2	127.6	108.8	103.2	105.7	106.5	104.7	106.1	99.5	108.8	113.2	116.6	99.5
May	109.6	107.3	107.3	127.2	109.7	103.1	105.9	106.6	105.2	106.6	100.6	108.9	113.2	116.8	99.0
June	109.9	107.7	107.6	130.1	110.8	102.9	106.6	107.3	105.9	106.6	101.2	108.7	113.4	117.3	98.8
July	110.6	108.5	108.4	133.7	111.1	103.3	107.4	108.0	106.6	107.1	101.0	109.4	114.1	117.8	99.7
Aug	110.5	108.4	107.8	130.8	111.5	103.0	108.4	109.1	107.7	107.4	101.8	109.5	113.8	117.4	99.9
Sept	111.3	109.3	108.7	139.0	111.6	102.7	109.4	110.3	108.3	107.4	101.8	109.7	114.8	118.9	99.7
Oct	111.6	109.2	108.5	135.3	112.4	102.9	109.6	110.5	108.1	108.0	103.0	109.9	115.3	119.5	99.7
Nov	112.7	110.5	109.6	136.2	113.7	104.0	111.2	112.5	108.4	109.2	104.3	111.1	116.1	120.8	99.5
Dec	112.9	110.5	109.7	136.4	113.8	104.1	111.1	112.6	107.0	109.4	104.3	111.4	116.6	121.1	100.3
2004: Jan	113.2	110.8	109.9	137.1	115.8	103.9	111.8	113.7	106.0	110.1	104.6	112.3	116.8	121.1	100.9
Feb	114.4	112.3	111.3	138.4	116.1	105.6	113.2	115.2	107.1	111.5	104.9	114.1	117.6	122.5	100.5
Mar	114.1	111.7	110.4	136.3	115.6	104.8	113.5	115.3	108.2	111.3	105.8	113.5	117.6	123.0	99.3
Apr	114.7	112.3	110.7	135.9	116.0	105.1	115.0	116.7	109.9	112.1	106.5	114.3	118.1	123.6	99.8
May	115.5	113.1	111.3	133.8	116.5	106.2	116.3	118.2	111.1	112.8	107.3	114.9	118.9	124.3	100.8
June	115.1	112.4	110.2	130.6	116.3	105.3	116.6	118.7	110.7	112.6	107.0	114.7	118.8	124.6	99.6
July	115.9	113.7	110.8	130.9	115.9	106.1	119.6	121.9	112.8	113.0	107.9	114.9	119.2	125.2	99.6
Aug	116.0	113.8	111.4	135.3	116.3	106.1	118.6	120.7	112.7	113.0	108.3	114.8	119.3	125.8	98.6
Sept	115.7	113.5	110.7	133.1	114.7	105.8	119.2	121.1	113.5	112.8	107.6	114.9	118.9	125.5	98.2
Oct *p*	116.6	114.8	111.9	137.8	115.2	106.6	120.6	122.8	114.0	113.3	108.4	115.2	119.5	126.3	98.3
Nov *p*	116.8	114.8	111.9	137.3	115.3	106.6	120.7	122.5	115.2	113.2	108.2	115.2	120.1	126.6	99.4
Dec *p*	117.8	115.7	112.7	137.9	116.2	107.5	121.9	123.6	116.6	114.2	108.6	116.4	121.2	127.5	100.7

[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, 1967–2004*

[1997=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	.....	.....	.....	.....	.....	0.8	.....	.....	.....	.....	.....	.....	.....	.....
1968	.....	.....	.....	.....	.....	.8	.....	.....	.....	.....	.....	.....	.....	.....
1969	.....	.....	.....	.....	.....	.9	.....	.....	.....	.....	.....	.....	.....	.....
1970	.....	.....	.....	.....	.....	.9	.....	.....	.....	.....	.....	.....	.....	.....
1971	.....	.....	.....	.....	.....	.9	.....	.....	.....	.....	.....	.....	.....	.....
1972	108.4	116.0	67.4	60.7	3.3	1.0	58.5	51.5	98.9	62.6	46.8	53.0	37.5	64.4
1973	126.1	139.1	74.4	70.2	3.8	1.3	66.8	59.0	101.9	67.7	49.2	58.0	42.1	64.6
1974	129.2	148.5	73.1	73.6	4.2	1.5	61.6	50.6	94.9	70.6	47.7	60.3	41.1	65.2
1975	100.4	110.5	63.2	64.2	3.7	1.3	55.8	44.1	92.8	61.1	44.6	53.0	35.1	64.0
1976	106.4	114.4	67.7	67.0	4.4	1.7	62.4	56.4	98.0	67.5	47.8	59.3	38.8	69.2
1977	107.4	111.8	73.5	73.2	5.6	2.2	67.8	64.1	104.2	70.4	51.8	64.5	45.7	70.5
1978	114.2	119.9	77.1	78.9	6.9	2.8	72.2	66.8	107.2	73.6	54.8	67.7	47.2	72.6
1979	116.7	124.0	80.5	83.2	8.5	3.6	73.1	61.2	101.6	74.6	56.4	69.2	46.6	71.9
1980	102.4	105.0	75.9	79.2	10.2	4.4	64.9	45.0	103.1	74.4	56.9	65.4	41.4	73.2
1981	102.6	109.0	75.4	78.5	11.8	5.2	62.6	43.9	102.6	75.5	58.3	66.4	43.9	74.2
1982	72.7	67.3	67.6	65.7	13.3	6.0	57.4	39.6	103.9	74.2	62.7	62.1	43.1	77.0
1983	74.2	67.5	68.2	59.3	15.2	7.2	63.3	50.5	107.0	79.1	67.4	66.4	46.9	77.9
1984	81.5	74.6	74.3	69.2	18.9	9.5	71.7	60.6	108.5	83.1	73.4	70.3	54.2	79.4
1985	75.3	69.2	75.2	69.4	20.3	10.1	75.5	62.9	104.3	81.4	76.3	69.8	56.3	82.3
1986	73.4	67.4	74.7	68.4	21.1	10.4	77.3	62.9	105.5	84.8	80.2	73.0	58.6	83.5
1987	79.2	77.0	76.1	69.7	23.8	12.5	80.0	65.2	106.1	87.6	86.1	78.7	64.9	85.3
1988	88.6	89.5	80.1	76.8	26.2	14.5	84.9	69.6	104.2	91.1	88.9	83.2	67.8	87.5
1989	86.7	86.4	79.4	79.6	26.9	15.4	86.7	68.9	99.1	92.1	89.2	84.8	70.1	87.7
1990	85.6	85.3	78.3	77.6	29.2	17.1	83.9	64.7	97.1	92.0	92.6	86.7	72.0	90.4
1991	80.3	78.0	74.8	72.9	30.3	18.4	80.6	61.9	97.6	92.2	89.7	86.5	71.3	92.1
1992	82.2	81.6	77.0	72.7	34.2	22.3	83.6	70.4	99.6	94.5	94.6	87.7	76.7	93.8
1993	86.2	86.5	80.0	78.1	37.7	26.3	86.0	77.8	102.0	95.5	94.9	88.8	82.1	96.3
1994	92.7	93.3	87.1	85.5	44.8	33.9	89.9	89.4	104.0	99.7	95.9	91.1	88.9	96.9
1995	93.8	94.8	92.3	91.5	58.1	48.0	90.0	92.0	104.2	101.1	97.3	92.5	91.2	99.3
1996	96.0	97.1	95.8	94.8	74.3	67.3	91.7	92.7	101.3	98.0	98.0	94.4	94.2	97.3
1997	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
1998	101.6	99.8	103.1	102.5	128.5	139.2	108.9	105.2	94.6	100.8	101.2	101.7	103.6	104.4
1999	101.4	100.5	104.0	100.3	169.7	202.2	114.7	116.7	90.6	101.6	102.0	103.7	109.0	105.5
2000	98.1	99.5	108.1	105.4	224.9	288.4	109.4	115.9	86.2	99.4	102.7	105.3	110.2	107.3
2001	88.7	90.0	100.0	93.1	227.3	293.6	105.2	105.7	73.9	93.8	96.4	103.4	103.8	107.4
2002	90.3	92.0	97.6	88.3	222.2	289.9	109.3	115.7	62.1	94.1	91.1	107.9	105.5	109.4
2003	87.4	93.3	93.5	86.4	251.5	340.8	111.1	119.9	52.4	93.4	87.3	107.2	102.6	109.6
2004 *p*	92.6	101.5	96.5	96.5	288.2	405.9	115.5	124.4	48.8	94.9	87.8	110.2	104.0	111.3
2003: Jan	90.5	98.8	95.7	86.3	237.6	311.8	111.7	121.2	57.4	95.8	89.2	106.9	104.0	109.0
Feb	88.6	93.8	94.5	86.7	240.7	321.4	109.7	118.1	55.7	93.5	89.1	108.0	103.7	109.1
Mar	84.4	85.3	93.8	86.2	243.0	326.4	108.9	116.8	55.0	95.6	87.6	107.9	103.8	109.9
Apr	85.2	93.9	92.4	85.1	242.9	327.9	107.7	115.1	54.1	93.2	87.2	107.1	101.7	109.4
May	84.4	86.6	92.2	85.5	245.9	332.7	107.6	115.0	53.5	93.4	86.6	105.9	102.0	109.3
June	87.5	96.6	92.0	85.5	248.3	337.1	109.2	117.5	52.3	94.0	86.5	106.6	101.4	109.9
July	84.9	89.9	93.1	85.6	251.2	341.6	111.4	120.4	51.1	92.9	86.6	106.6	101.6	109.8
Aug	84.5	87.0	92.5	85.6	256.3	349.5	109.8	117.7	49.7	92.5	86.7	107.0	102.4	109.2
Sept	84.9	88.4	93.3	86.1	260.0	355.1	115.0	125.8	49.7	92.9	87.4	107.6	102.1	109.5
Oct	89.6	97.1	93.6	85.7	264.1	360.9	113.2	123.0	50.0	91.6	86.7	107.6	102.5	109.4
Nov	91.2	98.2	94.2	89.2	264.7	362.3	114.4	123.8	50.3	92.3	87.2	108.2	103.1	110.0
Dec	92.9	104.4	94.5	90.0	263.5	362.3	114.7	124.5	50.0	93.2	87.2	107.5	102.3	110.3
2004: Jan	87.9	96.3	95.0	91.5	266.9	370.7	115.0	125.2	49.8	92.7	87.7	106.8	102.6	110.0
Feb	90.7	99.9	95.3	94.3	272.4	381.1	116.4	127.0	50.2	93.2	87.9	107.5	103.1	110.4
Mar	91.5	100.6	95.1	94.1	276.0	385.9	115.4	125.3	50.5	93.3	88.2	108.6	102.9	110.8
Apr	90.0	96.4	96.2	95.2	278.5	392.6	115.6	125.0	50.9	94.6	87.8	110.0	104.2	110.8
May	90.8	97.5	96.6	96.5	285.1	401.9	114.5	123.1	50.0	95.2	87.1	110.3	105.0	112.1
June	92.1	98.9	96.9	96.4	288.7	406.8	113.0	121.0	49.3	95.2	87.9	110.3	104.9	111.3
July	93.4	100.7	97.1	99.1	292.9	411.5	113.2	120.5	47.9	96.5	87.0	110.9	105.0	111.9
Aug	93.2	100.7	97.6	96.6	295.4	415.7	115.8	124.5	47.5	95.2	86.9	111.8	104.4	111.9
Sept	94.2	104.9	96.9	97.3	298.0	418.4	114.7	123.1	47.7	95.2	88.8	110.5	103.2	111.5
Oct *p*	94.9	106.3	97.2	98.6	300.9	421.7	117.8	127.4	47.2	95.8	87.6	112.0	104.5	111.9
Nov *p*	94.5	104.5	97.0	98.9	303.1	429.0	117.8	126.3	47.2	95.3	87.8	111.6	104.2	112.0
Dec *p*	97.3	110.3	97.1	99.7	306.7	436.3	118.8	126.9	47.9	96.4	88.0	111.5	104.2	112.3

[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, 1959–2004*

[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	87.0	87.3	86.5	...	83.6	95.1	83.4	86.8	87.0
1969	87.3	86.5	86.9	86.1	...	86.8	96.8	85.6	88.0	85.4
1970	81.1	79.3	77.4	82.1	...	89.3	96.3	85.1	81.3	77.8
1971	79.4	77.7	75.0	81.6	...	88.0	94.7	84.2	81.5	75.2
1972	84.5	83.2	81.7	85.2	85.7	90.9	95.2	88.5	88.0	79.3
1973	88.2	87.5	88.3	86.6	84.6	92.0	94.5	90.7	92.2	82.8
1974	84.9	84.1	84.2	84.1	82.7	91.2	87.7	91.3	87.2	79.9
1975	75.5	73.3	71.2	76.0	77.1	89.3	84.7	83.9	74.9	73.2
1976	79.4	77.9	75.9	81.0	77.4	89.8	85.3	87.2	80.0	76.1
1977	83.2	82.2	80.9	84.1	83.4	89.8	85.5	89.2	84.6	79.1
1978	84.9	84.4	84.0	84.9	85.1	89.8	84.2	88.6	86.1	81.9
1979	85.0	84.2	84.5	83.6	85.3	91.1	85.5	89.4	86.0	81.9
1980	80.9	78.8	77.8	79.5	87.2	91.7	85.3	89.2	78.9	79.6
1981	79.9	77.2	75.5	78.8	87.7	91.5	84.4	89.5	77.2	78.2
1982	73.8	71.2	66.7	76.7	86.8	83.7	80.5	81.8	70.5	73.9
1983	74.7	73.5	68.6	79.8	87.4	78.3	79.8	78.5	74.3	73.5
1984	80.4	79.4	76.8	82.5	89.5	84.6	83.0	84.8	81.0	77.7
1985	79.5	78.5	76.0	81.0	91.3	83.3	83.2	83.3	80.2	77.2
1986	78.8	78.6	75.5	82.1	89.4	76.4	82.4	78.8	80.1	77.3
1987	81.3	81.2	77.7	85.1	90.2	79.4	84.0	83.0	83.0	78.8
1988	84.3	84.1	82.1	86.5	88.3	83.5	86.2	86.7	85.9	81.7
1989	83.6	83.2	81.3	85.4	86.2	84.6	86.7	87.6	84.6	81.2
1990	82.4	81.6	78.9	84.7	84.2	86.9	86.1	89.1	82.3	80.5
1991	79.6	78.3	74.9	82.5	81.3	84.9	86.9	86.1	79.4	78.1
1992	80.3	79.4	76.7	82.8	80.6	84.4	85.3	85.7	80.9	78.3
1993	81.3	80.3	78.4	82.4	82.3	85.6	87.7	85.4	83.1	78.2
1994	83.5	82.6	81.6	83.9	82.9	87.6	88.9	87.3	86.3	79.2
1995	83.7	82.8	82.0	83.8	82.6	87.9	90.0	88.3	86.4	79.2
1996	82.7	81.4	80.9	82.1	80.9	90.1	90.5	88.0	85.2	78.3
1997	83.7	82.8	82.4	83.0	85.3	91.1	89.1	89.3	85.7	80.1
1998	82.9	81.8	81.2	82.0	86.9	88.9	91.2	86.6	84.3	80.4
1999	82.2	81.1	80.8	80.6	87.1	86.1	92.5	86.4	84.6	78.4
2000	82.0	80.6	80.5	79.7	87.8	90.1	92.4	87.8	84.7	77.5
2001	76.6	74.5	71.8	76.9	83.2	89.8	88.9	85.3	78.0	73.0
2002	75.3	73.5	70.3	77.1	80.7	85.5	87.6	83.4	77.6	71.1
2003	75.5	73.7	70.6	76.8	82.4	86.6	84.9	84.7	77.3	71.5
2004 *p*	78.0	76.7	74.1	78.9	86.8	86.6	85.1	85.6	79.7	74.6
2003: Jan	75.4	73.6	70.7	76.4	81.4	86.2	86.4	84.5	77.6	71.0
Feb	75.5	73.5	70.2	76.9	82.0	86.4	88.0	84.7	77.6	71.2
Mar	75.2	73.4	69.7	77.3	82.8	86.3	85.3	85.1	76.9	71.2
Apr	74.6	72.8	69.1	76.6	81.3	86.2	84.2	84.5	76.0	70.8
May	74.7	72.8	69.3	76.4	82.0	85.9	84.5	84.0	76.5	70.6
June	74.9	73.3	69.9	76.4	83.9	86.5	82.1	84.7	76.3	71.2
July	75.4	73.5	70.4	76.6	82.4	86.7	84.7	84.7	76.9	71.5
Aug	75.3	73.4	70.2	76.5	81.9	86.8	85.2	84.7	76.9	71.3
Sept	75.8	74.1	71.3	76.8	81.7	87.5	83.9	85.3	77.2	72.1
Oct	76.0	74.3	71.5	76.9	82.6	87.0	84.0	84.8	77.7	72.0
Nov	76.7	75.0	72.3	77.5	83.8	87.2	84.3	84.8	78.4	72.8
Dec	76.8	75.0	72.4	77.4	83.6	87.0	86.2	85.1	78.9	72.5
2004: Jan	76.9	75.1	72.6	77.3	83.7	87.8	86.7	85.5	79.0	72.7
Feb	77.7	75.9	73.4	77.9	86.3	87.1	87.9	85.1	79.9	73.6
Mar	77.4	75.9	73.3	78.1	86.1	87.1	84.4	85.3	79.3	73.5
Apr	77.7	76.3	73.7	78.6	86.7	87.1	84.4	85.8	79.5	74.0
May	78.2	76.7	74.0	79.1	87.6	86.6	86.4	85.8	80.1	74.4
June	77.8	76.5	73.8	79.0	86.7	86.2	84.5	85.7	79.7	74.0
July	78.3	77.0	74.4	79.4	87.2	87.3	84.0	86.7	79.7	74.9
Aug	78.3	77.2	74.6	79.4	88.7	86.9	82.3	86.2	79.7	75.1
Sept	78.0	76.8	74.3	79.0	87.0	84.6	84.8	84.3	79.7	74.8
Oct *p*	78.5	77.4	75.1	79.6	86.7	84.7	84.5	84.5	79.8	75.8
Nov *p*	78.6	77.4	75.0	79.6	86.7	86.6	84.3	85.8	79.8	75.7
Dec *p*	79.2	77.8	75.5	79.8	87.7	87.0	86.5	86.4	80.6	76.1

[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, 1964–2004*

[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	705.7	551.4	314.6	224.0	236.8	14.8	40.4	55.7	40.5	85.4	154.3	14.3	140.0
1999	766.1	596.3	350.6	251.3	245.8	16.0	45.1	59.4	32.6	92.8	169.7	14.0	155.7
2000	828.2	642.6	374.5	265.0	268.2	16.3	52.4	64.1	31.8	103.6	185.5	14.2	171.4
2001	858.3	652.5	388.3	279.4	264.2	14.5	49.7	63.6	29.5	106.8	205.8	15.1	190.7
2002	871.3	651.7	421.9	298.8	229.8	10.5	35.3	59.2	16.4	108.4	219.6	16.6	203.1
2003	915.7	690.0	476.1	345.9	213.9	9.9	30.4	57.7	14.2	101.6	225.7	17.6	208.2
2003: Jan	898.6	671.5	456.6	325.9	214.8	9.4	30.6	56.8	13.6	104.5	227.1	17.4	209.7
Feb	891.7	667.9	455.6	325.0	212.3	9.4	29.2	54.5	13.6	105.8	223.8	17.4	206.4
Mar	890.0	671.2	457.2	326.2	214.0	10.1	29.2	56.8	14.2	103.8	218.7	16.4	202.4
Apr	892.9	672.3	458.9	326.6	213.4	9.6	29.3	57.4	14.0	103.1	220.6	18.0	202.6
May	901.0	678.3	461.5	330.0	216.8	13.9	28.8	58.4	14.9	100.9	222.7	18.2	204.5
June	906.8	677.8	465.1	334.5	212.7	9.8	30.5	59.0	14.7	98.8	229.0	17.9	211.1
July	909.4	681.1	472.5	341.5	208.6	9.4	30.1	59.0	13.9	96.1	228.4	17.6	210.8
Aug	922.0	691.7	481.0	350.2	210.8	9.6	30.2	60.4	14.3	96.3	230.2	18.2	212.0
Sept	930.8	701.2	487.6	358.2	213.6	9.6	30.5	57.9	14.8	100.8	229.5	18.1	211.5
Oct	942.2	714.1	495.6	366.4	218.6	10.0	32.5	58.1	14.9	103.0	228.0	17.6	210.4
Nov	947.7	721.1	504.2	375.6	216.9	9.4	32.1	57.0	14.4	104.0	226.6	16.8	209.8
Dec	948.9	727.0	511.3	381.7	215.7	9.3	31.5	56.7	13.6	104.6	222.0	16.3	205.7
2004: Jan	946.5	724.0	513.9	383.5	210.1	8.7	29.2	56.9	13.8	101.6	222.6	17.1	205.4
Feb	952.2	732.1	516.4	384.9	215.7	10.1	32.0	56.8	13.8	102.9	220.1	15.6	204.5
Mar	973.9	738.7	522.2	391.1	216.5	11.1	32.2	56.4	13.9	103.0	235.2	17.1	218.1
Apr	986.4	747.5	525.9	397.8	221.6	11.4	33.1	58.9	13.4	104.8	238.9	17.8	221.1
May	992.8	756.4	535.5	407.5	220.9	11.2	32.4	60.0	14.3	103.1	236.3	17.2	219.2
June	996.4	758.9	538.5	409.8	220.4	11.9	33.1	61.3	13.0	101.1	237.4	16.9	220.5
July	1,005.1	767.1	543.3	411.7	223.8	12.3	32.8	63.5	14.3	100.9	238.0	17.7	220.3
Aug	1,007.9	777.0	552.7	419.5	224.3	12.7	32.3	63.6	14.4	101.2	231.0	17.9	213.1
Sept	1,013.6	782.2	557.3	418.0	224.9	13.0	31.6	63.3	14.5	102.5	231.4	17.3	214.1
Oct *p*	1,016.9	781.7	556.7	417.7	225.0	13.3	31.2	62.8	14.7	103.0	235.2	17.0	218.2
Nov *p*	1,013.3	777.1	554.7	415.0	222.3	13.0	30.5	62.9	14.4	101.5	236.3	17.5	218.7

[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, and completed, and houses sold, 1959–2004*

[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 *p*	1,953.4	1,608.4	41.4	303.7	2,018.2	1,569.2	92.3	356.6	1,844.3	1,183
2003: Jan	1,856	1,534	42	280	1,816	1,421	88	307	1,648	1,001
Feb	1,657	1,325	31	301	1,866	1,369	79	418	1,678	932
Mar	1,728	1,396	34	298	1,754	1,361	73	320	1,615	1,006
Apr	1,637	1,363	32	242	1,798	1,387	85	326	1,664	1,027
May	1,748	1,393	27	328	1,846	1,394	85	367	1,732	1,093
June	1,850	1,505	28	317	1,871	1,465	76	330	1,658	1,194
July	1,893	1,536	36	321	1,892	1,483	80	329	1,681	1,156
Aug	1,835	1,494	32	309	1,964	1,518	83	363	1,579	1,189
Sept	1,922	1,537	45	340	1,943	1,526	90	327	1,697	1,127
Oct	1,983	1,644	29	310	2,015	1,558	82	375	1,731	1,141
Nov	2,054	1,670	37	347	1,920	1,504	94	322	1,709	1,086
Dec	2,067	1,657	29	381	1,979	1,546	77	356	1,736	1,120
2004: Jan	1,934	1,565	30	339	1,913	1,488	96	329	1,714	1,155
Feb	1,895	1,521	30	344	1,913	1,516	78	319	1,729	1,165
Mar	2,000	1,624	33	343	1,975	1,551	93	331	1,782	1,270
Apr	1,963	1,615	36	312	2,006	1,544	99	363	1,944	1,176
May	1,979	1,654	56	269	2,097	1,610	96	391	1,928	1,244
June	1,817	1,520	25	272	1,945	1,546	83	316	1,865	1,198
July	1,985	1,661	64	260	2,066	1,586	113	367	1,876	1,095
Aug	2,018	1,685	67	266	1,969	1,556	82	331	1,914	1,158
Sept	1,905	1,549	31	325	1,998	1,559	80	359	1,777	1,211
Oct	2,065	1,662	41	362	2,018	1,557	93	368	1,833	1,263
Nov *p*	1,807	1,483	38	286	2,028	1,549	89	390	1,730	1,097
Dec *p*	2,004	1,678	35	291	2,032	1,567	100	365	1,946	1,098

[1] Authorized by issuance of local building permits in: 19,000 permit-issuing places beginning 1994; 17,000 places for 1984–93; 16,000 places for 1978–83; 14,000 places for 1972–77; 13,000 places for 1967–71; 12,000 places for 1963–66; and 10,000 places 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, 1965–2004*

[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]													
1965	80,283	120,929	1.51	40,995	68,207	1.66	15,611	18,317	1.17	23,677	34,405	1.45	.....
1966	87,187	136,824	1.57	44,870	77,986	1.74	16,987	20,765	1.22	25,330	38,073	1.50	.....
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	541,227	840,242	1.53	242,002	379,183	1.57	144,302	193,056	1.31	154,923	268,003	1.67	171,875
1993	568,073	867,378	1.50	251,708	380,102	1.51	150,833	201,184	1.31	165,533	286,092	1.68	183,537
1994	610,669	930,681	1.47	269,843	400,335	1.44	161,133	218,119	1.29	179,693	312,227	1.66	198,496
1995	655,227	989,067	1.48	289,973	425,217	1.44	176,227	234,268	1.30	189,028	329,582	1.72	208,496
1996	687,472	1,008,623	1.46	299,766	430,816	1.43	186,649	237,186	1.28	201,058	340,621	1.67	221,299
1997	724,126	1,049,527	1.42	319,558	443,804	1.37	194,541	254,763	1.27	210,027	350,960	1.64	231,530
1998	743,702	1,081,988	1.44	324,984	449,231	1.39	198,319	267,689	1.32	220,399	365,068	1.62	243,119
1999	787,531	1,142,277	1.41	335,991	463,646	1.35	211,631	284,396	1.30	239,910	394,235	1.59	263,733
2000	835,194	1,200,666	1.41	350,715	481,396	1.35	228,630	301,618	1.29	255,849	417,652	1.59	281,385
2001	819,061	1,146,151	1.44	330,875	452,236	1.42	225,123	287,913	1.32	263,063	406,002	1.58	289,667
2002	822,013	1,163,690	1.40	324,313	444,188	1.37	228,524	288,990	1.25	269,177	430,512	1.56	296,965
2003	856,998	1,185,477	1.37	333,260	438,584	1.33	240,442	295,435	1.21	283,295	451,458	1.56	313,057
2003: Jan	841,137	1,165,801	1.39	329,665	444,220	1.35	235,248	288,572	1.23	276,224	433,009	1.57	304,711
Feb	834,035	1,172,125	1.41	325,591	446,088	1.37	235,557	289,251	1.23	272,887	436,786	1.60	301,347
Mar	846,826	1,175,129	1.39	330,764	445,180	1.35	237,727	290,483	1.22	278,335	439,466	1.58	307,262
Apr	835,212	1,176,553	1.41	322,608	445,207	1.38	233,464	290,534	1.24	279,140	440,812	1.58	308,132
May	834,777	1,172,888	1.41	323,920	444,049	1.37	232,952	289,247	1.24	277,905	439,592	1.58	307,397
June	847,864	1,172,512	1.38	328,643	442,666	1.35	236,636	288,886	1.22	282,585	440,960	1.56	312,329
July	861,215	1,172,316	1.36	337,248	440,767	1.31	238,762	289,037	1.21	285,205	442,512	1.55	315,123
Aug	861,750	1,166,882	1.35	331,676	439,632	1.33	239,756	288,848	1.20	290,318	438,402	1.51	320,843
Sept	866,568	1,172,959	1.35	337,598	438,294	1.30	241,798	290,808	1.20	287,172	443,857	1.55	317,017
Oct	872,916	1,176,942	1.35	339,825	438,680	1.29	246,703	292,068	1.18	286,388	446,194	1.56	317,127
Nov	881,130	1,181,672	1.34	341,454	438,126	1.28	248,767	292,968	1.18	290,909	450,578	1.55	321,973
Dec	890,488	1,185,477	1.33	348,485	438,584	1.26	251,526	295,435	1.17	290,477	451,458	1.55	321,470
2004: Jan	894,394	1,187,402	1.33	348,477	440,029	1.26	253,664	296,016	1.17	292,253	451,357	1.54	323,918
Feb	902,285	1,197,124	1.33	348,157	442,798	1.27	259,109	299,712	1.16	295,019	454,614	1.54	326,996
Mar	931,224	1,205,977	1.30	362,925	444,579	1.22	266,509	301,311	1.13	301,790	460,087	1.52	333,818
Apr	930,732	1,214,579	1.30	362,569	446,699	1.23	269,017	301,989	1.12	299,146	465,891	1.56	331,131
May	938,211	1,222,744	1.30	364,705	449,946	1.23	269,823	306,229	1.13	303,683	466,569	1.54	335,920
June	940,345	1,236,066	1.31	368,804	454,310	1.23	270,235	309,744	1.15	301,306	472,012	1.57	333,543
July	948,939	1,248,260	1.32	372,105	458,681	1.23	272,479	314,354	1.15	304,355	475,225	1.56	336,944
Aug	954,299	1,257,121	1.32	375,537	461,975	1.23	275,213	317,681	1.15	303,549	477,465	1.57	336,059
Sept	957,635	1,257,095	1.31	371,479	462,377	1.24	277,498	319,510	1.15	308,658	475,208	1.54	341,461
Oct	971,108	1,262,619	1.30	377,457	466,386	1.24	281,832	323,091	1.15	311,819	473,142	1.52	345,033
Nov*p*	974,728	1,274,898	1.31	379,029	469,679	1.24	283,672	326,756	1.15	312,027	478,463	1.53	345,259

[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 1965–81, ratio of December inventories to monthly average sales for the year; and for earlier years, weighted averages. 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.

Note.—Earlier data are not strictly comparable with data beginning 1967 for wholesale and retail trade.

Source: Department of Commerce, Bureau of the Census.

Table B–58.—*Manufacturers' shipments and inventories, 1965–2004*

[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]												
1965	40,995	22,193	18,802	68,207	42,189	13,298	18,055	10,836	26,018	10,487	3,825	11,706
1966	44,870	24,617	20,253	77,986	49,852	15,464	21,908	12,480	28,134	11,197	4,226	12,711
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	379,183	238,416	69,823	104,341	64,252	140,767	53,126	23,438	64,203
1993	251,708	133,712	117,996	380,102	239,040	72,752	102,114	64,174	141,062	54,231	23,426	63,405
1994	269,843	147,005	122,838	400,335	253,444	78,680	106,676	68,088	146,891	57,114	24,491	65,286
1995	289,973	158,568	131,405	425,217	267,696	85,612	106,777	75,307	157,521	60,699	25,842	70,980
1996	299,766	164,883	134,883	430,816	272,787	86,365	110,651	75,771	158,029	59,066	26,500	72,463
1997	319,558	178,949	140,610	443,804	281,249	92,364	109,991	78,894	162,555	60,121	28,527	73,907
1998	324,984	185,966	139,019	449,231	290,874	93,614	115,328	81,932	158,357	58,139	27,075	73,143
1999	335,991	193,895	142,096	463,646	296,645	97,835	114,230	84,580	167,001	60,951	28,786	77,264
2000	350,715	197,807	152,908	481,396	306,682	106,018	111,270	89,394	174,714	61,268	30,065	83,381
2001	330,875	181,201	149,674	452,236	283,722	96,251	102,304	85,167	168,514	59,499	28,503	80,512
2002	324,313	177,617	146,696	444,188	271,789	89,408	97,383	84,998	172,399	59,071	30,418	82,910
2003	333,260	179,220	154,041	438,584	262,947	83,759	96,874	82,314	175,637	58,395	31,048	86,194
2003: Jan	329,665	177,331	152,334	444,220	270,964	88,916	97,287	84,761	173,256	60,248	30,606	82,402
Feb	325,591	173,992	151,599	446,088	270,765	88,703	97,432	84,630	175,323	60,758	30,994	83,571
Mar	330,764	175,475	155,289	445,180	269,454	87,948	97,009	84,497	175,726	60,258	31,422	84,046
Apr	322,608	173,512	149,096	445,207	269,285	87,443	97,851	83,991	175,922	60,741	30,859	84,322
May	323,920	173,783	150,137	444,049	268,449	87,129	97,810	83,510	175,600	60,539	30,596	84,465
June	328,643	176,782	151,861	442,666	266,154	86,243	96,243	83,668	176,512	59,786	31,166	85,560
July	337,248	181,761	155,487	440,767	264,638	85,203	96,383	83,052	176,129	58,920	31,502	85,707
Aug	331,676	177,187	154,489	439,632	262,949	84,068	96,258	82,623	176,683	59,117	31,452	86,114
Sept	337,598	182,379	155,219	438,294	261,678	83,637	95,533	82,508	176,616	59,396	31,293	85,927
Oct	339,825	183,740	156,085	438,680	262,351	84,013	96,225	82,113	176,329	59,121	31,655	85,553
Nov	341,454	184,074	157,380	438,126	261,414	83,523	95,973	81,918	176,712	59,096	31,952	85,664
Dec	348,485	187,978	160,507	438,584	262,947	83,759	96,874	82,314	175,637	58,395	31,048	86,194
2004: Jan	348,477	186,115	162,362	440,029	263,276	84,039	97,424	81,813	176,753	59,050	31,517	86,186
Feb	348,157	188,798	159,359	442,798	264,550	84,796	97,768	81,986	178,248	59,771	31,690	86,787
Mar	362,925	197,139	165,786	444,579	265,607	85,836	97,578	82,193	178,972	59,728	32,087	87,157
Apr	362,569	195,512	167,057	446,699	267,206	87,216	97,849	82,141	179,493	59,838	32,299	87,356
May	364,705	194,389	170,316	449,946	269,308	88,046	98,078	83,184	180,638	59,767	31,467	89,404
June	368,804	196,708	172,096	454,310	271,849	89,017	98,974	83,858	182,461	59,917	32,126	90,418
July	372,105	197,698	174,407	458,681	274,834	89,972	100,638	84,224	183,847	60,702	31,675	91,470
Aug	375,537	201,398	174,139	461,975	277,119	90,650	100,591	85,878	184,856	60,760	31,647	92,449
Sept	371,479	199,341	172,138	462,377	278,013	91,382	99,816	86,815	184,364	60,568	30,975	92,821
Oct	377,457	200,030	177,427	466,386	280,101	92,714	100,605	86,782	186,285	61,142	31,465	93,678
Nov p	379,029	199,799	179,230	469,679	282,291	93,555	101,757	86,979	187,388	61,131	31,519	94,738

[1] Annual data are averages of monthly not seasonally adjusted figures.
[2] Seasonally adjusted, end of period. Data beginning 1982 are not comparable with data for 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, 1965–2004*

[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]										
1965	42,137	23,286	...	18,851	78,249	74,459	3,790	3.25	3.86	0.79
1966	46,420	26,163	...	20,258	96,846	93,002	3,844	3.74	4.48	.75
1967	47,067	25,803	...	21,265	103,711	99,735	3,976	3.66	4.37	.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	...	...	...	...	...	450,965	...	...	4.90	...
1993	246,668	128,672	40,681	...	...	425,665	...	...	4.40	...
1994	266,641	143,803	45,175	...	...	434,594	...	...	4.06	...
1995	285,542	154,137	51,011	...	...	447,338	...	...	3.89	...
1996	297,282	162.399	54,066	...	...	488,815	...	...	4.18	...
1997	314,986	174,377	60,697	...	...	513,166	...	...	4.06	...
1998	317,345	178,327	62,133	...	...	496,471	...	...	3.81	...
1999	329,770	187,674	64,392	...	...	505,941	...	...	3.77	...
2000	346,789	193,881	69,278	...	...	550,005	...	...	4.08	...
2001	322,944	173,270	58,336	...	...	517,590	...	...	4.25	...
2002	316,744	170,048	53,991	...	...	485,816	...	...	4.12	...
2003	329,167	175,126	57,445	...	...	506,298	...	...	4.00	...
2003: Jan	322,157	169,823	55,261	...	...	483,871	...	...	4.01	...
Feb	320,664	169,065	53,417	...	...	484,649	...	...	4.09	...
Mar	325,614	170,325	54,838	...	...	485,178	...	...	4.07	...
Apr	317,095	167,999	55,845	...	...	485,534	...	...	4.11	...
May	318,144	168,007	55,367	...	...	485,829	...	...	4.11	...
June	324,098	172,237	57,351	...	...	487,360	...	...	4.07	...
July	330,551	175,064	58,188	...	...	485,959	...	...	3.94	...
Aug	329,401	174,912	57,229	...	...	490,036	...	...	4.09	...
Sept	333,957	178,738	60,225	...	...	492,006	...	...	4.00	...
Oct	341,856	185,771	61,672	...	...	500,307	...	...	4.05	...
Nov	338,726	181,346	57,862	...	...	503,869	...	...	4.06	...
Dec	344,868	184,361	60,219	...	...	506,298	...	...	4.00	...
2004: Jan	341,868	179,506	58,564	...	...	506,184	...	...	3.99	...
Feb	345,778	186,419	60,967	...	...	510,535	...	...	4.00	...
Mar	363,146	197,360	64,726	...	...	517,585	...	...	3.90	...
Apr	359,124	192,067	63,908	...	...	521,211	...	...	3.94	...
May	360,561	190,245	62,996	...	...	524,365	...	...	3.97	...
June	364,818	192,722	63,934	...	...	527,537	...	...	3.94	...
July	370,838	196,431	69,879	...	...	533,792	...	...	3.92	...
Aug	369,574	195,435	65,015	...	...	535,310	...	...	3.90	...
Sept	369,578	197,440	67,076	...	...	540,244	...	...	3.96	...
Oct	372,953	195,526	64,911	...	...	542,976	...	...	3.95	...
Nov*p*	377,424	198,194	69,549	...	...	548,786	...	...	4.02	...

[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, 1959–2004*

[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
2003: Jan	181.7	178.1	177.5	118.1	182.3	155.5	292.6	...	106.9	109.7	296.5	127.5
Feb	183.1	178.9	178.3	120.6	183.2	158.9	293.7	...	107.2	109.7	297.5	135.4
Mar	184.2	179.2	178.6	123.6	184.3	161.0	294.2	...	107.4	109.4	297.3	142.6
Apr	183.8	179.0	178.4	123.9	184.1	159.3	294.6	...	107.4	109.0	298.1	138.1
May	183.5	179.4	178.8	122.5	184.5	157.2	295.5	...	107.6	108.6	298.1	134.0
June	183.7	180.2	179.6	119.5	185.3	156.8	296.3	...	107.6	108.5	298.1	136.5
July	183.9	180.3	179.7	116.2	185.9	156.8	297.6	...	107.7	108.9	299.2	136.8
Aug	184.6	180.9	180.4	117.2	186.1	158.3	298.4	...	107.7	110.1	299.6	140.6
Sept	185.2	181.3	180.7	122.0	185.8	159.4	299.2	...	107.7	110.9	299.9	144.6
Oct	185.0	182.2	181.7	124.8	185.7	157.1	299.9	...	107.6	110.9	300.2	136.9
Nov	184.5	182.9	182.4	123.1	185.1	155.7	300.8	...	107.8	110.8	300.0	133.1
Dec	184.3	184.1	183.6	119.0	185.1	154.7	302.1	...	107.7	110.9	300.2	131.8
2004: Jan	185.2	184.3	183.8	115.8	186.3	157.0	303.6	...	107.9	111.1	301.4	137.4
Feb	186.2	184.5	184.1	118.6	187.0	158.8	306.0	...	108.4	111.2	302.3	140.6
Mar	187.4	184.9	184.4	123.5	187.9	160.5	307.5	...	108.8	111.1	303.1	143.1
Apr	188.0	185.0	184.5	124.3	188.4	161.8	308.3	...	109.0	110.9	303.6	145.9
May	189.1	186.5	186.1	123.4	188.9	165.2	309.0	...	108.8	110.6	303.8	154.1
June	189.7	186.8	186.3	120.1	190.3	165.7	310.0	...	108.9	110.8	304.1	159.7
July	189.4	187.2	186.8	115.9	190.9	164.0	311.0	...	108.7	110.9	305.1	156.3
Aug	189.5	187.3	186.8	116.5	191.2	162.9	311.6	...	108.5	111.7	305.5	155.3
Sept	189.9	187.2	186.7	121.2	191.0	162.9	312.3	...	108.6	112.9	306.3	154.3
Oct	190.9	188.4	187.9	124.1	191.0	166.4	313.3	...	108.7	112.5	306.8	157.7
Nov	191.0	188.6	188.2	123.0	190.8	167.2	314.1	...	108.7	112.7	307.0	158.6
Dec	190.3	188.9	188.5	118.8	190.7	164.8	314.9	...	108.5	112.6	307.8	153.7

[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, 1959–2004*

[For all urban consumers; 1982-84=100, except as noted]

Year or month	Food and beverages				Housing							
		Food				Shelter			Fuels and utilities			
										Fuels			Furnishings and operations
	Total [1]	Total	At home	Away from home	Total	Total [2]	Rent of primary residence	Owners' equivalent rent of primary residence [3]	Total [2]	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
2003: Jan	178.1	177.5	176.7	179.9	182.3	210.9	203.3	218.5	146.1	129.5	136.6	135.6	127.4
Feb	178.9	178.3	177.6	180.7	183.2	211.6	203.7	218.7	148.3	131.9	156.3	136.9	127.7
Mar	179.2	178.6	177.7	181.0	184.3	212.1	204.1	218.9	154.5	138.5	169.0	143.5	127.1
Apr	179.0	178.4	177.3	181.1	184.1	212.1	204.5	218.9	153.1	136.8	147.9	143.0	127.2
May	179.4	178.8	177.8	181.5	184.5	212.8	204.9	219.1	153.7	137.5	137.0	144.5	126.3
June	180.2	179.6	178.9	181.9	185.3	213.0	205.1	219.1	159.1	143.4	132.2	151.3	126.2
July	180.3	179.7	178.9	182.3	185.9	213.8	205.6	219.6	159.4	143.6	130.5	151.6	126.1
Aug	180.9	180.4	179.7	182.6	186.1	214.3	206.1	220.1	159.2	143.0	130.7	151.0	125.5
Sept	181.3	180.7	180.1	182.8	185.8	213.8	206.6	220.7	159.6	143.4	130.5	151.5	125.2
Oct	182.2	181.7	181.5	183.3	185.7	214.7	206.9	221.4	155.0	138.2	131.4	145.6	125.1
Nov	182.9	182.4	182.4	183.8	185.1	214.2	207.5	221.9	152.9	135.7	134.8	142.6	124.9
Dec	184.1	183.6	184.1	184.3	185.1	214.1	207.9	222.2	153.6	136.5	137.0	143.3	124.7
2004: Jan	184.3	183.8	184.0	184.9	186.3	215.2	208.3	222.6	156.3	139.2	149.9	145.5	125.3
Feb	184.5	184.1	184.0	185.5	187.0	216.0	208.8	222.9	156.9	139.5	155.1	145.5	125.7
Mar	184.9	184.4	184.3	185.8	187.9	217.8	209.2	223.3	155.2	137.6	152.5	143.5	125.7
Apr	185.0	184.5	184.1	186.2	188.4	218.4	209.7	223.9	155.6	138.0	149.6	144.2	125.6
May	186.5	186.1	186.6	186.7	188.9	218.7	210.2	224.3	158.1	140.4	150.4	146.8	125.4
June	186.8	186.3	186.8	187.0	190.3	219.2	210.7	224.7	165.5	148.5	150.7	155.8	125.6
July	187.2	186.8	187.1	187.8	190.9	220.0	211.2	225.1	166.6	149.5	151.1	156.9	125.2
Aug	187.3	186.8	186.7	188.4	191.2	220.3	211.9	225.7	167.7	150.5	157.4	157.6	124.8
Sept	187.2	186.7	186.1	188.9	191.0	220.2	212.4	226.1	166.7	149.3	161.6	156.0	125.0
Oct	188.4	187.9	187.9	189.4	191.0	220.6	212.8	226.5	162.8	144.9	177.3	150.0	126.1
Nov	188.6	188.2	188.1	189.6	190.8	219.9	213.2	226.8	165.6	147.8	186.6	152.7	125.8
Dec	188.9	188.5	188.5	189.9	190.7	219.8	213.9	227.2	165.7	148.0	183.7	153.0	125.5

[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, 1959–2004*—Continued

[For all urban consumers; 1982-84=100, except as noted]

Year or month	Transportation								Medical care		
	Total	Private transportation						Public transportation	Total	Medical care commodities	Medical care services
		Total[2]	New vehicles		Used cars and trucks	Motor fuel	Motor vehicle maintenance and repair				
			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
2003: Jan	155.5	151.8	139.7	136.7	148.3	126.3	193.7	202.2	292.6	260.3	300.8
Feb	158.9	155.3	139.2	136.0	148.4	140.4	194.5	203.6	293.7	260.4	302.3
Mar	161.0	157.3	139.3	136.1	148.5	148.1	194.3	206.1	294.2	261.4	302.6
Apr	159.3	155.5	138.7	135.5	148.4	140.6	194.6	207.2	294.6	261.6	303.1
May	157.2	153.1	138.1	134.9	147.9	131.3	194.9	211.6	295.5	261.8	304.2
June	156.8	152.6	137.3	134.2	147.4	130.1	195.1	214.4	296.3	262.1	305.2
July	156.8	152.4	136.7	133.5	145.7	130.6	196.0	216.7	297.6	263.6	306.4
Aug	158.3	154.1	136.8	133.6	143.3	139.0	195.7	213.8	298.4	264.1	307.2
Sept	159.4	155.4	136.4	133.1	139.0	147.1	196.2	211.2	299.2	264.9	308.2
Oct	157.1	153.0	136.5	133.5	135.1	136.6	196.9	211.3	299.9	264.7	309.1
Nov	155.7	151.7	137.5	134.3	132.0	131.2	197.2	207.9	300.8	264.0	310.6
Dec	154.7	150.8	138.0	134.8	131.0	127.8	198.0	205.6	302.1	265.0	311.9
2004: Jan	157.0	153.2	138.0	134.7	130.8	136.7	198.2	206.3	303.6	265.5	313.8
Feb	158.8	154.9	138.3	134.8	131.0	143.1	198.2	208.1	306.0	266.7	316.6
Mar	160.5	156.6	137.9	134.6	131.2	150.5	198.5	209.9	307.5	267.3	318.4
Apr	161.8	157.9	137.6	134.3	131.3	155.9	198.6	211.5	308.3	268.5	319.2
May	165.2	161.5	137.4	134.4	131.8	170.5	199.0	210.7	309.0	269.1	319.8
June	165.7	161.9	137.2	134.2	130.6	173.3	199.7	212.3	310.0	269.6	321.0
July	164.0	160.0	135.9	133.0	132.1	165.2	200.3	214.4	311.0	269.9	322.3
Aug	162.9	159.1	134.9	132.0	133.8	162.0	200.8	209.7	311.6	270.0	323.1
Sept	162.9	159.4	134.9	131.9	136.5	161.2	200.7	205.3	312.3	270.9	323.7
Oct	166.4	162.9	135.9	133.0	136.8	173.1	201.7	206.5	313.3	271.7	324.8
Nov	167.2	163.6	137.9	134.9	136.7	171.9	202.9	208.6	314.1	271.2	326.0
Dec	164.8	161.3	138.8	135.5	137.3	161.2	203.3	205.4	314.9	270.8	327.3

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–62.—*Consumer price indexes for commodities, services, and special groups, 1960–2004*

[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	107.7
2004	188.9	154.7	138.8	222.8	214.5	189.4	194.4	196.6	182.7	188.9	275.1	110.0
2003: Jan	181.7	150.0	135.8	213.1	205.5	182.4	189.0	191.8	175.9	181.7	264.5	106.4
Feb	183.1	152.0	138.3	214.0	206.4	183.9	189.7	192.5	177.3	183.1	266.6	107.2
Mar	184.2	153.1	139.8	215.1	207.4	185.2	190.2	193.0	178.4	184.2	268.2	107.9
Apr	183.8	152.2	138.6	215.1	207.5	184.7	190.2	193.1	178.0	183.8	267.6	107.7
May	183.5	150.9	136.5	215.9	208.2	184.3	190.3	193.2	177.7	183.5	267.2	107.5
June	183.7	150.4	135.5	216.8	209.1	184.5	190.3	193.0	177.9	183.7	267.5	107.6
July	183.9	150.0	134.9	217.6	209.8	184.6	190.5	193.2	178.0	183.9	267.8	107.7
Aug	184.6	150.9	135.9	218.0	210.3	185.3	190.8	193.5	178.7	184.6	268.8	108.0
Sept	185.2	152.0	137.3	218.1	210.3	186.0	191.0	193.6	179.2	185.2	269.6	108.3
Oct	185.0	151.4	136.1	218.4	210.5	185.6	191.7	194.3	179.1	185.0	269.4	108.2
Nov	184.5	150.9	135.0	217.9	209.9	184.9	191.6	193.9	178.5	184.5	268.7	107.8
Dec	184.3	150.4	133.8	217.9	209.9	184.4	191.5	193.6	178.2	184.3	268.4	107.6
2004: Jan	185.2	151.1	134.7	219.1	211.0	185.5	191.9	194.0	179.1	185.2	269.7	108.1
Feb	186.2	152.3	136.3	219.9	211.7	186.6	192.7	194.9	180.1	186.2	271.2	108.7
Mar	187.4	153.7	138.0	221.0	212.7	188.0	193.7	196.1	181.3	187.4	272.9	109.4
Apr	188.0	154.3	138.9	221.5	213.2	188.6	194.1	196.5	181.8	188.0	273.8	109.7
May	189.1	156.0	140.6	221.9	213.6	189.6	194.3	196.5	182.9	189.1	275.4	110.1
June	189.7	155.8	140.3	223.3	215.0	190.3	194.4	196.6	183.5	189.7	276.3	110.4
July	189.4	154.5	138.2	224.1	215.8	189.9	194.5	196.6	183.2	189.4	275.8	110.3
Aug	189.5	154.2	137.7	224.5	216.2	189.9	194.7	196.8	183.2	189.5	276.0	110.3
Sept	189.9	154.9	138.8	224.5	216.1	190.4	195.2	197.4	183.6	189.9	276.6	110.6
Oct	190.9	157.1	141.4	224.5	216.0	191.4	196.0	198.2	184.6	190.9	278.0	111.1
Nov	191.0	157.2	141.4	224.6	216.1	191.5	196.0	198.1	184.7	191.0	278.2	111.1
Dec	190.3	155.8	139.3	224.6	216.0	190.6	195.8	197.8	183.9	190.3	277.1	110.7

[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 2004 are preliminary. All data are subject to revision annually.

[3] Chained consumer price index introduced in August 2002. Data for 2003 and 2004 are subject to revision.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–63.—*Changes in special consumer price indexes, 1960–2004*

[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
	Percent change from preceding month									
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted
2003: Jan	0.4	0.3	0.4	0.4	0.2	0.1	0.2	0.1	0.5	0.3
Feb	.8	.5	.8	.5	.4	.2	.4	.1	.8	.6
Mar	.6	.4	.7	.5	.3	.1	.3	.1	.6	.5
Apr	–.2	–.3	–.3	–.4	0	.1	.1	.1	–.2	–.3
May	–.2	–.1	–.2	–.1	.1	.2	.1	.2	–.2	–.1
June	.1	.1	.1	.1	0	.1	–.1	.1	.1	.2
July	.1	.2	.1	.2	.1	.2	.1	.2	.1	.1
Aug	.4	.4	.4	.4	.2	.2	.2	.1	.4	.4
Sept	.3	.3	.4	.3	.1	.1	.1	.1	.3	.3
Oct	–.1	–.1	–.2	–.2	.4	.2	.4	.2	–.1	–.1
Nov	–.3	–.2	–.4	–.3	–.1	.1	–.2	0	–.3	–.2
Dec	–.1	.2	–.3	.1	–.1	.2	–.2	.1	–.2	.2
2004: Jan	.5	.5	.6	.5	.2	.2	.2	.2	.5	.4
Feb	.5	.3	.6	.3	.4	.2	.5	.2	.6	.3
Mar	.6	.5	.8	.5	.5	.4	.6	.4	.7	.4
Apr	.3	.2	.3	.3	.2	.3	.2	.3	.3	.2
May	.6	.6	.5	.5	.1	.3	0	.2	.6	.7
June	.3	.3	.4	.4	.1	.2	.1	.1	.3	.3
July	–.2	–.1	–.2	–.1	.1	.1	0	.1	–.2	–.1
Aug	.1	.1	0	0	.1	.1	.1	.1	0	0
Sept	.2	.2	.3	.2	.3	.3	.3	.3	.2	.2
Oct	.5	.6	.5	.6	.4	.3	.4	.2	.5	.6
Nov	.1	.2	.1	.2	0	.2	–.1	.2	.1	.2
Dec	–.4	–.1	–.5	–.1	–.1	.1	–.2	.2	–.4	–.1

[1] Changes from December to December are based on unadjusted indexes.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–64.—*Changes in consumer price indexes for commodities and services, 1929–2004*

[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

[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.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–65.—*Producer price indexes by stage of processing, 1959–2004*

[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	152.6	137.9	153.7	147.2	150.9	135.1	156.6	141.5	151.6
2003: Jan	140.8	142.0	123.3	143.5	140.3	141.6	133.2	143.8	139.3	141.9
Feb	142.3	142.3	117.5	144.3	142.1	144.4	133.1	147.9	139.2	144.0
Mar	144.2	142.8	123.7	144.4	144.3	147.4	134.4	151.7	139.9	146.3
Apr	142.1	144.0	133.7	144.8	141.5	143.5	132.5	146.9	139.1	143.8
May	142.0	144.6	133.1	145.5	141.1	143.0	132.4	146.3	139.0	143.7
June	143.0	145.2	121.5	147.2	142.2	144.6	131.8	148.9	138.9	145.0
July	143.0	144.9	120.4	146.9	142.2	144.8	131.7	149.2	138.9	145.1
Aug	143.7	146.3	128.2	147.8	142.7	145.4	131.8	150.0	139.2	145.9
Sept	144.0	148.0	134.9	149.0	142.7	145.5	131.1	150.4	138.9	146.4
Oct	145.5	151.0	135.5	152.2	143.8	146.2	135.6	149.4	140.8	147.8
Nov	144.5	150.1	137.6	151.1	142.8	144.8	135.0	147.6	140.5	146.5
Dec	144.5	150.3	151.1	150.1	142.8	145.0	134.3	148.2	140.2	146.7
2004: Jan	145.4	148.1	141.5	148.6	144.5	147.4	134.3	151.7	140.5	147.8
Feb	145.3	148.4	134.8	149.5	144.3	147.3	134.2	151.6	140.2	147.8
Mar	146.3	150.7	145.8	151.0	144.9	148.0	134.7	152.4	140.5	149.0
Apr	147.3	152.7	130.8	154.5	145.7	149.1	134.4	154.3	140.6	150.4
May	148.9	155.5	132.6	157.4	147.0	150.9	134.8	156.7	140.8	152.5
June	148.7	155.0	120.0	158.0	146.8	150.5	134.9	156.0	141.1	152.0
July	148.5	152.3	117.5	155.2	147.2	151.4	133.6	158.0	140.7	151.9
Aug [1]	148.5	152.2	127.3	154.3	147.3	151.3	133.6	157.9	141.2	151.8
Sept	148.7	152.2	139.3	153.2	147.5	151.5	133.8	158.1	141.3	152.0
Oct	151.9	154.7	161.5	154.0	150.9	155.5	137.7	162.0	143.5	155.5
Nov	151.7	154.5	158.4	154.0	150.7	155.2	137.5	161.8	143.4	155.3
Dec	150.4	154.5	145.6	155.2	149.1	152.8	137.3	158.2	143.6	153.5

[1] Data have been revised through August 2004; 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, 1959–2004*—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	142.5	137.0	142.9	137.9	166.4	124.1	159.2	146.7	159.0	126.9	179.2	211.8	149.0
2003: Jan	131.1	120.4	131.7	127.9	151.4	106.9	153.4	140.1	127.3	105.6	140.4	169.9	114.5
Feb	133.5	121.2	134.2	129.5	152.1	113.6	153.7	140.7	134.0	106.3	151.7	186.6	121.9
Mar	136.2	121.0	137.0	130.1	152.3	124.8	153.8	141.2	152.2	105.7	184.4	271.5	121.8
Apr	133.0	121.2	133.7	129.4	152.9	110.8	154.0	141.3	128.0	107.0	140.6	176.9	110.5
May	132.5	122.8	133.1	129.3	152.9	108.0	153.9	141.5	130.9	111.0	142.4	183.7	109.2
June	133.5	125.1	134.0	129.6	153.0	112.1	154.1	141.5	136.5	110.4	152.8	203.0	113.8
July	133.7	124.4	134.2	129.2	153.6	113.7	153.8	141.5	132.6	107.6	148.2	189.1	115.0
Aug	134.1	125.0	134.6	129.8	153.7	114.5	153.6	141.2	131.3	111.5	142.7	171.2	117.1
Sept	134.1	128.4	134.5	129.8	155.0	113.7	153.5	141.7	134.7	119.0	142.8	176.9	113.9
Oct	134.1	131.9	134.3	130.5	155.2	111.5	153.2	141.9	138.0	128.1	141.1	163.3	119.4
Nov	134.1	134.8	134.2	130.7	155.6	110.3	153.4	142.6	137.0	125.7	141.4	161.2	121.0
Dec	134.5	134.1	134.7	130.9	155.6	111.7	153.5	142.8	141.1	124.7	149.5	175.3	125.0
2004: Jan	136.2	132.2	136.5	131.9	156.2	116.8	153.9	143.2	147.8	117.1	167.3	207.9	133.3
Feb	137.3	133.7	137.6	133.2	159.0	116.8	153.7	143.8	150.1	122.2	167.3	200.2	137.7
Mar	138.3	137.0	138.4	134.3	161.9	116.5	154.1	144.8	152.9	131.7	164.8	182.9	143.8
Apr	140.2	143.2	140.2	136.2	164.7	118.4	154.9	146.4	155.7	135.4	166.6	191.8	141.4
May	142.0	147.7	141.9	137.4	166.9	122.3	156.7	147.2	161.8	141.1	172.9	208.4	141.5
June	142.8	144.9	142.8	137.7	166.9	124.9	158.9	147.3	163.0	137.4	178.0	229.8	136.8
July	143.5	142.3	143.7	138.1	167.5	126.4	159.7	148.0	162.5	130.9	182.2	219.9	148.9
Aug [1]	144.8	136.3	145.3	139.4	169.8	128.5	162.0	147.6	162.2	124.8	186.6	214.0	158.9
Sept	145.3	133.8	146.0	140.8	171.1	127.1	162.5	147.7	153.8	121.7	174.1	187.1	155.5
Oct	146.2	131.2	147.0	141.2	170.7	130.4	164.1	147.8	159.7	119.9	186.1	190.6	171.5
Nov	147.2	130.6	148.1	141.8	170.6	133.8	164.3	147.9	171.9	119.3	208.1	261.5	164.1
Dec	146.7	131.5	147.5	142.8	171.2	127.7	165.2	148.6	166.5	121.6	196.6	247.7	154.6

[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, 1974–2004*

[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	152.6	113.0	152.7	141.5	160.3	142.5	137.0	123.1	146.5	159.0	126.9	174.7	192.8
2003: Jan	140.8	142.0	95.3	150.3	139.3	157.7	131.1	120.4	105.8	137.1	127.3	105.6	140.1	143.0
Feb	142.3	142.3	101.7	150.2	139.2	157.6	133.5	121.2	113.2	138.1	134.0	106.3	153.9	148.3
Mar	144.2	142.8	107.4	151.0	139.9	158.4	136.2	121.0	124.2	138.7	152.2	105.7	200.2	148.1
Apr	142.1	144.0	100.0	150.0	139.1	157.4	133.0	121.2	110.1	138.4	128.0	107.0	138.8	146.7
May	142.0	144.6	98.9	150.0	139.0	157.4	132.5	122.8	107.1	138.5	130.9	111.0	141.4	146.5
June	143.0	145.2	103.1	149.8	138.9	157.1	133.5	125.1	111.3	138.4	136.5	110.4	156.2	146.3
July	143.0	144.9	103.4	149.8	138.9	157.1	133.7	124.4	113.0	138.3	132.6	107.6	148.7	148.8
Aug	143.7	146.3	104.7	149.9	139.2	157.2	134.1	125.0	114.3	138.4	131.3	111.5	139.7	151.8
Sept	144.0	148.0	105.2	149.7	138.9	157.0	134.1	128.4	112.8	138.7	134.7	119.0	138.2	155.7
Oct	145.5	151.0	103.2	152.0	140.8	159.5	134.1	131.9	110.7	139.0	138.0	128.1	134.3	159.5
Nov	144.5	150.1	100.4	151.7	140.5	159.2	134.1	134.8	109.5	139.2	137.0	125.7	132.5	164.8
Dec	144.5	150.3	101.0	151.4	140.2	159.0	134.5	134.1	110.9	139.5	141.1	124.7	141.8	170.1
2004: Jan	145.4	148.1	106.0	151.8	140.5	159.4	136.2	132.2	115.8	140.4	147.8	117.1	163.5	179.3
Feb	145.3	148.4	105.7	151.7	140.2	159.4	137.3	133.7	115.8	141.7	150.1	122.2	158.9	189.9
Mar	146.3	150.7	107.0	152.0	140.5	159.7	138.3	137.0	115.6	142.9	152.9	131.7	153.0	195.2
Apr	147.3	152.7	109.5	152.1	140.6	159.8	140.2	143.2	117.3	144.6	155.7	135.4	158.8	187.6
May	148.9	155.5	113.6	152.2	140.8	159.9	142.0	147.7	121.1	145.7	161.8	141.1	172.1	177.9
June	148.7	155.0	112.5	152.3	141.1	160.0	142.8	144.9	123.7	146.2	163.0	137.4	180.0	176.3
July	148.5	152.3	115.4	151.9	140.7	159.4	143.5	142.3	125.1	146.8	162.5	130.9	177.9	195.4
Aug[2]	148.5	152.2	115.0	152.2	141.2	159.6	144.8	136.3	127.1	148.3	162.2	124.8	181.9	200.8
Sept	148.7	152.2	114.9	152.5	141.3	160.0	145.3	133.8	126.0	149.5	153.8	121.7	166.3	195.4
Oct	151.9	154.7	120.9	154.7	143.5	162.2	146.2	131.2	129.5	149.9	159.7	119.9	179.5	204.6
Nov	151.7	154.5	120.3	154.6	143.4	162.2	147.2	130.6	132.6	150.4	171.9	119.3	210.1	207.0
Dec	150.4	154.5	114.5	154.7	143.6	162.2	146.7	131.5	127.2	151.1	166.5	121.6	194.7	204.3

[1] Intermediate materials for food manufacturing and feeds.
[2] Data have been revised through August 2004; 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, 1959–2004*

[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	141.9	123.2	151.1	147.5	120.9	164.6	126.9	174.2
2003: Jan	127.5	104.1	139.2	136.7	119.7	160.8	106.5	158.0
Feb	128.2	104.6	139.9	139.3	119.6	162.2	114.9	162.2
Mar	128.1	104.0	140.1	143.6	119.7	162.3	129.6	164.5
Apr	129.0	105.6	140.7	138.2	119.7	162.8	110.0	162.2
May	130.7	109.2	141.4	137.8	119.9	161.0	108.5	162.1
June	131.2	107.3	143.2	139.2	119.7	160.8	114.3	162.2
July	130.3	105.5	142.7	139.1	119.6	160.8	114.0	160.9
Aug	132.1	109.0	143.6	139.1	119.9	161.9	113.7	161.2
Sept	135.6	116.1	145.2	139.1	120.0	162.9	113.0	161.4
Oct	140.6	124.4	148.5	139.2	119.9	163.7	110.7	162.1
Nov	140.1	123.7	148.2	138.8	120.0	163.6	108.6	162.1
Dec	139.9	124.3	147.5	139.5	120.1	164.2	111.0	163.1
2004: Jan	136.8	117.4	146.4	142.2	120.3	165.4	118.9	166.6
Feb	138.4	120.4	147.3	142.8	120.1	165.1	118.0	167.5
Mar	142.8	129.1	149.4	143.3	120.2	164.8	117.5	168.0
Apr	145.6	129.6	153.3	144.8	120.5	163.1	120.4	170.1
May	149.3	135.1	156.1	146.5	121.0	162.8	126.0	170.9
June	147.2	129.7	155.8	147.3	121.0	163.2	127.8	172.2
July	143.8	124.4	153.3	148.2	121.1	165.0	129.4	173.7
Aug[2]	140.6	119.0	151.4	149.3	121.0	165.0	130.7	176.5
Sept	139.5	118.4	150.0	149.1	121.2	165.1	127.7	178.8
Oct	139.6	119.0	149.9	151.6	121.5	165.2	134.0	179.9
Nov	139.3	117.7	150.0	153.5	121.6	165.1	140.0	182.3
Dec	140.2	118.5	151.0	151.8	121.4	165.5	132.5	183.6

[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 2004; 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, 1959–2004*—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	133.7	195.6	195.6	149.6	122.1	135.0	153.2	148.6	131.0	183.3
2003: Jan	127.8	171.7	188.5	127.6	122.3	133.7	146.8	145.3	129.9	179.5
Feb	128.7	173.2	188.8	128.3	122.1	133.6	147.5	145.5	130.0	179.5
Mar	129.9	172.6	189.1	128.5	122.1	133.6	147.8	146.9	131.7	179.9
Apr	130.9	172.9	189.6	128.2	122.1	133.8	148.5	144.9	128.9	179.1
May	131.0	173.1	189.9	128.3	122.1	133.9	148.4	144.8	128.8	179.1
June	130.5	173.8	190.2	128.3	122.0	134.0	148.2	144.3	127.8	179.3
July	130.4	176.9	190.3	128.4	121.9	134.1	148.2	144.3	127.5	179.0
Aug	130.5	177.8	190.4	129.0	121.8	133.9	148.3	144.6	127.7	179.3
Sept	130.4	184.0	190.6	129.5	121.7	133.6	148.5	144.1	126.8	179.6
Oct	130.5	184.1	190.8	130.2	121.6	133.9	148.5	148.7	132.8	180.0
Nov	130.4	184.4	191.1	131.4	121.6	134.3	148.9	147.9	131.8	180.4
Dec	130.7	183.9	190.9	133.1	121.5	133.9	148.8	147.4	131.0	180.5
2004: Jan	130.8	183.3	191.2	135.9	121.4	133.6	149.5	147.8	130.9	181.3
Feb	131.4	189.0	192.2	140.2	121.4	133.9	150.5	147.7	130.6	181.4
Mar	131.6	194.1	192.9	143.9	121.6	133.7	150.5	148.0	130.9	181.8
Apr	132.0	197.7	193.9	146.5	122.0	134.0	151.1	147.7	130.3	182.1
May	132.4	201.6	194.7	147.0	122.1	134.5	151.9	148.0	130.8	181.9
June	132.9	198.4	195.4	147.3	122.2	134.9	152.6	148.4	130.9	182.5
July	133.4	196.5	196.2	151.3	122.1	134.9	153.4	147.2	129.1	182.8
Aug [2]	133.9	202.1	197.3	154.0	122.2	135.6	154.4	147.4	128.9	183.4
Sept	135.1	203.1	198.1	154.9	122.5	135.5	155.5	147.5	128.9	184.4
Oct	136.4	196.7	198.1	157.0	122.8	135.8	155.7	151.7	134.1	185.1
Nov	136.8	191.9	198.5	158.3	122.7	136.9	156.3	151.1	133.3	186.0
Dec	137.8	193.0	199.2	158.6	122.7	137.1	156.8	151.1	133.1	186.5

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–68.—*Changes in producer price indexes for finished goods, 1965–2004*

[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	4.1	3.6	2.8	4.6	4.4	3.4	5.4	4.3	2.4	1.4	13.4	10.8	2.2	1.5
	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
2003: Jan	1.3	1.3	1.8	1.9	1.2	1.2	1.7	1.7	0.1	0.2	5.1	4.8	0.3	0.3
Feb	1.1	1.2	.2	.4	1.3	1.4	2.0	2.1	–.1	–.1	6.7	7.4	–.1	–.1
Mar	1.3	1.3	.4	.3	1.5	1.5	2.1	2.0	.5	.6	5.6	4.8	.5	.6
Apr	–1.5	–1.5	.8	.8	–1.9	–2.0	–2.6	–2.8	–.6	–.5	–6.9	–7.2	–.7	–.5
May	–.1	–.4	.4	.1	–.3	–.6	–.3	–.8	–.1	.1	–1.1	–3.1	0	.1
June	.7	.6	.4	.4	.8	.6	1.1	.8	–.1	0	4.2	2.9	–.1	0
July	0	.1	–.2	–.3	0	.2	.1	.2	0	.1	.3	.5	0	.1
Aug	.5	.5	1.0	.8	.4	.4	.4	.5	.2	.2	1.3	1.4	.1	.1
Sept	.2	.2	1.2	1.2	0	0	.1	0	–.2	–.1	.5	–.1	–.1	0
Oct	1.0	.6	2.0	2.0	.8	.3	.5	.3	1.4	.3	–1.9	–.4	1.5	.5
Nov	–.7	–.1	–.6	–.3	–.7	–.1	–1.0	–.3	–.2	.1	–2.7	–.7	–.2	0
Dec	0	.2	.1	.2	0	.2	.1	.4	–.2	–.1	.6	1.4	–.2	–.1
2004: Jan	.6	.6	–1.5	–1.3	1.2	1.2	1.7	1.6	.2	.2	5.0	4.7	.3	.3
Feb	–.1	.1	.2	.4	–.1	0	–.1	.1	–.2	–.2	–.3	.3	–.1	–.1
Mar	.7	.6	1.5	1.5	.4	.3	.5	.3	.2	.4	1.2	.6	.2	.3
Apr	.7	.7	1.3	1.3	.6	.5	.7	.7	.1	.1	2.3	1.8	.1	.1
May	1.1	.6	1.8	1.5	.9	.5	1.2	.5	.1	.3	3.7	1.3	.1	.2
June	–.1	–.2	–.3	–.4	–.1	–.2	–.3	–.4	.2	.4	–1.0	–1.7	.1	.3
July	–.1	0	–1.7	–1.8	.3	.4	.6	.7	–.3	–.1	2.6	2.7	–.3	–.2
Aug[2]	0	0	–.1	–.3	.1	.2	–.1	.1	.4	.3	–.3	–.2	.2	.3
Sept	.1	.1	0	0	.1	.1	.1	.1	.1	.3	–.1	–.8	.2	.3
Oct	2.2	1.7	1.6	1.6	2.3	1.8	2.6	2.3	1.6	.4	5.2	6.8	1.4	.3
Nov	–.1	.5	–.1	.4	–.1	.5	–.2	.7	–.1	.2	–.5	1.8	–.1	.2
Dec	–.9	–.7	0	.1	–1.1	–.9	–1.5	–1.3	.1	.1	–4.8	–4.0	.1	.1

[1] Changes from December to December are based on unadjusted indexes.
[2] Data have been revised through August 2004; 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, 1959–2004*

[Averages of daily figures, except debt end-of-period basis; billions of dollars, seasonally adjusted]

Year and month	M1	M2	M3	Debt[1]	Percent change			
					From year or 6 months earlier[2]			From previous period[3]
	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	M2 plus large time deposits, RPs, Euro-dollars, and institution-only MMMF balances	Debt of domestic nonfinancial sectors	M1	M2	M3	Debt
December:								
1959	140.0	297.8	299.7	689.5	.....	.....	.....	7.8
1960	140.7	312.4	315.2	724.3	0.5	4.9	5.2	5.0
1961	145.2	335.5	340.8	767.8	3.2	7.4	8.1	6.0
1962	147.8	362.7	371.3	820.6	1.8	8.1	8.9	6.9
1963	153.3	393.2	405.9	876.0	3.7	8.4	9.3	6.8
1964	160.3	424.7	442.4	940.0	4.6	8.0	9.0	7.3
1965	167.8	459.2	482.1	1,007.2	4.7	8.1	9.0	7.1
1966	172.0	480.2	505.4	1,074.7	2.5	4.6	4.8	6.7
1967	183.3	524.8	557.9	1,152.7	6.6	9.3	10.4	7.3
1968	197.4	566.8	607.2	1,242.8	7.7	8.0	8.8	7.8
1969	203.9	587.9	615.9	1,332.3	3.3	3.7	1.4	7.2
1970	214.4	626.5	677.1	1,422.5	5.1	6.6	9.9	6.8
1971	228.3	710.3	776.0	1,557.7	6.5	13.4	14.6	9.5
1972	249.2	802.3	885.9	1,713.7	9.2	13.0	14.2	10.0
1973	262.9	855.5	985.0	1,898.2	5.5	6.6	11.2	10.7
1974	274.2	902.1	1,069.9	2,073.1	4.3	5.4	8.6	9.2
1975	287.1	1,016.2	1,170.2	2,264.7	4.7	12.6	9.4	9.3
1976	306.2	1,152.0	1,310.0	2,508.3	6.7	13.4	11.9	10.8
1977	330.9	1,270.3	1,470.4	2,829.6	8.1	10.3	12.2	12.8
1978	357.3	1,366.0	1,644.6	3,214.5	8.0	7.5	11.8	13.8
1979	381.8	1,473.7	1,808.7	3,606.5	6.9	7.9	10.0	12.2
1980	408.5	1,599.8	1,995.5	3,957.9	7.0	8.6	10.3	9.5
1981	436.7	1,755.4	2,254.6	4,366.4	6.9	9.7	13.0	10.4
1982	474.8	1,910.3	2,460.7	4,788.3	8.7	8.8	9.1	10.1
1983	521.4	2,126.5	2,697.6	5,364.8	9.8	11.3	9.6	12.0
1984	551.6	2,309.9	2,990.9	6,151.2	5.8	8.6	10.9	14.7
1985	619.8	2,495.7	3,208.3	7,132.3	12.4	8.0	7.3	15.7
1986	724.6	2,732.3	3,499.4	7,975.1	16.9	9.5	9.1	11.9
1987	750.2	2,831.4	3,686.8	8,677.6	3.5	3.6	5.4	9.0
1988	786.6	2,994.4	3,928.9	9,461.7	4.9	5.8	6.6	9.1
1989	792.8	3,158.4	4,077.0	10,166.2	.8	5.5	3.8	7.3
1990	824.8	3,279.2	4,155.1	10,849.6	4.0	3.8	1.9	6.5
1991	896.9	3,379.1	4,209.6	11,311.9	8.7	3.0	1.3	4.3
1992	1,025.0	3,432.8	4,222.4	11,830.2	14.3	1.6	.3	4.6
1993	1,129.9	3,484.6	4,285.4	12,411.6	10.2	1.5	1.5	4.8
1994	1,150.5	3,497.4	4,369.4	12,989.9	1.8	.4	2.0	4.6
1995	1,127.0	3,641.2	4,636.3	13,674.5	–2.0	4.1	6.1	5.3
1996	1,079.3	3,816.7	4,985.1	14,391.4	–4.2	4.8	7.5	5.2
1997	1,072.5	4,031.7	5,460.7	15,159.4	–.6	5.6	9.5	5.3
1998	1,096.1	4,383.9	6,052.6	16,201.1	2.2	8.7	10.8	6.9
1999	1,124.0	4,648.7	6,553.7	17,269.9	2.5	6.0	8.3	6.4
2000	1,087.9	4,932.5	7,122.7	18,118.5	–3.2	6.1	8.7	4.8
2001	1,179.3	5,448.2	8,035.7	19,237.1	8.4	10.5	12.8	6.2
2002	1,217.2	5,794.3	8,565.8	20,554.7	3.2	6.4	6.6	6.8
2003	1,293.4	6,062.5	8,862.6	22,261.0	6.3	4.6	3.5	8.1
2004 *p*	1,363.1	6,397.7	9,401.5	.....	5.4	5.5	6.1	.....
2003: Jan	1,220.4	5,825.3	8,579.7	.....	4.4	7.5	8.4	.....
Feb	1,235.1	5,867.1	8,617.2	.....	8.8	7.6	7.7	.....
Mar	1,240.6	5,891.0	8,648.6	20,925.4	8.4	7.5	7.6	7.2
Apr	1,246.1	5,933.7	8,686.0	.....	7.4	7.4	7.8	.....
May	1,257.7	5,985.0	8,740.1	.....	8.8	7.6	5.8	.....
June	1,271.0	6,026.0	8,790.0	21,499.7	8.8	8.0	5.2	11.0
July	1,273.4	6,065.9	8,868.5	.....	8.7	8.3	6.7	.....
Aug	1,281.5	6,106.3	8,908.9	.....	7.5	8.2	6.8	.....
Sept	1,281.4	6,083.6	8,898.9	21,878.2	6.6	6.5	5.8	7.0
Oct	1,284.1	6,068.8	8,875.7	.....	6.1	4.6	4.4	.....
Nov	1,283.4	6,065.7	8,862.3	.....	4.1	2.7	2.8	.....
Dec	1,293.4	6,062.5	8,862.6	22,261.0	3.5	1.2	1.7	6.2
2004: Jan	1,287.7	6,070.2	8,921.0	.....	2.2	.1	1.2	.....
Feb	1,306.5	6,120.4	8,991.7	.....	3.9	.5	1.9	.....
Mar	1,325.8	6,168.0	9,082.3	22,767.2	6.9	2.8	4.1	9.1
Apr	1,323.1	6,215.9	9,161.7	.....	6.1	4.8	6.4	.....
May	1,322.3	6,286.5	9,264.5	.....	6.1	7.3	9.1	.....
June	1,335.9	6,293.9	9,296.4	23,165.2	6.6	7.6	9.8	7.0
July	1,325.0	6,288.0	9,281.7	.....	5.8	7.2	8.1	.....
Aug	1,342.9	6,300.2	9,319.8	.....	5.6	5.9	7.3	.....
Sept	1,347.0	6,332.8	9,364.2	23,607.5	3.2	5.3	6.2	7.4
Oct	1,345.7	6,346.9	9,340.8	.....	3.4	4.2	3.9	.....
Nov	1,362.1	6,380.5	9,359.0	.....	6.0	3.0	2.0	.....
Dec *p*	1,363.1	6,397.7	9,401.5	.....	4.1	3.3	2.3	.....

[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.

Source: Board of Governors of the Federal Reserve System.

TABLE B–70.—*Components of money stock measures, 1959–2004*

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Currency	Nonbank travelers checks	Demand deposits	Other checkable deposits (OCDs)	Small denomination time deposits [1]	Savings deposits, including money market deposit accounts (MMDAs) [2]
December:						
1959	28.8	0.3	110.8	0.0	11.4	146.5
1960	28.7	.3	111.6	.0	12.5	159.1
1961	29.3	.4	115.5	.0	14.8	175.5
1962	30.3	.4	117.1	.0	20.1	194.8
1963	32.2	.4	120.6	.1	25.5	214.4
1964	33.9	.5	125.8	.1	29.2	235.2
1965	36.0	.5	131.3	.1	34.5	256.9
1966	38.0	.6	133.4	.1	55.0	253.1
1967	40.0	.6	142.5	.1	77.8	263.7
1968	43.0	.7	153.6	.1	100.5	268.9
1969	45.7	.8	157.3	.2	120.4	263.7
1970	48.6	.9	164.7	.1	151.2	261.0
1971	52.0	1.0	175.1	.2	189.7	292.2
1972	56.2	1.2	191.6	.2	231.6	321.4
1973	60.8	1.4	200.3	.3	265.8	326.8
1974	67.0	1.7	205.1	.4	287.9	338.6
1975	72.8	2.1	211.3	.9	337.9	388.9
1976	79.5	2.6	221.5	2.7	390.7	453.2
1977	87.4	2.9	236.4	4.2	445.5	492.2
1978	96.0	3.3	249.5	8.5	521.0	481.9
1979	104.8	3.5	256.6	16.8	634.3	423.8
1980	115.3	3.9	261.2	28.1	728.5	400.3
1981	122.5	4.1	231.4	78.7	823.1	343.9
1982	132.5	4.1	234.1	104.1	850.9	400.1
1983	146.2	4.7	238.5	132.1	784.1	684.9
1984	156.1	5.0	243.4	147.1	888.8	704.7
1985	167.7	5.6	267.0	179.5	885.7	815.3
1986	180.4	6.1	302.8	235.2	858.4	940.9
1987	196.7	6.6	287.7	259.2	921.0	937.4
1988	212.0	7.0	287.0	280.6	1,037.1	926.4
1989	222.2	6.9	278.5	285.1	1,151.3	893.7
1990	246.5	7.7	276.9	293.7	1,173.4	923.2
1991	267.1	7.7	289.7	332.4	1,065.6	1,044.3
1992	292.2	8.2	340.1	384.5	868.1	1,187.1
1993	321.6	8.0	385.6	414.6	782.0	1,219.2
1994	354.0	8.6	383.9	403.9	816.4	1,149.4
1995	372.1	9.1	389.3	356.6	931.4	1,134.0
1996	394.1	8.8	401.0	275.5	946.8	1,273.1
1997	424.6	8.5	394.2	245.3	967.9	1,399.1
1998	459.9	8.5	378.4	249.3	951.5	1,603.6
1999	517.7	8.6	354.9	242.8	954.0	1,738.2
2000	531.6	8.3	310.3	237.8	1,044.2	1,876.2
2001	582.0	8.0	332.5	256.8	972.8	2,308.9
2002	627.4	7.8	303.4	278.6	892.1	2,769.5
2003	663.9	7.7	312.6	309.2	809.4	3,158.5
2004*p*	699.3	7.6	329.8	326.4	814.0	3,505.9
2003: Jan	630.9	7.8	301.9	279.8	886.4	2,814.3
Feb	635.4	7.8	308.4	283.6	880.2	2,854.4
Mar	639.0	7.7	307.7	286.1	875.1	2,886.2
Apr	642.0	7.7	310.5	286.0	869.2	2,935.0
May	644.6	7.6	314.7	290.8	861.5	2,983.9
June	646.4	7.6	321.9	295.1	854.0	3,021.6
July	648.0	7.6	319.1	298.8	842.9	3,082.3
Aug	650.8	7.6	320.9	302.2	832.5	3,128.7
Sept	654.1	7.6	313.4	306.3	824.9	3,125.6
Oct	658.3	7.7	312.2	305.9	819.0	3,141.2
Nov	661.3	7.7	308.6	305.8	813.1	3,156.3
Dec	663.9	7.7	312.6	309.2	809.4	3,158.5
2004: Jan	664.9	7.8	301.8	313.2	806.9	3,189.9
Feb	665.8	7.8	314.3	318.6	805.0	3,234.9
Mar	666.8	7.8	327.1	324.0	802.7	3,279.1
Apr	668.7	7.8	323.8	322.7	799.6	3,339.5
May	671.8	7.8	318.9	323.8	794.8	3,407.9
June	676.7	7.7	322.6	328.9	793.0	3,409.7
July	684.8	7.6	306.3	326.4	795.4	3,426.9
Aug	687.7	7.6	318.6	329.0	799.3	3,424.4
Sept	691.7	7.6	323.8	323.9	803.4	3,453.9
Oct	694.2	7.6	317.9	326.0	806.3	3,478.3
Nov	699.8	7.6	324.8	329.9	810.3	3,494.8
Dec*p*	699.3	7.6	329.8	326.4	814.0	3,505.9

[1] Small denomination deposits are those issued in amounts of less than $100,000.
[2] Data prior to 1982 are savings deposits only; MMDA data begin December 1982.

See next page for continuation of table.

TABLE B–70.—*Components of money stock measures, 1959–2004*—Continued

[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Money market mutual fund (MMMF) balances		Large denomination time deposits[3]	Overnight and term repurchase agreements (RPs) (net)	Overnight and term Eurodollars (net)
	Retail	Institution only			
December:					
1959	0.0	0.0	1.2	0.0	0.7
1960	.0	.0	2.0	.0	.8
1961	.0	.0	3.9	.0	1.5
1962	.0	.0	7.0	.0	1.6
1963	.0	.0	10.8	.0	1.9
1964	.0	.0	15.2	.0	2.4
1965	.0	.0	21.2	.0	1.8
1966	.0	.0	23.1	.0	2.2
1967	.0	.0	30.9	.0	2.2
1968	.0	.0	37.4	.0	2.9
1969	.0	.0	20.4	4.9	2.7
1970	.0	.0	45.2	3.0	2.4
1971	.0	.0	57.7	5.2	2.9
1972	.0	.0	73.3	6.6	3.8
1973	.1	.0	110.9	12.8	5.8
1974	1.4	.2	144.7	14.5	8.5
1975	2.4	.5	129.7	13.8	10.0
1976	1.8	.6	118.1	24.0	15.2
1977	1.8	1.0	145.2	32.2	21.7
1978	5.8	3.5	195.6	44.4	35.1
1979	33.9	10.4	223.1	48.8	52.7
1980	62.5	16.0	260.2	58.1	61.4
1981	151.7	38.2	304.3	67.8	88.8
1982	184.5	48.8	325.6	71.8	104.2
1983	136.1	40.9	316.1	97.5	116.6
1984	164.9	62.3	402.2	107.6	108.9
1985	174.9	65.3	421.7	121.5	104.2
1986	208.4	86.2	419.0	146.2	115.7
1987	222.8	93.7	461.9	178.3	121.5
1988	244.3	93.8	512.4	196.7	131.7
1989	320.6	112.0	528.1	169.0	109.4
1990	357.7	139.5	481.7	151.5	103.3
1991	372.3	188.4	418.6	131.2	92.3
1992	352.6	212.8	355.7	141.6	79.5
1993	353.5	216.3	339.2	172.6	72.8
1994	381.2	210.3	378.9	196.4	86.3
1995	448.8	263.6	439.0	198.6	94.0
1996	517.4	321.9	521.3	210.6	114.6
1997	592.2	395.3	632.0	254.2	147.4
1998	732.7	539.2	685.5	294.0	150.0
1999	832.5	635.9	761.6	337.0	170.4
2000	924.2	789.6	840.1	366.0	194.5
2001	987.2	1,194.0	804.6	378.9	210.0
2002	915.5	1,245.7	816.3	480.9	228.6
2003	801.1	1,113.7	884.0	513.4	289.0
2004 *p*	714.7	1,060.3	1,075.0	512.7	355.6
2003: Jan	904.2	1,220.2	825.0	472.6	236.6
Feb	897.4	1,205.8	820.9	485.4	238.1
Mar	889.1	1,194.2	824.4	497.4	241.6
Apr	883.4	1,177.0	824.4	501.6	249.3
May	882.0	1,154.3	828.2	511.3	261.3
June	879.3	1,155.4	828.9	517.2	262.5
July	867.4	1,194.2	840.3	498.2	269.8
Aug	863.6	1,175.1	850.7	497.6	279.1
Sept	851.7	1,176.1	857.0	502.1	280.1
Oct	824.5	1,154.6	854.0	511.4	286.8
Nov	812.9	1,132.2	864.5	513.3	286.6
Dec	801.1	1,113.7	884.0	513.4	289.0
2004: Jan	785.7	1,116.9	916.6	515.1	302.2
Feb	774.0	1,105.0	918.5	536.3	311.5
Mar	760.4	1,115.2	940.0	539.3	319.7
Apr	753.8	1,125.8	967.6	523.0	329.4
May	761.6	1,125.5	987.8	535.5	329.2
June	755.3	1,120.4	1,000.1	556.3	325.7
July	740.7	1,105.4	1,018.3	537.4	332.5
Aug	733.5	1,109.8	1,026.2	543.2	340.3
Sept	728.5	1,100.6	1,029.3	551.3	350.2
Oct	716.7	1,073.2	1,033.9	525.7	361.2
Nov	713.3	1,061.6	1,043.0	518.7	355.2
Dec *p*	714.7	1,060.3	1,075.0	512.7	355.6

[3] Large denomination deposits are those issued in amounts of more than $100,000.

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, 1959–2004*

[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	Execess (NSA)		Total	Primary	Secondary	Seasonal	Adjustment
December:										
1959	11,109	10,168	10,603	506	40,880	941	.....	.....	.....	941
1960	11,247	11,172	10,503	743	40,977	74	.....	.....	.....	74
1961	11,499	11,366	10,915	584	41,853	133	.....	.....	.....	133
1962	11,604	11,344	11,033	572	42,957	260	.....	.....	.....	260
1963	11,730	11,397	11,239	490	45,003	332	.....	.....	.....	332
1964	12,011	11,747	11,605	406	47,161	264	.....	.....	.....	264
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	26,896	23,710	26,061	835	187,237	3,186	.....	.....	113	469
1985	31,541	30,223	30,478	1,063	203,540	1,318	.....	.....	56	763
1986	38,841	38,015	37,668	1,173	223,432	827	.....	.....	38	486
1987	38,918	38,141	37,899	1,019	239,847	777	.....	.....	93	201
1988	40,428	38,712	39,366	1,061	256,869	1,716	.....	.....	130	342
1989	40,430	40,164	39,489	941	267,668	265	.....	.....	84	162
1990	41,699	41,374	40,035	1,664	293,262	326	.....	.....	76	227
1991	45,451	45,258	44,461	989	317,509	192	.....	.....	38	153
1992	54,332	54,208	53,178	1,154	350,758	124	.....	.....	18	105
1993	60,460	60,378	59,390	1,070	386,465	82	.....	.....	31	51
1994	59,369	59,160	58,209	1,159	418,196	209	.....	.....	100	109
1995	56,430	56,173	55,140	1,290	434,388	257	.....	.....	40	217
1996	50,149	49,994	48,733	1,416	451,904	155	.....	.....	68	87
1997	46,848	46,523	45,163	1,685	479,826	324	.....	.....	79	245
1998	45,254	45,138	43,741	1,514	513,894	117	.....	.....	15	101
1999	41,928	41,607	40,631	1,297	593,709	[3] 320	.....	.....	67	179
2000	38,677	38,467	37,249	1,427	585,104	210	.....	.....	111	99
2001	41,411	41,344	39,760	1,651	635,936	67	.....	.....	33	34
2002	40,442	40,362	38,433	2,009	682,151	80	.....	.....	45	35
2003	42,843	42,797	41,804	1,039	720,978	46	17	0	29	.....
2004	46,577	46,515	44,661	1,916	760,013	63	11	0	52	.....
2003: Jan	40,840	40,813	39,132	1,708	685,645	27	12	0	13	2
Feb	41,095	41,070	39,129	1,966	690,639	25	21	0	5	.....
Mar	41,087	41,065	39,453	1,634	693,925	22	14	0	8	.....
Apr	40,696	40,666	39,154	1,542	696,642	29	8	0	21	.....
May	40,884	40,829	39,263	1,621	700,151	55	3	0	53	.....
June	42,348	42,186	40,486	1,862	702,786	161	87	0	74	.....
July	43,314	43,183	41,379	1,935	705,363	130	21	0	110	.....
Aug	45,581	45,252	41,814	3,767	710,239	329	168	15	146	.....
Sept	44,289	44,109	42,779	1,510	712,123	181	23	0	158	.....
Oct	43,394	43,287	41,921	1,473	715,834	107	13	0	94	.....
Nov	43,034	42,966	41,545	1,489	718,968	68	25	0	43	.....
Dec	42,843	42,797	41,804	1,039	720,978	46	17	0	29	.....
2004: Jan	43,204	43,098	42,314	891	722,605	106	93	0	13	.....
Feb	42,999	42,957	41,805	1,194	724,173	42	28	0	14	.....
Mar	44,739	44,688	42,933	1,806	725,786	51	23	0	28	.....
Apr	45,688	45,602	43,881	1,807	728,836	86	29	0	57	.....
May	45,390	45,279	43,747	1,643	732,306	112	9	0	103	.....
June	45,935	45,755	44,047	1,888	737,809	180	40	0	140	.....
July	45,733	45,488	44,022	1,711	745,607	245	42	0	203	.....
Aug	44,754	44,502	43,203	1,551	748,197	251	18	0	233	.....
Sept	46,252	45,917	44,686	1,566	753,381	335	97	0	238	.....
Oct	46,035	45,856	44,318	1,717	755,881	179	15	0	164	.....
Nov	45,946	45,763	44,174	1,772	760,590	183	105	0	78	.....
Dec	46,577	46,515	44,661	1,916	760,013	63	11	0	52	.....

[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, 1959–2004*

[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:												
1959	189.5	77.4	61.9	15.5	112.1	39.5	28.1	...	...	24.1	5.0	15.4
1960	197.6	79.5	63.9	15.6	118.1	42.4	28.7	...	...	26.3	5.2	15.6
1961	213.1	88.2	70.4	17.9	124.8	44.1	30.2	...	...	27.6	6.1	16.8
1962	231.0	92.2	70.7	21.5	138.8	47.7	34.0	...	...	30.3	6.6	20.2
1963	250.7	92.6	67.4	25.2	158.1	52.5	38.9	...	...	34.2	7.9	24.6
1964	270.4	94.7	66.7	28.1	175.6	58.7	43.5	...	...	39.5	8.3	25.7
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	2,432.7	561.7	366.0	195.7	1,871.0	611.7	676.4	42.6	633.8	354.8	40.3	187.9
1989	2,602.2	584.7	399.5	185.2	2,017.5	642.7	769.2	53.5	715.6	375.3	40.9	189.3
1990	2,749.7	634.9	456.0	178.9	2,114.9	645.6	856.6	66.4	790.2	380.8	44.4	187.4
1991	2,856.4	747.2	566.9	180.3	2,109.2	623.4	882.8	74.3	808.5	363.9	53.9	185.2
1992	2,954.1	841.8	664.9	176.9	2,112.3	599.4	906.0	78.5	827.5	356.3	63.4	187.2
1993	3,112.4	915.6	730.8	184.8	2,196.7	590.3	947.0	78.1	868.9	387.6	86.4	185.5
1994	3,318.2	939.9	721.6	218.3	2,378.3	650.3	1,010.7	80.5	930.2	448.2	75.8	193.3
1995	3,601.0	984.0	701.1	282.9	2,617.0	723.8	1,089.5	84.5	1,004.9	491.4	83.2	229.1
1996	3,756.9	984.3	702.4	281.9	2,772.6	784.7	1,140.1	90.9	1,049.2	512.9	75.3	259.6
1997	4,099.3	1,098.6	755.3	343.3	3,000.7	854.1	1,242.7	105.0	1,137.7	502.6	94.4	306.9
1998	4,532.9	1,237.0	797.3	439.8	3,295.9	947.4	1,332.9	103.9	1,229.0	496.9	145.3	373.3
1999	4,763.5	1,282.8	815.3	467.5	3,480.6	998.8	1,471.1	101.5	1,369.6	490.6	149.8	370.2
2000	5,217.1	1,348.6	792.0	556.6	3,868.5	1,087.0	1,650.4	130.0	1,520.3	539.3	177.3	414.4
2001	5,428.1	1,493.8	852.5	641.2	3,934.3	1,027.2	1,779.5	155.8	1,623.7	556.0	146.0	425.6
2002	5,885.7	1,721.1	1,028.5	692.6	4,164.6	963.1	2,021.0	213.5	1,807.5	586.7	190.2	403.6
2003	6,249.6	1,850.7	1,103.8	746.9	4,398.9	891.7	2,215.4	280.8	1,934.7	629.8	215.2	446.8
2004	6,772.9	1,930.5	1,149.7	780.8	4,842.4	905.7	2,537.7	398.3	2,139.4	674.4	221.5	503.1
2003: Jan	5,888.8	1,721.5	1,037.1	684.4	4,167.2	958.4	2,046.2	218.0	1,828.1	585.8	176.4	400.4
Feb	5,970.2	1,766.8	1,067.0	699.8	4,203.4	949.9	2,078.2	223.1	1,855.1	589.5	184.2	401.6
Mar	6,008.5	1,777.6	1,076.2	701.4	4,231.0	943.4	2,101.8	230.1	1,871.7	590.4	191.9	403.5
Apr	6,048.8	1,779.4	1,097.7	681.6	4,269.4	943.1	2,126.1	235.2	1,890.9	589.3	191.7	419.2
May	6,152.8	1,832.5	1,124.4	708.1	4,320.3	934.8	2,146.8	239.1	1,907.7	597.7	215.0	426.1
June	6,206.2	1,855.3	1,142.7	712.6	4,350.9	925.2	2,171.8	244.7	1,927.0	601.0	216.8	436.1
July	6,194.6	1,814.5	1,109.8	704.6	4,380.1	926.8	2,197.7	248.5	1,949.2	601.5	217.7	436.4
Aug	6,179.8	1,777.1	1,079.4	697.7	4,402.7	918.7	2,233.7	252.7	1,981.0	601.0	214.6	434.8
Sept	6,185.1	1,788.7	1,070.5	718.2	4,396.4	908.1	2,245.0	258.5	1,986.6	601.8	212.2	429.2
Oct	6,161.6	1,804.6	1,080.6	724.0	4,356.9	893.8	2,227.3	265.5	1,961.8	597.2	220.1	418.6
Nov	6,198.1	1,831.8	1,096.5	735.3	4,366.3	888.6	2,206.5	273.2	1,933.3	626.2	228.7	416.3
Dec	6,249.6	1,850.7	1,103.8	746.9	4,398.9	891.7	2,215.4	280.8	1,934.7	629.8	215.2	446.8
2004: Jan	6,320.8	1,855.1	1,105.3	749.8	4,465.7	889.0	2,240.9	291.2	1,949.6	632.2	233.7	469.9
Feb	6,440.7	1,930.3	1,169.9	760.4	4,510.5	887.9	2,262.7	297.6	1,965.1	634.3	243.2	482.4
Mar	6,517.7	1,980.1	1,204.3	775.8	4,537.5	878.2	2,303.8	308.1	1,995.7	639.4	243.0	473.2
Apr	6,536.5	1,952.2	1,199.2	753.0	4,584.3	874.5	2,361.4	318.0	2,043.4	640.1	237.6	470.7
May	6,544.6	1,928.9	1,188.1	740.8	4,615.7	874.4	2,395.7	327.9	2,067.9	641.7	232.6	471.2
June	6,587.2	1,933.0	1,188.9	744.1	4,654.2	878.2	2,409.3	337.6	2,071.7	644.2	248.1	474.5
July	6,601.7	1,907.2	1,180.4	726.7	4,694.5	882.5	2,417.7	346.9	2,070.8	672.4	243.5	478.4
Aug	6,630.9	1,913.8	1,182.4	731.5	4,717.0	889.2	2,433.9	358.2	2,075.7	673.0	238.8	482.0
Sept	6,696.8	1,923.8	1,177.5	746.4	4,772.9	891.6	2,458.5	369.5	2,089.0	674.8	254.5	493.7
Oct	6,709.4	1,918.3	1,149.2	769.1	4,791.1	892.6	2,491.3	383.4	2,108.0	671.4	247.5	488.4
Nov	6,750.2	1,924.6	1,146.5	778.0	4,825.6	897.6	2,515.4	393.1	2,122.3	666.3	242.5	503.9
Dec	6,772.9	1,930.5	1,149.7	780.8	4,842.4	905.7	2,537.7	398.3	2,139.4	674.4	221.5	503.1

[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, 1929–2004*

[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]										
	3-month	6-month	3-year	10-year	30-year	Aaa[3]	Baa				Primary credit	Adjustment credit	
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

[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. In February 2002, the Department of the Treasury discontinued publication of the 30-year series.

[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, 1929–2004*—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]										
	3-month	6-month	3-year	10-year	30-year	Aaa[3]	Baa				Primary credit	Adjustment credit	
										High-low	High-low	High-low	
2000:													
Jan	5.34	5.52	6.49	6.66	6.63	7.78	8.33	6.10	7.45	8.50-8.50	.....	5.00-5.00	5.45
Feb	5.57	5.75	6.65	6.52	6.23	7.68	8.29	6.06	7.54	8.75-8.50	.....	5.25-5.00	5.73
Mar	5.72	5.85	6.53	6.26	6.05	7.68	8.37	5.89	7.60	9.00-8.75	.....	5.50-5.25	5.85
Apr	5.67	5.82	6.36	5.99	5.85	7.64	8.40	5.76	7.63	9.00-9.00	.....	5.50-5.50	6.02
May	5.92	6.12	6.77	6.44	6.15	7.99	8.90	6.04	7.55	9.50-9.00	.....	6.00-5.50	6.27
June	5.74	6.02	6.43	6.10	5.93	7.67	8.48	5.84	7.50	9.50-9.50	.....	6.00-6.00	6.53
July	5.93	5.99	6.28	6.05	5.85	7.65	8.35	5.72	7.51	9.50-9.50	.....	6.00-6.00	6.54
Aug	6.11	6.09	6.17	5.83	5.72	7.55	8.26	5.63	7.54	9.50-9.50	.....	6.00-6.00	6.50
Sept	6.00	5.98	6.02	5.80	5.83	7.62	8.35	5.64	7.52	9.50-9.50	.....	6.00-6.00	6.52
Oct	6.10	6.04	5.85	5.74	5.80	7.55	8.34	5.65	7.53	9.50-9.50	.....	6.00-6.00	6.51
Nov	6.19	6.07	5.79	5.72	5.78	7.45	8.28	5.60	7.47	9.50-9.50	.....	6.00-6.00	6.51
Dec	5.83	5.70	5.26	5.24	5.49	7.21	8.02	5.30	7.40	9.50-9.50	.....	6.00-6.00	6.40
2001:													
Jan	5.27	5.04	4.77	5.16	5.54	7.15	7.93	5.15	7.20	9.50-9.00	.....	6.00-5.00	5.98
Feb	4.93	4.78	4.71	5.10	5.45	7.10	7.87	5.21	7.10	8.50-8.50	.....	5.00-5.00	5.49
Mar	4.50	4.36	4.43	4.89	5.34	6.98	7.84	5.19	7.04	8.50-8.00	.....	5.00-4.50	5.31
Apr	3.92	3.89	4.42	5.14	5.65	7.20	8.07	5.33	7.07	8.00-7.50	.....	4.50-4.00	4.80
May	3.67	3.66	4.51	5.39	5.78	7.29	8.07	5.35	7.12	7.50-7.00	.....	4.00-3.50	4.21
June	3.48	3.44	4.35	5.28	5.67	7.18	7.97	5.24	7.12	7.00-6.75	.....	3.50-3.25	3.97
July	3.54	3.48	4.31	5.24	5.61	7.13	7.97	5.22	7.11	6.75-6.75	.....	3.25-3.25	3.77
Aug	3.39	3.31	4.04	4.97	5.48	7.02	7.85	5.06	7.15	6.75-6.50	.....	3.25-3.00	3.65
Sept	2.87	2.84	3.45	4.73	5.48	7.17	8.03	5.09	6.89	6.50-6.00	.....	3.00-2.50	3.07
Oct	2.22	2.19	3.14	4.57	5.32	7.03	7.91	5.07	6.73	6.00-5.50	.....	2.50-2.00	2.49
Nov	1.93	1.94	3.22	4.65	5.12	6.97	7.81	5.06	6.63	5.50-5.00	.....	2.00-1.50	2.09
Dec	1.72	1.81	3.62	5.09	5.48	6.76	8.05	5.28	6.79	5.00-4.75	.....	1.50-1.25	1.82
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

[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, 1996–2004*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Item	1996	1997	1998	1999	2000	2001	2002	2003
NONFINANCIAL SECTORS								
DOMESTIC	716.8	769.5	1,041.7	1,030.7	837.5	1,118.0	1,317.6	1,659.9
FEDERAL GOVERNMENT	144.9	23.1	–52.6	–71.2	–295.9	–5.6	257.6	396.0
Treasury securities	146.6	23.2	–54.6	–71.0	–294.9	–5.1	257.1	398.4
Budget agency securities and mortgages	–1.6	–.1	2.0	–.2	–1.0	–.5	.5	–2.4
NONFEDERAL, BY INSTRUMENT	571.9	746.4	1,094.4	1,101.9	1,133.3	1,123.6	1,060.1	1,263.9
Commercial paper	–.9	13.7	24.4	37.4	48.1	–88.3	–64.2	–40.0
Municipal securities and loans	–6.5	56.9	84.2	54.4	23.6	122.9	159.4	135.1
Corporate bonds	116.3	150.5	235.2	221.7	162.6	348.5	132.3	158.3
Bank loans n.e.c.	70.4	106.4	109.8	81.4	97.7	–82.0	–87.2	–82.2
Other loans and advances	22.2	43.1	68.5	26.1	79.6	8.9	20.3	10.0
Mortgages	266.5	306.0	466.8	568.0	554.4	674.1	816.3	994.3
Home	228.5	241.8	360.6	425.3	410.9	511.7	677.7	796.7
Multifamily residential	9.9	7.2	25.7	38.5	29.4	41.4	34.7	65.3
Commercial	25.4	53.8	73.9	97.8	107.5	113.4	96.3	124.3
Farm	2.7	3.2	6.7	6.5	6.6	7.7	7.6	8.1
Consumer credit	104.0	69.8	105.4	113.0	167.4	139.5	83.2	88.4
NONFEDERAL, BY SECTOR	571.9	746.4	1,094.4	1,101.9	1,133.3	1,123.6	1,060.1	1,263.9
Household sector	332.8	312.1	438.9	493.9	559.7	622.9	734.1	840.6
Nonfinancial business	255.0	392.8	587.8	569.5	558.2	394.9	182.0	305.6
Corporate	182.8	291.8	397.6	374.0	354.4	228.0	28.9	146.6
Nonfarm noncorporate	68.6	94.7	179.9	190.2	192.9	156.4	145.3	151.2
Farm	3.5	6.2	10.3	5.3	10.9	10.5	7.8	7.7
State and local governments	–15.9	41.5	67.7	38.5	15.5	105.8	143.9	117.8
FOREIGN BORROWING IN THE UNITED STATES	88.0	69.9	31.2	13.0	57.0	–49.8	5.6	–15.7
Commercial paper	11.3	3.7	7.8	16.3	31.7	–14.2	36.1	22.3
Bonds	66.6	59.6	22.8	1.9	15.2	–24.5	–33.5	–28.1
Bank loans n.e.c.	9.1	8.5	6.6	.5	11.4	–7.3	5.3	–7.7
Other loans and advances	1.0	–1.8	–6.0	–5.7	–1.3	–3.8	–2.3	–2.1
NONFINANCIAL DOMESTIC AND FOREIGN BORROWING	804.8	839.5	1,073.0	1,043.7	894.5	1,068.2	1,323.3	1,644.3
FINANCIAL SECTORS								
BY INSTRUMENT	532.7	592.3	1,063.8	1,059.5	805.4	903.2	834.7	989.3
Open market paper	92.2	166.7	161.0	176.2	131.7	–45.3	–63.5	–63.8
GSE issues (government-sponsored enterprises)	90.4	99.1	278.9	318.8	235.2	304.1	219.8	243.7
Agency- and GSE-backed mortgage pool securities	141.0	114.6	192.7	274.6	199.7	338.5	326.8	330.5
Corporate bonds	160.6	148.2	287.7	188.7	187.7	265.1	333.3	443.7
Bank loans n.e.c.	12.6	13.3	28.5	–12.8	3.8	13.0	1.3	–4.6
Other loans and advances	27.9	35.6	90.2	107.1	42.5	25.5	6.8	31.2
Mortgages	7.9	14.9	24.8	6.9	4.9	2.2	10.1	8.5
BY SECTOR	532.7	592.3	1,063.8	1,059.5	805.4	903.2	834.7	989.3
Commercial banking	13.0	46.1	72.9	67.2	60.0	52.9	49.7	49.2
U.S.-chartered commercial banks	11.7	29.5	52.8	41.8	36.8	30.2	29.9	13.9
Foreign banking offices in U.S.	–.7	–2.4	–4.8	–.4	.0	–.9	–.4	–.1
Bank holding companies	2.0	19.0	24.9	25.8	23.2	23.6	20.3	35.4
Savings institutions	25.5	19.7	52.2	48.0	27.3	–2.0	–23.4	6.1
Government-sponsored enterprises	90.4	99.1	278.9	318.8	235.2	304.1	219.8	243.7
Agency- and GSE-backed mortgage pools	141.0	114.6	192.7	274.6	199.7	338.5	326.8	330.5
Asset-backed securities issuers	133.3	155.5	298.9	192.6	182.3	256.2	191.6	200.1
Finance companies	50.6	33.8	57.1	70.7	81.9	1.3	42.2	117.3
REITS (real estate investment trusts)	11.9	39.6	62.7	10.4	4.5	3.2	26.2	32.3
Brokers and dealers	–2.0	8.1	7.2	–17.2	15.6	1.4	–1.7	6.4
Funding corporations	63.8	79.9	40.0	91.6	–.3	–54.6	–.5	–1.4
Other [1]	5.3	–4.3	1.3	2.9	–.7	2.1	4.0	5.1
ALL SECTORS								
BY INSTRUMENT	1,337.5	1,431.8	2,136.7	2,103.2	1,699.9	1,971.4	2,158.0	2,633.6
Open market paper	102.6	184.1	193.1	229.9	211.6	–147.8	–91.5	–81.6
Treasury securities	146.6	23.2	–54.6	–71.0	–294.9	–5.1	257.1	398.4
Agency- and GSE-backed securities	229.8	213.6	473.6	593.1	433.9	642.1	547.2	571.9
Municipal securities	–6.5	56.9	84.2	54.4	23.6	122.9	159.4	135.1
Corporate and foreign bonds	343.5	358.3	545.7	412.4	365.5	589.1	432.1	573.9
Bank loans n.e.c.	92.1	128.2	145.0	69.0	112.8	–76.2	–80.6	–94.5
Other loans and advances	51.1	76.9	152.7	127.5	120.8	30.6	24.7	39.1
Mortgages	274.4	320.9	491.6	574.9	559.2	676.3	826.5	1,002.9
Consumer credit	104.0	69.8	105.4	113.0	167.4	139.5	83.2	88.4

[1] Credit unions, life insurance companies, and mortgage companies.

See next page for continuation of table.

TABLE B–74.—*Credit market borrowing, 1996–2004*—Continued

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Item	2003				2004		
	I	II	III	IV	I	II	III
NONFINANCIAL SECTORS							
DOMESTIC	1,482.9	2,297.1	1,514.0	1,345.7	2,024.7	1,592.0	1,710.0
FEDERAL GOVERNMENT	184.0	723.0	317.1	360.0	483.9	444.9	207.0
Treasury securities	185.6	722.5	317.0	368.6	482.9	448.6	208.9
Budget agency securities and mortgages	–1.6	.5	.1	–8.6	1.1	–3.6	–1.9
NONFEDERAL, BY INSTRUMENT	1,298.9	1,574.0	1,196.9	985.7	1,540.7	1,147.0	1,502.9
Commercial paper	–9.3	–81.4	4.8	–74.3	34.4	32.9	23.0
Municipal securities and loans	119.9	182.6	130.0	107.7	167.5	82.0	241.4
Corporate bonds	169.5	297.0	96.1	70.6	114.2	5.7	33.8
Bank loans n.e.c.	–84.9	–42.1	–111.0	–90.8	–46.5	91.7	–12.4
Other loans and advances	4.2	–9.9	–22.9	68.7	23.2	–30.7	24.0
Mortgages	1,009.7	1,119.1	991.0	857.6	1,121.1	918.0	1,069.8
Home	859.6	907.1	769.0	651.1	945.8	732.8	860.9
Multifamily residential	39.4	69.9	64.9	87.0	15.0	47.2	29.7
Commercial	102.4	135.2	148.6	110.9	153.4	127.4	170.2
Farm	8.3	6.9	8.5	8.6	6.9	10.6	8.9
Consumer credit	89.7	108.8	108.9	46.1	126.8	47.5	123.4
NONFEDERAL, BY SECTOR	1,298.9	1,574.0	1,196.9	985.7	1,540.7	1,147.0	1,502.9
Household sector	918.3	988.3	835.3	620.3	1,052.9	810.5	887.9
Nonfinancial business	281.0	419.6	252.6	269.1	339.1	273.0	386.5
Corporate	167.1	272.9	71.9	74.6	195.8	92.4	194.4
Nonfarm noncorporate	107.6	143.8	168.8	184.7	138.7	167.6	171.5
Farm	6.3	2.9	12.0	9.8	4.5	12.9	20.6
State and local governments	99.5	166.1	109.1	96.3	148.8	63.5	228.5
FOREIGN BORROWING IN THE UNITED STATES	17.8	–61.8	–64.7	46.0	70.8	–63.8	9.0
Commercial paper	52.0	72.9	–56.0	20.2	100.1	–29.6	24.9
Bonds	–29.9	–100.2	–8.8	26.5	–19.6	–39.7	2.3
Bank loans n.e.c.	–4.0	–31.4	5.3	–.7	–6.7	7.0	–9.0
Other loans and advances	–.2	–3.0	–5.3	–.0	–2.9	–1.5	–9.3
NONFINANCIAL DOMESTIC AND FOREIGN BORROWING	1,500.7	2,235.3	1,449.3	1,391.7	2,095.5	1,528.2	1,718.9
FINANCIAL SECTORS							
BY INSTRUMENT	972.2	857.7	1,053.4	1,073.9	672.0	873.9	688.3
Open market paper	–27.7	–50.6	–62.5	–114.3	149.6	10.8	–64.4
GSE issues (government-sponsored enterprises)	225.8	192.4	459.9	96.9	18.2	234.4	108.0
Agency- and GSE-backed mortgage pool securities	272.2	266.9	307.6	475.3	80.1	74.0	59.4
Corporate bonds	497.1	395.6	319.9	562.4	295.7	407.1	555.3
Bank loans n.e.c.	–38.6	12.1	14.6	–6.5	25.3	–34.4	51.2
Other loans and advances	43.9	38.2	.7	41.9	76.0	166.1	–30.9
Mortgages	–.4	3.1	13.2	18.1	27.2	15.9	9.8
BY SECTOR	972.2	857.7	1,053.4	1,073.9	672.0	873.9	688.3
Commercial banking	80.9	28.0	2.8	85.2	187.6	7.1	60.1
U.S.-chartered commercial banks	15.7	28.7	–6.0	17.1	85.0	–9.3	–2.0
Foreign banking offices in U.S.	–.5	–.2	.1	.3	–.1	.3	.4
Bank holding companies	65.7	–.6	8.7	67.8	102.8	16.1	61.7
Savings institutions	–18.0	16.9	.4	25.0	–7.0	184.4	–21.0
Government-sponsored enterprises	225.8	192.4	459.9	96.9	18.2	234.4	108.0
Agency- and GSE-backed mortgage pools	272.2	266.9	307.6	475.3	80.1	74.0	59.4
Asset-backed securities issuers	256.5	240.1	166.6	137.4	126.3	300.6	357.0
Finance companies	45.6	171.1	104.1	148.2	134.0	–19.7	89.8
REITS (real estate investment trusts)	17.5	12.5	43.7	55.7	67.8	43.6	84.4
Brokers and dealers	38.4	–16.2	9.9	–6.6	51.9	2.5	33.2
Funding corporations	46.2	–57.0	–48.0	53.3	16.2	39.5	–83.5
Other [1]	7.2	3.1	6.4	3.5	–3.1	7.6	1.0
ALL SECTORS							
BY INSTRUMENT	2,473.0	3,093.0	2,502.7	2,465.6	2,767.5	2,402.1	2,407.2
Open market paper	15.0	–59.2	–113.7	–168.5	284.2	14.2	–16.4
Treasury securities	185.6	722.5	317.0	368.6	482.9	448.6	208.9
Agency- and GSE-backed securities	496.4	459.9	767.5	563.6	99.3	304.7	165.4
Municipal securities	119.9	182.6	130.0	107.7	167.5	82.0	241.4
Corporate and foreign bonds	636.6	592.4	407.2	659.6	390.2	373.0	591.4
Bank loans n.e.c.	–127.5	–61.4	–91.1	–98.0	–28.0	64.3	29.8
Other loans and advances	48.0	25.4	–27.4	110.6	96.3	133.9	–16.2
Mortgages	1,009.3	1,122.1	1,004.2	875.8	1,148.3	933.9	1,079.5
Consumer credit	89.7	108.8	108.9	46.1	126.8	47.5	123.4

Source: Board of Governors of the Federal Reserve System.

TABLE B–75.—*Mortgage debt outstanding by type of property and of financing, 1949–2004*

[Billions of dollars]

End of year or quarter	All properties	Farm properties	Nonfarm properties				Nonfarm properties by type of mortgage					
							Government underwritten				Conventional [2]	
								1- to 4-family houses				
			Total	1- to 4-family houses	Multifamily properties	Commercial properties	Total [1]	Total	FHA insured	VA guaranteed	Total	1- to 4-family houses
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	3,807.6	78.9	3,728.7	2,619.7	288.3	820.7	517.9	470.9	310.9	160.0	3,210.7	2,148.8
1991	3,958.6	79.2	3,879.4	2,787.4	284.9	807.1	537.2	493.3	330.6	162.7	3,342.2	2,294.1
1992	4,070.8	79.7	3,991.0	2,955.6	272.0	763.4	533.3	489.8	326.0	163.8	3,457.7	2,465.9
1993	4,207.0	80.7	4,126.2	3,117.3	269.1	739.9	513.4	469.5	303.2	166.2	3,612.8	2,647.8
1994	4,377.8	83.3	4,294.5	3,297.7	269.6	727.2	559.3	514.2	336.8	177.3	3,735.2	2,783.5
1995	4,568.2	85.0	4,483.2	3,469.1	275.5	738.5	584.3	537.1	352.3	184.7	3,898.9	2,932.1
1996	4,842.4	87.6	4,754.9	3,697.7	288.0	769.2	620.3	571.2	379.2	192.0	4,134.5	3,126.5
1997	5,163.1	90.4	5,072.7	3,939.9	301.1	831.7	656.7	605.7	405.7	200.0	4,416.0	3,334.2
1998	5,654.3	96.7	5,557.6	4,300.1	334.0	923.5	674.1	623.8	417.9	205.9	4,883.5	3,676.3
1999	6,257.7	103.9	6,153.8	4,718.7	375.0	1,060.1	731.5	678.8	462.3	216.5	5,422.3	4,040.0
2000	6,820.2	110.2	6,710.0	5,133.2	406.0	1,170.8	773.1	720.0	499.9	220.1	5,936.9	4,413.2
2001	7,496.8	117.8	7,379.0	5,645.2	448.1	1,285.7	772.7	718.5	497.4	221.2	6,606.3	4,926.7
2002	8,323.3	125.5	8,197.8	6,322.7	486.1	1,388.9	759.3	704.0	486.2	217.7	7,438.5	5,618.7
2003	9,326.9	133.6	9,193.3	7,120.0	554.3	1,519.0	709.2	653.3	438.7	214.6	8,484.1	6,466.7
2002: I	7,655.2	119.4	7,535.9	5,777.8	454.5	1,303.5	778.5	723.9	503.5	220.4	6,757.4	5,054.0
II	7,860.5	121.9	7,738.6	5,943.3	463.6	1,331.7	781.0	726.2	508.7	217.5	6,957.6	5,217.1
III	8,071.4	124.6	7,946.8	6,120.7	470.0	1,356.0	778.3	723.7	505.9	217.8	7,168.5	5,397.1
IV	8,323.3	125.5	8,197.8	6,322.7	486.1	1,388.9	759.3	704.0	486.2	217.7	7,438.5	5,618.7
2003: I	8,539.2	127.6	8,411.6	6,506.6	495.9	1,409.1	749.9	694.3	477.8	216.5	7,661.7	5,812.3
II	8,832.4	129.7	8,702.8	6,745.0	513.6	1,444.2	730.1	673.3	457.5	215.9	7,972.6	6,071.6
III	9,102.9	131.7	8,971.2	6,957.7	531.0	1,482.5	709.2	653.1	438.3	214.8	8,261.9	6,304.6
IV	9,326.9	133.6	9,193.3	7,120.0	554.3	1,519.0	709.2	653.3	438.7	214.6	8,484.1	6,466.7
2004: I	9,574.7	135.3	9,439.4	7,323.4	560.0	1,556.1	702.1	646.3	433.2	213.1	8,737.3	6,677.1
II	9,822.3	138.3	9,684.0	7,519.3	573.3	1,591.4	687.6	631.7	422.0	209.7	8,996.4	6,887.6
III *p*	10,127.8	140.5	9,987.3	7,770.9	581.6	1,634.8	676.2	620.3	411.6	208.7	9,311.1	7,150.6

[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, 1949–2004*

[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	3,807.6	1,918.8	801.6	849.3	267.9	1,258.9	629.9
1991	3,958.6	1,846.2	705.4	881.3	259.5	1,422.5	690.0
1992	4,070.8	1,770.4	627.9	900.5	242.0	1,558.1	742.2
1993	4,207.0	1,770.1	598.4	947.8	223.9	1,682.8	754.0
1994	4,377.8	1,824.7	596.2	1,012.7	215.8	1,788.0	765.1
1995	4,568.2	1,900.1	596.8	1,090.2	213.1	1,878.7	789.4
1996	4,842.4	1,981.9	628.3	1,145.4	208.2	2,006.1	854.5
1997	5,163.1	2,084.0	631.8	1,245.3	206.8	2,111.4	967.6
1998	5,654.3	2,194.6	644.0	1,337.0	213.6	2,310.9	1,148.8
1999	6,257.7	2,394.3	668.1	1,495.4	230.8	2,613.3	1,250.2
2000	6,820.2	2,619.0	723.0	1,660.1	235.9	2,834.4	1,366.8
2001	7,496.8	2,791.1	758.2	1,789.8	243.0	3,205.0	1,500.7
2002	8,323.3	3,089.8	781.4	2,058.4	250.0	3,592.2	1,641.3
2003	9,326.9	3,387.9	870.9	2,256.0	260.9	4,026.3	1,912.7
2002: I	7,655.2	2,790.9	748.3	1,799.1	243.4	3,337.3	1,527.1
II	7,860.5	2,861.2	742.7	1,873.4	245.1	3,434.7	1,564.5
III	8,071.4	2,981.8	773.7	1,962.2	245.9	3,493.2	1,596.4
IV	8,323.3	3,089.8	781.4	2,058.4	250.0	3,592.2	1,641.3
2003: I	8,539.2	3,166.3	815.9	2,099.3	251.2	3,682.5	1,690.4
II	8,832.4	3,280.8	833.6	2,192.8	254.4	3,779.1	1,772.6
III	9,102.9	3,373.1	852.1	2,263.7	257.3	3,896.0	1,833.8
IV	9,326.9	3,387.9	870.9	2,256.0	260.9	4,026.3	1,912.7
2004: I	9,574.7	3,518.9	927.7	2,329.3	262.0	4,053.6	2,002.2
II	9,822.3	3,666.1	966.5	2,435.9	263.7	4,067.6	2,088.6
III *p*	10,127.8	3,792.3	1,009.3	2,517.4	265.7	4,092.1	2,243.4

[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 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 Federal National Mortgage Association (FNMA), Federal Land Banks, Federal Home Loan Mortgage Corporation (FHLMC), Federal Agricultural Mortgage Corporation (beginning 1994), Federal Home Loan Banks (beginning 1997), and mortgage pass-through securities issued or guaranteed by GNMA, FHLMC, FNMA or FmHA. 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, 1955–2004*

[Amount outstanding (end of month); millions of dollars, seasonally adjusted]

Year and month	Total consumer credit [1]	Revolving	Nonrevolving [2]
December:			
1955	41,869.0	.....	41,869.0
1956	45,448.2	.....	45,448.2
1957	48,078.3	.....	48,078.3
1958	48,394.3	.....	48,394.3
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	1,140,994.5	443,491.8	697,502.7
1996	1,242,862.5	499,624.6	743,238.0
1997	1,313,121.6	529,751.3	783,370.3
1998	1,416,789.3	578,946.5	837,842.8
1999	1,530,373.5	607,550.1	922,823.3
2000	1,705,138.2	677,738.4	1,027,399.9
2001	1,842,155.7	722,298.6	1,119,857.1
2002	1,924,184.3	738,322.9	1,185,861.4
2003	2,011,281.6	758,676.1	1,252,605.5
2003: Jan	1,944,194.8	742,925.0	1,201,269.8
Feb	1,947,111.9	745,180.5	1,201,931.4
Mar	1,946,290.9	746,415.8	1,199,875.1
Apr	1,959,963.9	748,808.6	1,211,155.4
May	1,973,601.6	753,443.5	1,220,158.1
June	1,973,160.6	749,343.7	1,223,816.9
July	1,978,784.9	748,741.2	1,230,043.7
Aug	1,989,937.4	751,995.1	1,237,942.3
Sept	2,000,064.7	755,061.2	1,245,003.6
Oct	2,007,162.3	757,498.1	1,249,664.2
Nov	2,006,734.8	760,429.0	1,246,305.8
Dec	2,011,281.6	758,676.1	1,252,605.5
2004: Jan	2,037,814.1	769,826.9	1,267,987.2
Feb	2,038,219.6	770,110.3	1,268,109.3
Mar	2,042,983.3	768,869.0	1,274,114.3
Apr	2,045,222.2	765,123.0	1,280,099.2
May	2,048,047.7	763,919.1	1,284,128.6
June	2,052,606.1	765,207.8	1,287,398.3
July	2,064,614.4	773,382.3	1,291,232.1
Aug	2,067,517.1	773,604.6	1,293,912.5
Sept	2,084,548.6	785,109.3	1,299,439.3
Oct	2,094,083.9	787,506.1	1,306,577.9
Nov*p*	2,085,382.6	780,269.3	1,305,113.3

[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, 1939–2006*

[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	
1939	6.3	9.1	–2.8	5.8	9.2	–3.4	0.5	–0.0	0.5	48.2	41.4	89.1
1940	6.5	9.5	–2.9	6.0	9.5	–3.5	.6	–.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	1,032.0	1,253.1	–221.1	750.3	1,028.1	–277.7	281.7	225.1	56.6	3,206.3	2,411.6	5,735.4
1991	1,055.0	1,324.3	–269.3	761.2	1,082.6	–321.5	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	1,154.4	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	1,258.6	1,461.9	–203.2	923.6	1,182.5	–258.9	335.0	279.4	55.7	4,643.3	3,433.1	6,961.3
1995	1,351.8	1,515.8	–164.0	1,000.8	1,227.2	–226.4	351.1	288.7	62.4	4,920.6	3,604.4	7,325.8
1996	1,453.1	1,560.5	–107.5	1,085.6	1,259.6	–174.1	367.5	300.9	66.6	5,181.5	3,734.1	7,694.1
1997	1,579.3	1,601.2	–21.9	1,187.3	1,290.6	–103.3	392.0	310.6	81.4	5,369.2	3,772.3	8,182.4
1998	1,721.8	1,652.6	69.2	1,306.0	1,336.0	–30.0	415.8	316.6	99.2	5,478.2	3,721.1	8,627.9
1999	1,827.5	1,701.9	125.5	1,383.0	1,381.1	1.9	444.5	320.8	123.7	5,605.5	3,632.4	9,125.3
2000	2,025.2	1,789.1	236.2	1,544.6	1,458.3	86.3	480.6	330.8	149.8	5,628.7	3,409.8	9,709.8
2001	1,991.2	1,863.0	128.2	1,483.7	1,516.2	–32.5	507.5	346.8	160.7	5,769.9	3,319.6	10,057.9
2002	1,853.2	2,011.0	–157.8	1,337.9	1,655.3	–317.5	515.3	355.7	159.7	6,198.4	3,540.4	10,389.2
2003	1,782.3	2,159.9	–377.6	1,258.5	1,796.9	–538.4	523.8	363.0	160.8	6,760.0	3,913.4	10,838.8
2004	1,880.1	2,292.2	–412.1	1,345.3	1,912.7	–567.4	534.7	379.5	155.2	7,354.7	4,295.5	11,552.8
2005 (estimates)	2,052.8	2,479.4	–426.6	1,491.5	2,080.0	–588.5	561.4	399.4	162.0	8,031.4	4,721.2	12,227.4
2006 (estimates)	2,177.6	2,567.6	–390.1	1,584.4	2,144.3	–559.9	593.2	423.3	169.9	8,707.6	5,120.8	12,907.3

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.

Refunds of receipts are excluded from receipts and outlays.

See *Budget of the United States Government, Fiscal Year 2006,* 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 1934–2006*

[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	17.8	19.4	3.4	–1.5	59.7	34.1
2003	16.4	19.9	3.7	–3.5	62.4	36.1
2004	16.3	19.8	3.9	–3.6	63.7	37.2
2005 (estimates)	16.8	20.3	3.8	–3.5	65.7	38.6
2006 (estimates)	16.9	19.9	3.5	–3.0	67.5	39.7

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 1940–2006*

[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)
	Total	Individual income taxes	Corporation income taxes	Social insurance and retirement receipts	Other	Total	National defense		International affairs	Health	Medicare	Income security	Social security	Net interest	Other	
							Total	Department of Defense, military								
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	1,032.0	466.9	93.5	380.0	91.5	1,253.1	299.3	289.7	13.8	57.7	98.1	148.7	248.6	184.3	202.6	–221.1
1991	1,055.0	467.8	98.1	396.0	93.1	1,324.3	273.3	262.3	15.9	71.2	104.5	172.4	269.0	194.4	223.6	–269.3
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	199.5	287.6	199.3	172.2	–290.3
1993	1,154.4	509.7	117.5	428.3	98.9	1,409.5	291.1	278.5	17.2	99.4	130.6	209.9	304.6	198.7	158.0	–255.1
1994	1,258.6	543.1	140.4	461.5	113.7	1,461.9	281.6	268.6	17.1	107.1	144.7	217.1	319.6	202.9	171.7	–203.2
1995	1,351.8	590.2	157.0	484.5	120.1	1,515.8	272.1	259.4	16.4	115.4	159.9	223.7	335.8	232.1	160.3	–164.0
1996	1,453.1	656.4	171.8	509.4	115.4	1,560.5	265.8	253.1	13.5	119.4	174.2	229.7	349.7	241.1	167.3	–107.5
1997	1,579.3	737.5	182.3	539.4	120.2	1,601.2	270.5	258.3	15.2	123.8	190.0	235.0	365.3	244.0	157.4	–21.9
1998	1,721.8	828.6	188.7	571.8	132.7	1,652.6	268.5	256.1	13.1	131.4	192.8	237.7	379.2	241.1	188.8	69.2
1999	1,827.5	879.5	184.7	611.8	151.5	1,701.9	274.9	261.3	15.2	141.1	190.4	242.4	390.0	229.8	218.1	125.5
2000	2,025.2	1,004.5	207.3	652.9	160.6	1,789.1	294.5	281.2	17.2	154.5	197.1	253.6	409.4	222.9	239.8	236.2
2001	1,991.2	994.3	151.1	694.0	151.8	1,863.0	304.9	290.3	16.5	172.3	217.4	269.6	433.0	206.2	243.3	128.2
2002	1,853.2	858.3	148.0	700.8	146.0	2,011.0	348.6	332.0	22.4	196.5	230.9	312.5	456.0	170.9	273.2	–157.8
2003	1,782.3	793.7	131.8	713.0	143.9	2,159.9	404.9	387.3	21.2	219.6	249.4	334.4	474.7	153.1	302.6	–377.6
2004	1,880.1	809.0	189.4	733.4	148.3	2,292.2	455.9	436.5	26.9	240.1	269.4	332.8	495.5	160.2	311.3	–412.1
2005 [1]	2,052.8	893.7	226.5	773.7	158.9	2,479.4	465.9	443.9	32.0	257.5	295.4	350.9	519.7	177.9	380.1	–426.6
2006 [1]	2,177.6	966.9	220.3	818.8	171.6	2,567.6	447.4	426.3	38.4	268.4	345.7	359.5	544.8	211.1	352.2	–390.1

[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 2001–2006*

[Millions of dollars; fiscal years]

Description	Actual				Estimates	
	2001	2002	2003	2004	2005	2006
RECEIPTS AND OUTLAYS:						
Total receipts	1,991,194	1,853,173	1,782,342	1,880,071	2,052,845	2,177,550
Total outlays	1,863,033	2,010,972	2,159,917	2,292,215	2,479,404	2,567,617
Total surplus or deficit (–)	128,161	–157,799	–377,575	–412,144	–426,559	–390,067
On-budget receipts	1,483,675	1,337,852	1,258,500	1,345,326	1,491,482	1,584,359
On-budget outlays	1,516,195	1,655,310	1,796,908	1,912,704	2,080,022	2,144,300
On-budget surplus or deficit (–)	–32,520	–317,458	–538,408	–567,378	–588,540	–559,941
Off-budget receipts	507,519	515,321	523,842	534,745	561,363	593,191
Off-budget outlays	346,838	355,662	363,009	379,511	399,382	423,317
Off-budget surplus or deficit (–)	160,681	159,659	160,833	155,234	161,981	169,874
OUTSTANDING DEBT, END OF PERIOD:						
Gross Federal debt	5,769,881	6,198,401	6,760,014	7,354,673	8,031,387	8,707,627
Held by Federal Government accounts	2,450,266	2,657,974	2,846,570	3,059,129	3,310,162	3,586,806
Held by the public	3,319,615	3,540,427	3,913,443	4,295,544	4,721,225	5,120,821
Federal Reserve System	534,135	604,191	656,116	700,341	.....	.....
Other	2,785,480	2,936,235	3,257,327	3,595,203	.....	.....
RECEIPTS: ON-BUDGET AND OFF-BUDGET	1,991,194	1,853,173	1,782,342	1,880,071	2,052,845	2,177,550
Individual income taxes	994,339	858,345	793,699	808,959	893,704	966,877
Corporation income taxes	151,075	148,044	131,778	189,371	226,526	220,258
Social insurance and retirement receipts	693,967	700,760	712,978	733,407	773,731	818,834
On-budget	186,448	185,439	189,136	198,662	212,368	225,643
Off-budget	507,519	515,321	523,842	534,745	561,363	593,191
Excise taxes	66,232	66,989	67,524	69,855	74,013	75,566
Estate and gift taxes	28,400	26,507	21,959	24,831	23,754	26,121
Customs duties and fees	19,369	18,602	19,862	21,083	24,674	28,256
Miscellaneous receipts	37,812	33,926	34,542	32,565	36,443	41,638
Deposits of earnings by Federal Reserve System	26,124	23,683	21,878	19,652	24,102	28,528
All other [1]	11,688	10,243	12,664	12,913	12,341	13,110
OUTLAYS: ON-BUDGET AND OFF-BUDGET	1,863,033	2,010,972	2,159,917	2,292,215	2,479,404	2,567,617
National defense	304,882	348,555	404,920	455,908	465,871	447,398
International affairs	16,493	22,351	21,209	26,891	31,961	38,447
General science, space and technology	19,784	20,767	20,873	23,053	24,021	23,967
Energy	9	475	–735	–166	1,441	2,121
Natural resources and environment	25,623	29,454	29,703	30,725	30,960	31,163
Agriculture	26,253	21,966	22,497	15,440	30,504	26,020
Commerce and housing credit	5,739	–390	735	5,273	10,653	6,816
On-budget	3,437	261	5,980	9,403	11,663	2,753
Off-budget	2,302	–651	–5,245	–4,130	–1,010	4,063
Transportation	54,447	61,833	67,069	64,626	68,486	70,673
Community and regional development	11,773	12,981	18,850	15,797	20,141	19,097
Education, training, employment, and social services	57,143	70,544	82,568	87,945	96,254	88,703
Health	172,270	196,544	219,576	240,134	257,532	268,396
Medicare	217,384	230,855	249,433	269,360	295,432	345,746
Income security	269,615	312,530	334,432	332,837	350,918	359,535
Social security	432,958	455,980	474,680	495,548	519,686	544,821
On-budget	11,701	13,969	13,279	14,348	16,388	16,066
Off-budget	421,257	442,011	461,401	481,200	503,298	528,755
Veterans benefits and services	45,039	50,984	57,022	59,779	68,161	68,390
Administration of justice	30,205	35,081	35,323	45,535	40,657	43,099
General government	14,260	16,905	23,071	21,822	18,855	17,754
Net interest	206,167	170,949	153,073	160,245	177,948	211,076
On-budget	274,978	247,769	236,618	246,473	269,943	309,220
Off-budget	–68,811	–76,820	–83,545	–86,228	–91,995	–98,144
Allowances	.....	.....	.....	.....	34,899	24,168
Undistributed offsetting receipts	–47,011	–47,392	–54,382	–58,537	–64,976	–69,773
On-budget	–39,101	–38,514	–44,780	–47,206	–54,065	–58,416
Off-budget	–7,910	–8,878	–9,602	–11,331	–10,911	–11,357

[1] Beginning 1984, includes universal service fund receipts.

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), 1959–2004*

[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	2,954.7	3,234.3	–279.5	1,847.3	2,101.8	–254.5	1,411.9	1,436.9	–25.0	304.4
2003	3,032.0	3,399.7	–367.8	1,877.0	2,241.6	–364.5	1,494.9	1,498.1	–3.2	339.9
2004 *p*	.....	3,559.2	.....	.....	2,341.7	.....	.....	1,567.9	.....	350.4
2000: I	3,091.1	2,822.4	268.7	2,035.7	1,823.0	212.7	1,294.4	1,238.5	55.9	239.0
II	3,121.1	2,880.2	240.9	2,044.9	1,863.5	181.4	1,319.0	1,259.5	59.5	242.8
III	3,142.3	2,902.1	240.2	2,066.8	1,875.5	191.2	1,330.5	1,281.6	49.0	255.0
IV	3,149.3	2,941.4	207.9	2,068.0	1,895.5	172.5	1,333.9	1,298.5	35.4	252.6
2001: I	3,189.9	3,000.8	189.2	2,089.2	1,932.6	156.6	1,367.2	1,334.7	32.5	266.5
II	3,199.6	3,050.2	149.4	2,080.5	1,956.9	123.6	1,397.4	1,371.6	25.8	278.3
III	2,977.4	3,074.7	–97.2	1,895.4	1,984.0	–88.6	1,354.8	1,363.4	–8.6	272.8
IV	3,085.5	3,120.8	–35.3	1,999.6	2,004.3	–4.7	1,372.5	1,403.1	–30.6	286.6
2002: I	2,933.7	3,171.0	–237.3	1,844.6	2,053.1	–208.5	1,380.9	1,409.8	–28.8	291.9
II	2,950.5	3,225.7	–275.2	1,850.5	2,102.1	–251.6	1,404.1	1,427.7	–23.6	304.2
III	2,966.5	3,243.0	–276.5	1,847.9	2,103.1	–255.1	1,423.9	1,445.3	–21.3	305.4
IV	2,968.3	3,297.4	–329.0	1,846.2	2,148.8	–302.7	1,438.5	1,464.8	–26.3	316.3
2003: I	3,012.0	3,342.5	–330.6	1,888.6	2,170.2	–281.6	1,437.7	1,486.6	–49.0	314.3
II	3,042.0	3,412.0	–370.1	1,902.5	2,266.9	–364.4	1,484.6	1,490.2	–5.7	345.1
III	2,984.8	3,411.3	–426.5	1,816.4	2,249.4	–433.0	1,511.4	1,504.9	6.5	343.0
IV	3,089.2	3,433.0	–343.9	1,900.6	2,279.8	–379.2	1,545.8	1,510.5	35.3	357.2
2004: I	3,120.0	3,499.2	–379.2	1,915.3	2,306.3	–391.0	1,550.6	1,538.8	11.8	346.0
II	3,181.1	3,542.8	–361.7	1,949.1	2,329.1	–380.0	1,583.9	1,565.7	18.3	351.9
III	3,189.3	3,568.9	–379.6	1,956.7	2,340.8	–384.1	1,574.7	1,570.2	4.5	342.1
IV *p*	.....	3,626.1	.....	.....	2,390.7	.....	.....	1,596.9	.....	361.6

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, 1959–2004*

[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	2,954.7	1,995.5	1,051.2	762.6	174.6	748.3	101.9	106.3	2.8	3,234.3	1,609.2	1,270.5	316.4	38.2	–279.5
2003	3,032.0	2,033.8	1,001.9	798.1	225.8	773.2	104.0	111.5	9.5	3,399.7	1,717.1	1,332.9	303.0	46.7	–367.8
2004 *p*	.....	.....	1,036.4	840.1	.....	818.3	106.0	119.8	6.7	3,559.2	1,804.5	1,402.4	312.4	39.9	.....
2000: I	3,091.1	2,182.2	1,207.0	697.6	270.8	695.5	114.9	90.5	7.9	2,822.4	1,386.3	1,029.6	362.2	44.4	268.7
II	3,121.1	2,207.8	1,231.1	706.9	262.2	696.3	117.4	92.6	7.1	2,880.2	1,416.0	1,055.7	364.2	44.4	240.9
III	3,142.3	2,218.0	1,248.0	712.2	250.5	707.7	117.8	94.6	4.2	2,902.1	1,424.8	1,070.2	362.8	44.3	240.2
IV	3,149.3	2,219.2	1,256.6	718.7	236.4	711.2	119.6	97.1	2.2	2,941.4	1,441.3	1,093.9	362.0	44.1	207.9
2001: I	3,189.9	2,242.1	1,296.6	725.1	213.1	729.2	118.0	98.9	1.7	3,000.8	1,470.2	1,119.6	358.7	52.3	189.2
II	3,199.6	2,253.5	1,312.3	726.3	208.5	731.5	115.1	100.5	–1.1	3,050.2	1,491.5	1,151.2	349.0	58.4	149.4
III	2,977.4	2,031.9	1,110.3	725.6	188.9	731.9	112.2	104.3	–2.9	3,074.7	1,509.3	1,158.7	339.4	67.3	–97.2
IV	3,085.5	2,144.4	1,230.0	737.6	169.1	731.9	109.4	103.3	–3.4	3,120.8	1,535.6	1,212.8	329.4	43.1	–35.3
2002: I	2,933.7	1,979.8	1,065.8	747.3	159.8	745.7	104.8	104.3	–.9	3,171.0	1,566.9	1,249.8	315.3	38.9	–237.3
II	2,950.5	1,993.8	1,052.1	760.1	174.1	749.1	102.2	105.5	–.1	3,225.7	1,597.8	1,267.3	323.8	36.8	–275.2
III	2,966.5	2,003.9	1,046.7	771.2	178.8	748.9	100.8	106.9	6.0	3,243.0	1,617.2	1,273.6	313.9	38.4	–276.5
IV	2,968.3	2,004.5	1,040.3	771.8	185.4	749.6	99.9	108.3	6.0	3,297.4	1,654.9	1,291.1	312.6	38.7	–329.0
2003: I	3,012.0	2,030.8	1,025.7	783.5	214.9	762.4	100.3	108.1	10.3	3,342.5	1,689.1	1,310.1	301.9	42.8	–330.6
II	3,042.0	2,049.4	1,030.7	792.9	216.0	768.9	103.4	110.4	9.8	3,412.0	1,717.5	1,332.1	305.9	55.2	–370.1
III	2,984.8	1,981.2	941.7	802.0	229.7	776.7	104.9	112.7	9.3	3,411.3	1,724.0	1,343.8	299.0	44.5	–426.5
IV	3,089.2	2,073.7	1,009.4	813.9	242.5	785.0	107.2	114.6	8.7	3,433.0	1,737.6	1,345.7	305.3	44.4	–343.9
2004: I	3,120.0	2,084.9	1,006.6	823.3	246.4	803.9	105.1	118.0	8.1	3,499.2	1,770.9	1,386.3	303.1	40.4	–379.2
II	3,181.1	2,134.6	1,030.6	835.7	260.0	814.0	104.8	120.3	7.4	3,542.8	1,792.1	1,397.0	312.8	39.4	–361.7
III	3,189.3	2,137.7	1,043.7	843.1	242.6	823.0	106.4	115.8	6.5	3,568.9	1,818.5	1,397.8	312.9	39.7	–379.6
IV *p*	.....	.....	1,064.5	858.1	.....	832.3	107.7	125.1	4.7	3,626.1	1,836.6	1,428.4	320.8	40.2	.....

[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), 1959–2004*

[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	1,847.3	1,069.0	831.2	87.3	143.4	733.8	20.3	24.8	–.6	2,101.8	592.7	1,243.0	229.0	37.2	–254.5
2003	1,877.0	1,064.5	775.8	89.4	191.4	758.2	23.0	25.5	5.8	2,241.6	658.6	1,322.5	214.1	46.4	–364.5
2004 *p*	.....	.....	788.4	89.7	.....	801.8	22.8	26.3	4.1	2,341.7	704.8	1,378.0	219.7	39.2	.....
2000: I	2,035.7	1,301.9	975.4	86.7	233.0	685.3	24.5	24.8	–.8	1,823.0	485.7	1,008.2	285.1	43.9	212.7
II	2,044.9	1,309.4	987.4	88.9	225.5	685.6	25.5	25.3	–.9	1,863.5	505.1	1,028.8	285.7	43.8	181.4
III	2,066.8	1,322.6	1,011.7	88.1	215.6	696.5	25.0	25.8	–3.1	1,875.5	501.5	1,047.8	282.5	43.7	191.2
IV	2,068.0	1,320.4	1,021.7	87.5	203.7	699.4	25.9	26.7	–4.5	1,895.5	505.0	1,067.4	279.6	43.5	172.5
2001: I	2,089.2	1,323.0	1,047.3	87.6	180.7	716.4	26.4	27.2	–3.8	1,932.6	518.4	1,095.4	274.5	44.3	156.6
II	2,080.5	1,315.6	1,045.7	86.9	176.6	718.1	25.2	27.3	–5.7	1,956.9	528.0	1,121.2	263.7	44.0	123.6
III	1,895.4	1,132.0	881.0	84.2	159.7	717.9	24.4	27.1	–6.1	1,984.0	532.7	1,135.5	253.3	62.5	–88.6
IV	1,999.6	1,238.1	1,004.1	84.6	141.6	717.6	23.5	26.6	–6.2	2,004.3	548.4	1,173.4	242.8	39.7	–4.7
2002: I	1,844.6	1,070.4	846.9	85.1	131.4	731.3	21.3	25.4	–3.7	2,053.1	570.7	1,216.9	228.5	37.0	–208.5
II	1,850.5	1,074.1	835.6	87.8	143.2	734.6	20.2	24.9	–3.3	2,102.1	586.3	1,243.2	236.5	36.1	–251.6
III	1,847.9	1,066.6	824.4	88.2	146.9	734.3	19.9	24.7	2.4	2,103.1	593.4	1,246.9	226.2	36.6	–255.1
IV	1,846.2	1,064.8	817.7	88.0	152.2	734.9	19.8	24.3	2.3	2,148.8	620.3	1,264.8	224.7	39.0	–302.7
2003: I	1,888.6	1,089.7	809.6	90.3	183.1	747.7	19.4	25.1	6.6	2,170.2	634.3	1,280.8	213.9	42.5	–281.6
II	1,902.5	1,094.2	811.6	89.6	183.1	754.0	22.8	25.4	6.0	2,266.9	665.7	1,327.5	217.7	54.6	–364.4
III	1,816.4	999.3	709.2	88.0	194.3	761.6	24.3	25.8	5.5	2,249.4	663.0	1,331.1	210.1	45.3	–433.0
IV	1,900.6	1,074.9	772.5	89.6	204.9	769.5	25.5	25.6	5.0	2,279.8	671.3	1,350.6	214.7	43.2	–379.2
2004: I	1,915.3	1,073.9	768.3	89.0	207.9	787.9	22.9	26.1	4.6	2,306.3	691.1	1,365.9	211.1	39.7	–391.0
II	1,949.1	1,098.5	781.5	89.3	219.5	797.6	22.2	26.2	4.5	2,329.1	700.3	1,367.9	220.7	38.7	–380.0
III	1,956.7	1,096.7	794.3	89.2	204.9	806.2	22.9	26.6	4.3	2,340.8	713.0	1,368.8	220.0	39.0	–384.1
IV *p*	.....	.....	809.5	91.4	.....	815.3	23.2	26.5	3.1	2,390.7	714.7	1,409.5	227.0	39.5	.....

[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.

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), 1959–2004*

[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	1,411.9	926.5	220.1	675.3	31.2	14.5	81.6	385.9	3.3	1,436.9	1,016.5	331.9	87.4	1.0	–25.0
2003	1,494.9	969.2	226.1	708.7	34.4	15.0	81.0	425.9	3.7	1,498.1	1,058.5	350.3	88.9	.3	–3.2
2004 *p*	.....	.....	247.9	750.3	.....	16.5	83.2	443.8	2.6	1,567.9	1,099.8	374.7	92.7	.7	.....
2000: I	1,294.4	880.3	231.6	610.9	37.8	10.3	90.4	304.7	8.8	1,238.5	900.6	260.4	77.0	.5	55.9
II	1,319.0	898.4	243.7	618.0	36.7	10.7	91.9	310.0	8.0	1,259.5	910.8	269.6	78.5	.5	59.5
III	1,330.5	895.4	236.3	624.1	35.0	11.2	92.8	323.8	7.3	1,281.6	923.4	277.4	80.3	.6	49.0
IV	1,333.9	898.8	234.8	631.2	32.8	11.8	93.7	323.0	6.6	1,298.5	936.3	279.2	82.4	.6	35.4
2001: I	1,367.2	919.1	249.2	637.5	32.4	12.7	91.6	338.2	5.5	1,334.7	951.7	290.7	84.2	8.0	32.5
II	1,397.4	937.9	266.6	639.4	31.9	13.5	89.9	351.5	4.6	1,371.6	963.6	308.3	85.3	14.4	25.8
III	1,354.8	899.9	229.3	641.4	29.2	14.0	87.7	350.0	3.2	1,363.4	976.6	295.9	86.0	4.8	–8.6
IV	1,372.5	906.2	225.8	652.9	27.4	14.4	85.9	363.3	2.8	1,403.1	987.1	326.0	86.6	3.4	–30.6
2002: I	1,380.9	909.4	218.8	662.1	28.5	14.4	83.5	370.8	2.8	1,409.8	996.2	324.8	86.9	1.9	–28.8
II	1,404.1	919.7	216.5	672.3	30.9	14.5	81.9	384.8	3.2	1,427.7	1,011.5	328.3	87.3	.7	–23.6
III	1,423.9	937.3	222.3	683.0	31.9	14.6	80.9	387.6	3.6	1,445.3	1,023.8	332.0	87.7	1.8	–21.3
IV	1,438.5	939.7	222.6	683.8	33.3	14.7	80.1	400.3	3.7	1,464.8	1,034.6	342.6	87.9	–.3	–26.3
2003: I	1,437.7	941.1	216.1	693.2	31.9	14.7	80.9	397.4	3.6	1,486.6	1,054.8	343.6	87.9	.3	–49.0
II	1,484.6	955.2	219.0	703.3	32.9	14.9	80.6	430.1	3.8	1,490.2	1,051.8	349.7	88.1	.6	–5.7
III	1,511.4	981.9	232.5	714.0	35.4	15.1	80.6	429.9	3.8	1,504.9	1,061.0	355.7	88.9	–.7	6.5
IV	1,545.8	998.8	236.9	724.3	37.6	15.5	81.7	446.1	3.7	1,510.5	1,066.3	352.3	90.7	1.2	35.3
2004: I	1,550.6	1,011.1	238.3	734.2	38.5	16.0	82.2	437.9	3.5	1,538.8	1,079.8	366.3	92.0	.7	11.8
II	1,583.9	1,036.0	249.1	746.4	40.5	16.4	82.6	446.0	2.9	1,565.7	1,091.8	381.0	92.1	.7	18.3
III	1,574.7	1,041.0	249.3	753.9	37.7	16.8	83.5	431.3	2.2	1,570.2	1,105.5	371.1	92.9	.7	4.5
IV *p*	.....	.....	255.0	766.8	.....	17.0	84.5	460.1	1.6	1,596.9	1,122.0	380.5	93.8	.7	.....

[1] Includes 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, 1927–2002*

[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]
1927	7,271	4,730	470	70	92	116	1,793	7,210	2,235	1,809	151	3,015
1932	7,267	4,487	752	74	79	232	1,643	7,765	2,311	1,741	444	3,269
1934	7,678	4,076	1,008	80	49	1,016	1,449	7,181	1,831	1,509	889	2,952
1936	8,395	4,093	1,484	153	113	948	1,604	7,644	2,177	1,425	827	3,215
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	1,434,464	240,107	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	1,684,776	279,122	324,040	202,858	28,152	360,534	490,070	1,735,196	594,591	115,467	283,885	741,253

[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 2001-02 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 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, 1967–2004*

[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:													
1967	322.3	[6] 210.7	58.5	49.1	97.4	.....	.....	.....	111.6	51.2	1.5	56.2	2.7
1968	344.4	226.6	64.4	71.1	91.1	.....	.....	.....	117.8	51.7	3.7	59.5	2.8
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
2003: Jan	6,401.4	3,197.2	869.3	1,586.2	588.8	152.9	107.5	45.4	3,204.2	195.8	11.2	2,814.6	182.5
Feb	6,445.8	3,273.7	918.8	1,616.6	585.8	152.6	107.2	45.3	3,172.1	196.4	11.6	2,780.5	183.5
Mar	6,460.8	[2] 3,332.0	955.0	1,622.9	585.8	153.2	107.7	45.5	3,128.8	196.9	12.2	2,736.8	182.9
Apr	6,460.4	[2] 3,316.4	929.9	1,631.3	585.7	154.4	108.5	45.9	3,144.0	197.7	12.2	2,754.2	179.9
May	6,558.1	[2] 3,353.9	910.8	1,690.3	582.5	155.3	109.2	46.2	3,204.2	198.5	11.8	2,819.2	174.8
June	6,670.1	3,379.1	927.8	1,713.8	582.5	155.0	109.0	46.1	3,291.0	199.2	11.7	2,905.5	174.7
July	6,751.2	3,413.1	937.0	1,727.8	582.5	165.8	119.8	46.0	3,338.1	200.0	11.6	2,900.9	225.6
Aug	6,790.0	3,454.2	961.7	1,749.7	576.9	165.9	119.9	46.0	3,335.8	200.8	11.1	2,895.2	228.8
Sept	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
Oct	6,872.7	3,519.3	943.9	1,822.7	576.9	175.8	129.5	46.3	3,353.4	203.0	11.0	2,935.2	204.1
Nov	6,925.1	3,563.0	954.8	1,867.4	564.4	176.4	130.0	46.4	3,362.1	203.6	9.9	2,945.4	203.3
Dec	6,998.0	3,575.2	928.8	1,905.8	564.4	176.2	129.8	46.4	3,422.8	203.9	9.7	3,007.0	202.2
2004: Jan	7,009.2	3,581.8	907.9	1,921.8	564.4	187.7	141.5	46.2	3,427.4	204.3	5.9	3,016.8	200.5
Feb	7,091.9	3,662.9	958.2	1,952.7	564.4	187.5	141.3	46.2	3,429.1	204.5	6.7	3,019.7	198.2
Mar	7,131.1	3,721.2	985.0	1,983.5	564.4	188.4	142.0	46.4	3,409.9	204.5	6.7	3,008.6	190.0
Apr	7,133.8	3,697.4	933.4	2,001.1	564.4	198.5	151.8	46.7	3,436.4	204.5	6.7	3,029.0	196.1
May	7,196.4	3,744.6	958.1	2,030.7	556.1	199.7	152.8	47.0	3,451.8	204.7	6.4	3,045.2	195.5
June	7,274.3	3,755.5	946.8	2,052.3	556.1	200.4	.....	.....	3,518.8	204.6	6.4	3,111.7	196.0
July	7,316.6	3,808.5	962.5	2,067.3	556.1	222.6	.....	.....	3,508.1	204.6	6.4	3,105.7	191.4
Aug	7,351.0	3,840.7	976.8	2,088.6	552.1	223.3	.....	.....	3,510.2	204.2	5.9	3,110.6	189.5
Sept	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
Oct	7,429.7	3,902.7	981.9	2,124.6	552.0	244.2	.....	.....	3,526.9	204.3	5.9	3,121.6	195.2
Nov	7,525.2	[2] 3,963.6	1,030.8	2,134.4	539.6	244.7	.....	.....	3,561.6	204.4	5.9	3,158.9	192.4
Dec	7,596.1	[2] 3,959.8	1,003.2	2,157.1	539.5	245.9	.....	.....	3,636.4	204.5	5.9	3,230.6	195.5

[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, in the amount of $15 billion; for November and December 2004, $14 billion.

[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.

[6] Includes $5,610 million in certificates not shown separately.

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, 1967–2004*

End of year or month	Amount outstanding, privately held	Maturity class: Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	Average length [1]	
	Millions of dollars						Years	Months
Fiscal year:								
1967	150,321	56,561	53,584	21,057	6,153	12,968	5	1
1968	159,671	66,746	52,295	21,850	6,110	12,670	4	5
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
2003: Jan	2,567,292	964,715	845,144	317,542	209,639	230,253	5	4
Feb	2,636,316	995,366	878,201	322,940	222,785	217,023	5	4
Mar	2,675,019	1,031,783	880,646	322,672	222,785	217,132	5	2
Apr	2,653,534	1,007,588	882,574	323,174	222,785	217,412	5	2
May	2,666,851	1,020,653	885,966	319,770	222,785	217,678	5	3
June	2,726,476	1,042,539	923,907	319,643	222,785	217,602	5	1
July	2,759,673	1,066,487	922,326	330,539	222,785	217,536	5	1
Aug	2,786,706	1,090,480	916,129	339,736	243,835	196,526	5	1
Sept	2,804,092	1,057,049	955,239	351,552	243,755	196,497	5	1
Oct	2,859,992	1,090,086	968,750	360,755	243,755	196,646	5	0
Nov	2,877,933	1,127,794	953,987	355,619	243,755	196,778	5	0
Dec	2,908,029	1,105,608	994,749	367,197	243,755	196,719	5	0
2004: Jan	2,889,890	1,086,110	1,000,107	363,307	243,755	196,611	5	0
Feb	2,967,133	1,149,251	998,984	378,812	243,520	196,566	4	11
Mar	3,046,725	1,178,142	1,038,873	389,481	243,520	196,709	4	10
Apr	3,019,341	1,125,763	1,054,136	389,995	243,520	196,928	4	11
May	3,035,769	1,153,189	1,043,862	398,095	243,436	197,187	4	11
June	3,067,768	1,136,300	1,082,581	408,129	243,436	197,323	4	11
July	3,088,164	1,147,439	1,070,294	418,436	243,436	208,560	4	11
Aug	3,145,333	1,148,585	1,137,991	406,590	243,436	208,731	4	11
Sept	3,145,244	1,127,850	1,150,979	414,728	243,036	208,652	4	11
Oct	3,166,311	1,143,145	1,137,251	434,604	242,636	208,675	4	10
Nov	3,233,704	1,177,963	1,159,725	444,697	250,625	200,694	4	10
Dec	3,225,653	1,149,591	1,170,576	453,993	250,625	200,868	4	10

[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.

Source: Department of the Treasury.

TABLE B–89.—*Estimated ownership of U.S. Treasury securities, 1993–2004*

[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					
1993: Mar	4,230.6	1,328.6	2,902.0	362.6	163.6	112.3	205.0	208.0	202.0	434.0	585.9	628.8
June	4,352.0	1,400.6	2,951.4	360.9	166.5	111.8	211.4	217.8	207.5	441.2	596.8	637.5
Sept	4,411.5	1,422.2	2,989.3	366.2	169.1	125.3	221.8	229.4	217.6	434.0	619.1	606.8
Dec	4,535.7	1,476.1	3,059.6	373.0	171.9	119.6	217.5	234.5	227.1	447.8	650.3	618.0
1994: Mar	4,575.9	1,476.0	3,099.9	397.4	175.0	119.9	224.3	233.4	212.8	443.4	661.1	632.5
June	4,645.8	1,547.5	3,098.3	383.8	177.1	129.2	220.6	238.0	204.6	425.2	659.9	659.9
Sept	4,692.8	1,562.8	3,130.0	364.0	178.6	136.2	217.4	243.7	201.6	398.2	682.0	708.3
Dec	4,800.2	1,622.6	3,177.6	339.6	179.9	139.9	215.6	240.1	209.4	370.0	667.3	815.8
1995: Mar	4,864.1	1,619.3	3,244.8	353.0	181.4	141.6	225.0	244.2	210.6	350.5	707.0	831.7
June	4,951.4	1,690.1	3,261.3	340.0	182.6	142.5	217.2	245.0	202.5	313.7	762.5	855.4
Sept	4,974.0	1,688.0	3,286.0	330.8	183.5	141.9	211.3	245.2	211.6	304.3	820.4	837.1
Dec	4,988.7	1,681.0	3,307.7	315.4	185.0	142.6	208.2	241.5	225.1	289.8	835.2	864.9
1996: Mar	5,117.8	1,731.1	3,386.7	322.1	185.8	144.2	213.5	239.4	240.9	283.6	908.1	849.0
June	5,161.1	1,806.7	3,354.4	318.7	186.5	144.5	221.1	229.5	230.6	283.3	929.7	810.6
Sept	5,224.8	1,831.6	3,393.2	310.9	186.8	141.1	213.4	226.8	226.8	263.7	993.4	830.2
Dec	5,323.2	1,892.0	3,431.2	296.6	187.0	139.9	212.8	214.1	227.4	257.0	1,102.1	794.3
1997: Mar	5,380.9	1,928.7	3,452.2	317.3	186.5	141.4	211.1	181.8	221.9	248.1	1,157.6	786.5
June	5,376.2	1,998.9	3,377.3	300.1	186.3	141.9	214.9	183.1	216.8	243.3	1,182.7	708.1
Sept	5,413.1	2,011.5	3,401.6	292.8	186.2	142.9	223.5	186.8	221.6	235.2	1,230.5	682.0
Dec	5,502.4	2,087.8	3,414.6	300.3	186.5	144.1	219.0	176.6	232.4	239.3	1,241.6	674.9
1998: Mar	5,542.4	2,104.9	3,437.5	308.3	186.2	136.5	212.1	169.4	234.7	238.1	1,250.5	701.6
June	5,547.9	2,198.6	3,349.3	290.9	186.0	129.6	213.2	160.6	230.7	258.5	1,256.0	623.8
Sept	5,526.2	2,213.0	3,313.2	244.4	186.0	121.1	207.8	151.3	231.8	271.8	1,224.2	674.7
Dec	5,614.2	2,280.2	3,334.0	237.4	186.6	113.2	212.6	141.7	253.5	279.7	1,278.7	630.6
1999: Mar	5,651.6	2,324.1	3,327.5	247.4	186.5	109.5	211.5	137.5	254.0	286.8	1,272.3	622.0
June	5,638.8	2,439.6	3,199.2	240.6	186.5	111.0	213.8	133.6	227.9	298.5	1,258.8	528.5
Sept	5,656.3	2,480.9	3,175.4	241.2	186.2	110.8	204.8	128.0	224.4	298.5	1,281.4	500.1
Dec	5,776.1	2,542.2	3,233.9	248.6	186.4	110.5	198.8	123.4	228.7	303.2	1,268.7	565.6
2000: Mar	5,773.4	2,590.6	3,182.8	237.7	185.3	108.5	196.9	120.0	222.0	301.6	1,106.9	703.7
June	5,685.9	2,698.6	2,987.3	222.2	184.6	110.0	194.5	116.5	204.8	302.2	1,082.0	570.5
Sept	5,674.2	2,737.9	2,936.3	220.5	184.3	110.3	184.7	113.7	207.4	297.4	1,057.9	560.0
Dec	5,662.2	2,781.8	2,880.4	201.5	184.8	109.1	177.9	110.2	220.7	297.2	1,034.2	544.8
2001: Mar	5,773.7	2,880.9	2,892.8	188.0	184.8	106.7	175.8	109.1	220.7	309.4	1,029.9	568.5
June	5,726.8	3,004.2	2,722.6	188.1	185.5	106.9	181.2	108.1	217.5	322.7	1,000.5	412.2
Sept	5,807.5	3,027.8	2,779.7	189.1	186.4	104.7	164.5	106.8	231.2	325.7	1,005.5	465.8
Dec	5,943.4	3,123.9	2,819.5	181.5	190.3	105.8	152.4	105.7	257.5	339.4	1,051.2	435.7
2002: Mar	6,006.0	3,156.8	2,849.2	187.6	191.9	107.9	160.2	114.0	264.3	342.8	1,067.1	413.4
June	6,126.5	3,276.7	2,849.8	204.6	192.7	110.5	150.4	122.0	251.7	343.9	1,135.4	338.5
Sept	6,228.2	3,303.5	2,924.8	210.4	193.3	112.9	145.5	130.4	254.6	344.2	1,200.8	332.6
Dec	6,405.7	3,387.2	3,018.5	222.8	194.9	116.4	144.1	139.7	278.8	351.5	1,246.8	323.4
2003: Mar	6,460.8	3,390.8	3,069.9	153.1	196.9	120.3	140.9	139.5	295.1	348.3	1,286.5	389.5
June	6,670.1	3,505.4	3,164.7	145.4	199.1	121.7	148.1	138.7	301.2	345.0	1,382.8	382.6
Sept	6,783.2	3,515.3	3,268.0	146.9	201.5	120.4	141.6	137.4	286.4	355.6	1,455.5	422.7
Dec	6,998.0	3,620.1	3,377.9	154.0	203.8	107.0	147.4	136.5	279.6	358.8	1,538.1	452.6
2004: Mar	7,131.1	3,628.3	3,502.8	165.0	204.5	110.5	145.2	140.7	281.3	362.9	1,704.8	387.8
June	7,274.3	3,742.8	3,531.5	161.6	204.6	110.9	152.0	144.1	258.0	368.3	1,799.8	332.2
Sept	7,379.1	3,772.0	3,607.0	.....	204.2	.....	.....	.....	.....	.....	1,861.9	.....

[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 December 2004.

Source: Department of the Treasury.

TABLE B–90.—*Corporate profits with inventory valuation and capital consumption adjustments, 1959–2004*

[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	874.6	183.8	690.7	390.0	300.7
2003	1,021.1	234.9	786.2	395.3	390.9
2004 *p*	.....	.....	.....	443.9	.....
2000: I	832.6	280.8	551.8	360.3	191.6
II	833.0	272.5	560.5	377.3	183.2
III	811.8	260.3	551.5	386.6	164.9
IV	794.3	247.1	547.2	387.6	159.6
2001: I	778.7	222.5	556.2	379.2	177.0
II	783.1	217.9	565.2	370.1	195.1
III	714.5	197.6	516.9	366.0	150.9
IV	793.0	178.6	614.4	368.4	246.1
2002: I	838.2	168.9	669.3	378.7	290.6
II	868.4	183.5	685.0	389.2	295.8
III	876.2	188.3	687.9	395.3	292.6
IV	915.4	194.7	720.6	396.9	323.7
2003: I	912.0	224.0	688.0	396.0	292.0
II	986.2	224.6	761.7	394.7	367.0
III	1,057.1	238.7	818.4	394.1	424.2
IV	1,129.1	252.3	876.8	396.4	480.4
2004: I	1,165.6	256.5	909.1	403.4	505.7
II	1,173.9	271.2	902.7	413.2	489.5
III	1,118.0	253.3	864.7	424.0	440.7
IV *p*	.....	.....	.....	534.7	.....

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–91.—*Corporate profits by industry, 1959–2004*

[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	756.8	599.0	276.2	22.9	253.3	322.8	50.7	–1.3	11.4	51.0	78.1	–11.2	144.2	157.8
2003	860.4	683.4	299.8	19.2	280.6	383.6	67.3	10.5	18.8	47.9	77.7	–.7	162.1	176.9
2002: I	711.7	556.6	274.7	23.8	250.9	281.9	33.0	–1.0	8.2	51.3	76.3	–17.5	131.6	155.1
II	747.5	596.2	279.9	23.7	256.2	316.2	46.4	–4.1	10.8	57.0	79.8	–13.7	140.0	151.3
III	761.2	606.1	277.1	22.6	254.5	329.0	57.5	–2.7	12.9	46.5	78.7	–11.7	147.8	155.1
IV	806.8	637.1	272.9	21.4	251.6	364.2	65.6	2.4	13.5	49.3	77.7	–1.8	157.4	169.6
2003: I	798.7	641.8	292.5	20.9	271.6	349.2	54.8	5.2	17.1	43.1	74.7	–6.5	160.8	157.0
II	823.5	662.2	295.4	19.9	275.5	366.8	54.1	12.4	15.3	45.1	82.6	–1.8	159.1	161.4
III	877.2	703.8	306.1	18.5	287.6	397.6	66.8	11.9	18.6	53.1	78.9	6.7	161.7	173.4
IV	941.9	726.1	305.3	17.6	287.8	420.7	93.4	12.4	24.3	50.1	74.7	–1.0	166.8	215.8
2004: I	925.4	720.0	313.7	18.2	295.5	406.4	81.5	11.7	23.2	46.0	80.0	–6.6	170.7	205.3
II	940.6	755.2	306.4	18.1	288.3	448.8	94.8	15.5	21.5	52.2	73.1	16.5	175.1	185.3
III	895.0	706.3	237.6	19.0	218.6	468.7	105.0	7.3	21.1	61.1	64.7	21.6	187.9	188.7

[1] See Table B-92 for industry detail.

[2] Data on SIC basis include transportation and 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, 1959–2004*

[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 manufacturing	Durable goods [2]							Nondurable goods [2]				
		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	50.7	–8.3	9.3	1.6	–32.9	–.2	–6.0	19.8	58.9	24.1	17.1	4.0	13.6
2003	67.3	–3.5	10.1	–.5	–15.4	–3.2	–6.2	11.8	70.7	27.7	21.2	14.8	7.1
2002: I	33.0	–26.1	8.8	2.5	–47.1	1.5	–11.0	19.3	59.1	27.4	16.2	3.8	11.7
II	46.4	–10.0	9.3	1.7	–37.0	–.4	–2.5	18.8	56.4	24.7	15.4	2.8	13.5
III	57.5	.5	9.0	1.8	–25.7	–.2	–4.2	19.9	57.1	24.5	16.5	4.0	12.1
IV	65.6	2.6	10.3	.4	–21.6	–1.5	–6.3	21.4	63.0	20.0	20.5	5.5	17.1
2003: I	54.8	–7.2	6.4	–3.4	–17.5	–1.5	.6	8.1	62.0	22.5	20.0	15.2	4.3
II	54.1	–8.5	10.6	–.9	–14.8	–2.7	–9.0	8.4	62.6	25.4	18.9	12.5	5.8
III	66.8	–7.5	10.1	1.1	–15.2	–4.3	–11.4	12.2	74.2	28.6	24.5	12.6	8.5
IV	93.4	9.3	13.2	1.1	–14.0	–4.4	–5.0	18.4	84.1	34.2	21.3	18.7	9.8
2004: I	81.5	2.8	11.8	2.2	–17.2	–8.1	–.5	14.6	78.6	31.1	14.1	24.5	8.9
II	94.8	14.9	12.1	3.6	–15.9	–1.6	–1.2	18.0	79.9	27.9	13.7	27.3	11.0
III	105.0	29.8	13.1	6.7	–10.5	–5.5	5.0	21.2	75.2	26.4	14.8	20.0	14.0

[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] Industry data based on the Standard Industrial Classification (SIC) are based on the 1987 SIC for data beginning 1987 and on the 1972 SIC for earlier data shown. Data on the North American Industry Classification System (NAICS) are based on the 1997 NAICS.

Industry groups shown on SIC and NAICS basis are not necessarily the same and are not strictly comparable.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–93.—*Sales, profits, and stockholders' equity, all manufacturing corporations, 1965–2004*

[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	4,394.1	305.6	235.8	1,942.3	2,279.5	117.0	87.8	1,032.8	2,114.7	188.6	148.0	909.5
2002: I	994.1	36.1	24.7	1,796.5	546.4	.8	–1.8	1,035.9	447.6	35.2	26.6	760.5
II	1,071.6	64.6	46.2	1,819.3	583.4	22.4	15.1	1,046.8	488.1	42.2	31.2	772.5
III	1,068.7	59.3	40.1	1,830.0	564.8	16.4	8.5	1,029.9	503.8	42.9	31.6	800.1
IV	1,082.1	35.5	23.7	1,770.3	565.9	6.2	–.1	986.5	516.2	29.3	23.8	783.8
2003: I	1,072.0	77.2	58.2	1,842.3	548.3	21.8	14.6	991.0	523.7	55.4	43.6	851.3
II	1,096.9	77.1	57.8	1,937.8	572.9	29.9	21.8	1,019.7	524.0	47.2	36.0	918.0
III	1,109.4	70.4	52.6	1,956.1	569.7	29.0	22.0	1,032.5	539.8	41.4	30.6	923.5
IV	1,115.8	80.9	67.2	2,033.1	588.6	36.3	29.3	1,087.8	527.2	44.6	37.9	945.3
2004: I	1,134.8	94.5	73.4	2,095.1	590.4	43.6	33.8	1,119.8	544.4	50.9	39.6	975.3
II	1,228.9	116.9	89.8	2,153.7	642.5	56.7	44.2	1,162.7	586.4	60.2	45.6	991.0
III	1,237.7	113.3	86.4	2,194.2	644.1	53.0	39.2	1,181.4	593.6	60.3	47.2	1,012.8

[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, 1955–2004*

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
1955	12.6	13.8	11.4	5.4	5.7	5.1
1956	12.3	12.8	11.8	5.3	5.2	5.3
1957	10.9	11.3	10.6	4.8	4.8	4.9
1958	8.6	8.0	9.2	4.2	3.9	4.4
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
2002: I	5.5	–.7	14.0	2.5	–.3	5.9
II	10.2	5.8	16.1	4.3	2.6	6.4
III	8.8	3.3	15.8	3.7	1.5	6.3
IV	5.3	–.0	12.1	2.2	–.0	4.6
2003: I	12.6	5.9	20.5	5.4	2.7	8.3
II	11.9	8.6	15.7	5.3	3.8	6.9
III	10.8	8.5	13.3	4.7	3.9	5.7
IV	13.2	10.8	16.0	6.0	5.0	7.2
2004: I	14.0	12.1	16.2	6.5	5.7	7.3
II	16.7	15.2	18.4	7.3	6.9	7.8
III	15.8	13.3	18.7	7.0	6.1	8.0

[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]		
	Composite (Dec. 31, 2002=5,000) [3]	December 31, 1965=50								Dividend-price ratio [6]	Earnings-price ratio [7]
		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, 2000–2004*

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]
	Com-posite	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	...
2001: Jan	6,878.79	...	...	...	10,682.74	1,335.63	2,656.86	1.16	...
Feb	6,852.31	...	...	...	10,774.57	1,305.75	2,449.57	1.22	...
Mar	6,380.65	...	...	...	10,081.32	1,185.85	1,986.66	1.33	3.92
Apr	6,418.94	...	...	...	10,234.52	1,189.84	1,933.93	1.32	...
May	6,814.16	...	...	...	11,004.96	1,270.37	2,181.13	1.23	...
June	6,670.56	...	...	...	10,767.20	1,238.71	2,112.05	1.27	3.00
July	6,485.53	...	...	...	10,444.50	1,204.45	2,033.98	1.30	...
Aug	6,391.99	...	...	...	10,314.68	1,178.51	1,929.71	1.34	...
Sept	5,756.20	...	...	...	9,042.56	1,044.64	1,573.31	1.48	2.72
Oct	5,879.37	...	...	...	9,220.75	1,076.59	1,656.43	1.45	...
Nov	6,083.09	...	...	...	9,721.82	1,129.68	1,870.06	1.38	...
Dec	6,162.59	...	...	...	9,979.88	1,144.93	1,977.71	1.36	2.15
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	4,724.22	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	...

[1] Averages of daily closing prices.

[2] Includes stocks as follows: for NYSE, all stocks listed (in 2004, about 3,000); 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. 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, 1945–2004*

[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	151.7	40.3
1992	200.6	171.5	85.8	85.7	4.2	9.2	150.8	49.7
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	164.8	51.3
1995	210.8	188.2	87.2	101.0	–5.0	7.3	171.2	39.6
1996	235.8	199.4	92.9	106.5	7.9	7.3	177.9	57.9
1997	238.2	207.9	96.5	111.4	.6	7.5	186.9	51.3
1998	232.4	196.4	94.2	102.2	–.6	12.4	185.9	46.5
1999	234.5	187.7	95.7	92.1	–.2	21.5	187.4	47.1
2000	241.3	192.1	99.6	92.5	1.6	22.9	193.4	47.9
2001	248.3	200.1	106.7	93.4	1.1	20.7	197.7	50.6
2002	230.7	195.1	93.8	101.3	–3.3	11.0	193.4	37.3
2003	256.9	211.6	105.5	106.2	.8	15.9	197.6	59.2
2004 *p*	285.5	233.4	121.5	111.9	6.6	15.7	211.8	73.7

[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 2004 are forecasts.

Source: Department of Agriculture, Economic Research Service.

TABLE B–98.—*Farm business balance sheet, 1950–2003*

[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				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	.....	2.7	7.0	121.6	5.2	5.7	110.7
1951	136.0	83.8	19.5	14.3	8.2	.....	2.9	7.3	136.0	5.7	6.9	123.4
1952	133.1	85.1	14.8	15.0	7.9	.....	3.2	7.1	133.1	6.2	7.1	119.8
1953	128.7	84.3	11.7	15.6	6.8	.....	3.3	7.0	128.7	6.6	6.3	115.8
1954	132.6	87.8	11.2	15.7	7.5	.....	3.5	6.9	132.6	7.1	6.7	118.8
1955	137.0	93.0	10.6	16.3	6.5	.....	3.7	6.9	137.0	7.8	7.3	121.9
1956	145.7	100.3	11.0	16.9	6.8	.....	4.0	6.7	145.7	8.5	7.4	129.8
1957	154.5	106.4	13.9	17.0	6.4	.....	4.2	6.6	154.5	9.0	8.2	137.3
1958	168.7	114.6	17.7	18.1	6.9	.....	4.5	6.9	168.7	9.7	9.4	149.6
1959	172.9	121.2	15.2	19.3	6.2	.....	4.8	6.2	172.9	10.6	10.7	151.6
1960	174.4	123.3	15.6	19.1	6.4	.....	4.2	5.8	174.4	11.3	11.1	151.9
1961	181.6	129.1	16.4	19.3	6.5	.....	4.5	5.9	181.6	12.3	11.8	157.5
1962	188.9	134.6	17.3	19.9	6.5	.....	4.6	5.9	188.9	13.5	13.2	162.2
1963	196.7	142.4	15.9	20.4	7.4	.....	5.0	5.7	196.7	15.0	14.6	167.1
1964	204.2	150.5	14.5	21.2	7.0	.....	5.2	5.8	204.2	16.9	15.3	172.1
1965	220.8	161.5	17.6	22.4	7.9	.....	5.4	6.0	220.8	18.9	16.9	185.0
1966	234.0	171.2	19.0	24.1	8.1	.....	5.7	6.0	234.0	20.7	18.5	194.8
1967	246.1	180.9	18.8	26.3	8.0	.....	5.8	6.1	246.1	22.6	19.6	203.9
1968	257.2	189.4	20.2	27.7	7.4	.....	6.1	6.3	257.2	24.7	19.2	213.2
1969	267.8	195.3	22.8	28.6	8.3	.....	6.4	6.4	267.8	26.4	20.0	221.4
1970	278.8	202.4	23.7	30.4	8.7	.....	7.2	6.5	278.8	27.2	21.3	230.3
1971	301.8	217.6	27.3	32.4	10.0	.....	7.9	6.7	301.8	28.8	24.0	248.9
1972	339.9	243.0	33.7	34.6	12.9	.....	8.7	6.9	339.9	31.4	26.7	281.8
1973	418.5	298.3	42.4	39.7	21.4	.....	9.7	7.1	418.5	35.2	31.6	351.7
1974 [7]	449.2	335.6	24.6	48.5	22.5	.....	11.2	6.9	449.2	39.6	35.1	374.5
1975	510.8	383.6	29.4	57.4	20.5	.....	13.0	6.9	510.8	43.8	39.8	427.3
1976	590.7	456.5	29.0	63.3	20.6	.....	14.3	6.9	590.7	48.5	45.7	496.5
1977	651.5	509.3	31.9	69.3	20.4	.....	13.5	7.0	651.5	55.8	52.6	543.1
1978	777.7	601.8	50.1	78.8	23.8	.....	16.1	7.1	777.7	63.4	60.4	653.9
1979	914.7	706.1	61.4	91.9	29.9	.....	18.1	7.3	914.7	75.8	71.7	767.2
1980	1,000.4	782.8	60.6	97.5	32.8	.....	19.3	7.4	1,000.4	85.3	77.2	838.0
1981	997.9	785.6	53.5	101.1	29.5	.....	20.6	7.6	997.9	93.9	83.8	820.2
1982	962.5	750.0	53.0	103.9	25.9	.....	21.9	7.8	962.5	96.8	87.2	778.5
1983	959.3	753.4	49.5	101.7	23.7	.....	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	45.6	16.9	1,378.8	108.0	90.0	1,180.8

[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] 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, 1948–2002*

[1996=100]

Year	Farm output				Productivity indicators	
	Total	Primary output		Secondary output	Farm output per unit of total factor input	Farm output per unit of labor input
		Livestock and products	Crops			
1948	41	44	42	19	40	12
1949	41	47	40	18	38	12
1950	41	49	38	16	38	13
1951	43	52	40	18	39	14
1952	44	53	42	20	42	15
1953	45	54	42	20	41	16
1954	45	56	41	21	42	16
1955	47	58	42	22	42	17
1956	47	59	42	24	42	18
1957	46	58	42	28	42	19
1958	49	59	46	34	45	21
1959	51	62	46	51	46	22
1960	53	62	49	55	47	23
1961	53	65	48	54	49	24
1962	54	65	49	53	49	25
1963	56	67	51	54	50	26
1964	56	69	50	49	51	28
1965	57	67	53	49	52	29
1966	57	68	52	48	51	31
1967	59	70	54	50	54	34
1968	59	70	56	47	55	35
1969	60	70	58	44	56	37
1970	60	73	55	38	55	37
1971	64	74	61	39	59	40
1972	64	75	61	38	59	41
1973	67	76	65	41	61	42
1974	63	75	60	39	58	43
1975	67	70	68	41	62	45
1976	68	74	67	40	61	47
1977	71	75	73	40	66	51
1978	73	75	76	44	64	55
1979	78	77	83	44	66	60
1980	75	80	76	39	63	59
1981	81	82	87	32	71	64
1982	82	81	87	51	73	67
1983	71	83	67	53	63	59
1984	81	82	85	51	75	69
1985	85	84	89	60	80	77
1986	82	84	84	57	80	79
1987	84	86	84	67	82	81
1988	80	88	74	83	80	75
1989	86	88	84	90	87	82
1990	90	89	90	91	89	86
1991	90	92	89	96	89	84
1992	96	94	97	93	96	94
1993	91	95	88	98	91	93
1994	101	99	103	98	100	102
1995	96	101	92	109	93	94
1996	100	100	100	100	100	100
1997	104	101	105	111	100	103
1998	105	104	103	125	100	107
1999	107	107	105	134	100	107
2000	108	108	106	125	104	111
2001	107	109	103	131	104	111
2002	106	110	101	128	104	111

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, 1948–2004*

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 workers[2]	Hired workers		Total farm input	Total	Durable equipment	Total	Hired labor	Self-employed	Total	Feeds, seeds, and purchased livestock	Energy	Agricultural chemicals	Purchased services
1948	10,363	8,026	2,337	356	104	101	70	341	279	365	49	60	65	23	44
1949	9,964	7,712	2,252	360	108	105	82	334	260	363	55	62	72	24	43
1950	9,926	7,597	2,329	345	108	108	95	321	271	340	56	62	74	30	45
1951	9,546	7,310	2,236	344	110	111	106	308	261	326	58	65	76	28	49
1952	9,149	7,005	2,144	349	107	112	115	298	255	315	55	65	80	30	34
1953	8,864	6,775	2,089	348	109	116	120	282	248	296	59	66	82	29	49
1954	8,651	6,570	2,081	346	106	118	126	275	234	291	56	62	81	30	47
1955	8,381	6,345	2,036	340	111	118	128	279	230	298	61	69	83	32	49
1956	7,852	5,900	1,952	324	111	118	129	264	210	285	63	72	83	34	51
1957	7,600	5,660	1,940	324	110	117	127	246	201	264	65	75	82	32	52
1958	7,503	5,521	1,982	324	110	116	125	235	203	247	68	79	80	33	54
1959	7,342	5,390	1,952	324	112	116	126	234	198	248	71	80	81	39	73
1960	7,057	5,172	1,885	324	112	116	127	228	198	240	72	80	82	46	71
1961	6,919	5,029	1,890	302	110	116	125	222	197	231	71	77	84	50	70
1962	6,700	4,873	1,827	295	111	116	123	220	197	228	72	80	85	47	71
1963	6,518	4,738	1,780	298	112	116	123	214	196	220	75	83	86	51	70
1964	6,110	4,506	1,604	298	110	117	124	202	177	211	74	81	88	57	67
1965	5,610	4,128	1,482	298	109	117	126	196	167	208	74	80	89	61	69
1966	5,214	3,854	1,360	294	110	118	130	183	150	196	79	86	91	70	69
1967	4,903	3,650	1,253	306	109	119	134	174	140	187	80	87	90	72	72
1968	4,749	3,535	1,213	300	108	121	140	168	135	181	79	88	91	62	70
1969	4,596	3,419	1,176	290	108	121	142	165	136	176	81	92	92	62	68
1970	4,523	3,348	1,175	293	109	121	143	163	137	173	83	95	92	74	65
1971	4,436	3,275	1,161	305	108	121	145	160	136	169	82	93	90	74	65
1972	4,373	3,228	1,146	294	109	120	145	158	135	167	84	95	89	79	64
1973	4,337	3,169	1,168	321	109	120	148	159	137	167	86	96	90	81	69
1974	4,389	3,075	1,314	328	108	122	156	147	146	147	86	96	86	88	69
1975	4,331	3,021	1,310	336	107	123	162	147	148	147	83	91	102	79	70
1976	4,363	2,992	1,371	337	111	125	166	145	150	143	89	95	115	93	74
1977	4,143	2,852	1,291	345	108	126	171	140	146	138	86	91	120	82	76
1978	3,937	2,680	1,256	338	115	128	175	133	138	132	98	104	126	89	89
1979	3,765	2,495	1,270	348	117	129	181	130	143	126	103	111	116	97	93
1980	3,699	2,401	1,298	352	119	132	188	126	142	120	106	116	113	114	84
1981	[4] 3,582	[4] 2,324	[4] 1,258	366	115	130	188	128	141	122	100	111	108	103	80
1982	[4] 3,466	[4] 2,248	[4] 1,218	362	113	129	185	122	126	120	98	113	102	84	87
1983	[4] 3,349	[4] 2,171	[4] 1,178	306	113	126	176	121	140	113	99	115	99	83	86
1984	[4] 3,233	[4] 2,095	[4] 1,138	348	108	121	168	119	130	114	94	103	102	90	83
1985	3,116	2,018	1,098	342	106	120	159	111	113	110	94	104	92	92	85
1986	2,912	1,873	1,039	325	103	115	148	103	109	101	94	104	85	107	78
1987	2,897	1,846	1,051	302	102	112	137	103	112	100	94	101	95	98	81
1988	2,954	1,967	1,037	297	100	109	130	106	117	102	91	99	95	83	82
1989	2,863	1,935	928	318	99	107	124	105	108	104	91	95	94	85	89
1990	2,891	2,000	892	322	101	106	120	105	109	103	96	103	94	94	85
1991	2,877	1,968	910	318	102	105	117	108	110	107	98	103	94	96	91
1992	2,810	1,944	866	319	100	104	113	102	103	101	96	102	93	97	88
1993	2,800	1,942	857	308	100	103	109	98	102	96	100	105	93	94	97
1994	2,767	1,925	842	321	102	102	106	99	101	98	103	106	96	100	100
1995	2,836	1,967	869	314	104	101	103	103	110	100	106	111	101	92	105
1996	2,842	2,010	832	326	100	100	100	100	100	100	100	100	100	100	100
1997	2,867	1,990	877	333	103	100	98	101	105	99	107	108	103	108	107
1998	2,827	1,947	880	327	105	99	98	98	107	94	112	116	104	104	111
1999	2,977	2,048	929	327	107	99	99	101	112	96	116	123	106	103	114
2000	2,952	2,062	890	324	104	98	99	98	107	94	111	120	100	101	110
2001	2,923	2,050	873	321	103	98	99	96	106	93	110	117	97	97	113
2002	.....	.....	886	316	102	98	100	96	105	92	107	113	97	98	107
2003	.....	.....	836	324	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
2004 *p*	.....	.....	825	321	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....

[1] Includes persons doing farmwork on all farms. These data, published by the Department of Agriculture, differ from those on agricultural employment by the Department of Labor (see Table B-35) because of differences in the method of approach, in concepts of employment, and in time of month for which the data are collected.

[2] Prior to 1982 this category was termed "family workers" and did not include nonfamily unpaid workers. Series discontinued in 2002.

[3] Acreage harvested plus acreages in fruits, tree nuts, and vegetables and minor crops. Includes double-cropping.

[4] Basis for farm employment series was discontinued for 1981 through 1984. Employment is estimated for these years.

Sources: Department of Agriculture, Economic Research Service.

TABLE B–101.—*Agricultural price indexes and farm real estate value, 1975–2004*

[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	97	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	105	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	99	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	740
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	109	111	123	121	119	144	121	117	146	1,150
2002	98	105	90	124	119	112	102	108	119	112	148	120	119	153	1,210
2003	107	111	103	128	124	114	109	124	121	140	151	123	120	157	1,270
2004	119	117	122	133	131	118	128	138	121	163	162	124	120	161	1,360
2003: Jan	99	103	96	126	122	114	105	112	122	140	149	121	120	161	1,270
Feb	99	103	95	127	123	114	102	117	122	171	149	122	120	161	.....
Mar	99	106	93	128	124	114	98	126	120	178	149	122	120	161	.....
Apr	101	110	93	128	124	114	102	129	121	143	149	122	120	158	.....
May	105	116	96	127	123	115	102	127	121	127	150	122	120	158	.....
June	108	118	99	127	123	114	103	124	121	131	150	123	120	158	.....
July	105	109	101	127	123	111	106	123	121	132	151	124	120	153	.....
Aug	109	113	105	127	123	107	107	124	121	136	152	124	120	153	.....
Sept	111	111	110	128	125	112	117	125	121	131	153	124	120	153	.....
Oct	113	111	116	129	126	112	126	126	121	137	153	122	120	156	.....
Nov	116	115	117	129	126	118	122	126	121	128	154	122	120	156	.....
Dec	114	115	112	129	126	117	119	128	120	130	154	122	120	156	.....
2004: Jan	112	113	110	130	127	117	113	131	121	145	156	123	120	163	1,360
Feb	116	121	112	131	127	121	110	134	121	137	156	123	120	163	.....
Mar	121	121	122	132	129	124	115	137	121	142	161	123	120	163	.....
Apr	125	123	126	133	131	131	121	137	121	151	161	123	120	159	.....
May	129	124	133	135	132	134	126	135	121	159	162	124	120	159	.....
June	128	122	133	135	132	127	134	135	121	150	161	125	120	159	.....
July	124	120	128	135	133	125	136	136	121	161	162	125	120	162	.....
Aug	121	118	123	134	132	115	137	138	121	170	162	125	120	162	.....
Sept	115	113	118	134	131	110	138	140	122	173	163	125	120	162	.....
Oct	114	111	117	135	132	104	141	143	122	202	166	124	120	161	.....
Nov	116	112	119	134	131	102	137	146	122	195	165	124	120	161	.....
Dec	111	103	120	133	130	102	133	147	121	166	169	124	120	161	.....

[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 1990-2004.

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, 1945–2004*

[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	
1945	2.3	([4])	0.4	([4])	0.3	0.2	0.9	1.7	0.1	0.4	0.3	([4])	0.5
1946	3.1	0.1	.7	([4])	.5	.4	.9	2.3	.2	.4	.5	0.1	.8
1947	4.0	.4	1.4	0.1	.4	.3	.7	2.8	.1	.4	.6	.2	1.2
1948	3.5	.1	1.5	.2	.5	.2	.5	3.1	.2	.6	.7	.2	.3
1949	3.6	.3	1.1	.3	.9	.3	.4	2.9	.2	.4	.8	.1	.7
1950	2.9	.2	.6	.2	1.0	.3	.3	4.0	.2	.7	1.1	.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	4.9	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	5.0	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	5.2	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	5.4	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	5.9	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	6.4	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	7.2	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	7.5	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	8.4	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	9.3	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	9.4	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	9.9	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	10.6	9.0	1.7	1.8	11.2
2003	59.6	5.4	5.0	11.7	3.4	1.0	12.4	47.4	11.9	8.9	2.0	2.4	12.2
Jan-Nov:													
2003	53.5	4.7	4.5	10.2	2.9	.9	11.3	42.9	10.7	8.0	1.8	2.2	10.6
2004	55.5	5.8	5.9	9.1	3.9	1.0	9.4	49.1	11.9	9.6	2.1	2.3	6.4

[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.
[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, 1946–2004*

[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	–5,274	16,561	34,516	–31,135	149,214	–125,084	24,130	10,752	3,747
1992	439,631	–536,528	–96,897	–1,448	19,969	39,283	–39,093	133,766	–109,531	24,234	–33,133	–47,991
1993	456,943	–589,394	–132,451	1,385	19,714	41,156	–70,195	136,057	–110,741	25,316	–37,108	–81,987
1994	502,859	–668,690	–165,831	2,570	16,305	48,577	–98,379	166,521	–149,375	17,146	–36,799	–118,032
1995	575,204	–749,374	–174,170	4,600	21,772	51,533	–96,265	210,244	–189,353	20,891	–34,104	–109,478
1996	612,113	–803,113	–191,000	5,385	25,015	56,658	–103,942	226,129	–203,811	22,318	–38,583	–120,207
1997	678,366	–876,470	–198,104	4,968	22,152	62,806	–108,178	256,804	–244,195	12,609	–40,410	–135,979
1998	670,416	–917,103	–246,687	5,220	10,210	66,389	–164,868	261,308	–257,554	3,754	–48,443	–209,557
1999	683,965	–1,029,980	–346,015	2,593	7,085	73,085	–263,252	293,222	–280,037	13,185	–46,755	–296,822
2000	771,994	–1,224,408	–452,414	317	2,486	71,267	–378,344	350,449	–329,864	20,585	–55,684	–413,443
2001	718,712	–1,145,900	–427,188	–2,296	–3,254	70,046	–362,692	286,692	–263,120	23,572	–46,581	–385,701
2002	681,833	–1,164,728	–482,895	–7,158	–3,451	71,769	–421,735	266,799	–259,626	7,173	–59,382	–473,944
2003	713,122	–1,260,674	–547,552	–12,626	–10,303	73,973	–496,508	294,385	–261,106	33,279	–67,439	–530,668
2002: I	165,123	–273,520	–108,397	–1,574	–802	17,014	–93,759	63,455	–62,490	965	–17,411	–110,205
II	172,034	–291,395	–119,361	–1,882	–1,073	18,943	–103,373	67,306	–68,260	–954	–13,562	–117,889
III	174,371	–296,778	–122,407	–1,537	–901	17,929	–106,916	69,542	–68,199	1,343	–13,427	–119,000
IV	170,305	–303,035	–132,730	–2,165	–675	17,882	–117,688	66,496	–60,677	5,819	–14,980	–126,849
2003: I	173,459	–311,402	–137,943	–2,905	–2,745	18,207	–125,386	67,677	–63,682	3,995	–16,815	–138,206
II	174,554	–310,087	–135,533	–3,215	–3,183	18,551	–123,380	68,893	–63,019	5,874	–16,369	–133,875
III	178,251	–312,886	–134,635	–3,047	–3,088	18,520	–122,250	73,785	–66,524	7,261	–16,639	–131,628
IV	186,858	–326,299	–139,441	–3,459	–1,287	18,693	–125,494	84,030	–67,879	16,151	–17,617	–126,960
2004: I	193,920	–344,688	–150,768	–3,534	–2,668	18,368	–138,602	83,528	–71,364	12,164	–20,726	–147,164
II	199,315	–362,895	–163,580	–3,475	–2,543	18,514	–151,084	88,419	–83,382	5,037	–18,344	–164,391
III *p*	204,610	–371,341	–166,731	–3,832	–2,922	18,143	–155,342	92,879	–87,598	5,281	–14,648	–164,709

[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, 1946–2004*—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 (sum of the items with sign reversed)	Of which: Seasonal adjustment discrepancy
		Total	U.S. official reserve assets[3]	Other U.S. Government assets	U.S. private assets	Total	Foreign official assets	Other foreign assets		
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	–64,388	5,763	2,924	–73,075	110,808	17,389	93,420	–45,688	.....
1992	–557	–74,410	3,901	–1,667	–76,644	170,663	40,477	130,186	–47,705	.....
1993	–1,299	–200,552	–1,379	–351	–198,822	282,040	71,753	210,287	1,797	.....
1994	–1,723	–178,937	5,346	–390	–183,893	305,989	39,583	266,406	–7,297	.....
1995	–927	–352,264	–9,742	–984	–341,538	438,562	109,880	328,682	24,107	.....
1996	–654	–413,409	6,668	–989	–419,088	551,096	126,724	424,372	–16,826	.....
1997	–1,044	–485,475	–1,010	68	–484,533	706,809	19,036	687,773	–84,311	.....
1998	–740	–347,829	–6,783	–422	–340,624	423,569	–19,903	443,472	134,557	.....
1999	–4,843	–503,640	8,747	2,750	–515,137	740,210	43,543	696,667	65,095	.....
2000	–809	–569,798	–290	–941	–568,567	1,046,896	42,758	1,004,138	–62,846	.....
2001	–1,083	–366,768	–4,911	–486	–361,371	782,859	28,059	754,800	–29,307	.....
2002	–1,260	–198,014	–3,681	345	–194,678	768,246	113,990	654,256	–95,028	.....
2003	–3,079	–283,414	1,523	537	–285,474	829,173	248,573	580,600	–12,012	.....
2002: I	–281	–34,144	390	133	–34,667	165,989	12,801	153,188	–21,359	10,292
II	–271	–133,373	–1,843	42	–131,572	229,135	53,312	175,823	22,398	–1,206
III	–361	21,574	–1,416	–27	23,017	150,075	17,720	132,355	–52,288	–14,052
IV	–347	–52,069	–812	197	–51,454	223,047	30,157	192,890	–43,782	4,963
2003: I	–406	–102,665	83	53	–102,801	246,105	48,986	197,119	–4,828	11,091
II	–1,552	–110,962	–170	310	–111,102	218,553	65,245	153,308	27,836	–3,121
III	–821	–8,138	–611	483	–8,010	134,202	50,663	83,539	6,385	–13,418
IV	–300	–61,647	2,221	–309	–63,559	230,311	83,679	146,632	–41,404	5,449
2004: I	–396	–306,729	557	727	–308,013	445,348	127,864	317,484	8,941	11,839
II	–324	–105,810	1,122	–2	–106,930	270,745	73,349	197,396	–220	–5,558
III *p*	–374	–133,176	429	183	–133,788	286,412	60,118	226,294	11,847	–15,068

[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, 1965–2004*

[Billions of dollars; quarterly data seasonally adjusted]

Year or quarter	Exports							Imports						
	Total	Agricultural products	Nonagricultural products					Total	Petroleum and products	Nonpetroleum products				
			Total	Industrial supplies and materials	Capital goods except automotive	Automotive	Other			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	681.8	54.5	627.3	147.6	290.4	78.9	110.3	1,164.7	103.5	1,061.2	164.6	283.3	203.7	409.6
2003	713.1	60.9	652.2	162.5	293.6	80.7	115.5	1,260.7	133.1	1,127.6	181.4	295.8	210.2	440.2
2002: I	165.1	13.6	151.5	34.5	71.4	18.7	26.8	273.5	20.6	252.9	38.3	69.3	48.5	96.8
II	172.0	13.6	158.5	37.2	73.5	20.1	27.6	291.4	25.8	265.6	41.1	71.5	50.9	102.2
III	174.4	13.7	160.7	37.8	74.3	20.5	28.1	296.8	26.6	270.2	42.0	71.3	52.5	104.4
IV	170.3	13.6	156.7	38.1	71.2	19.6	27.9	303.0	30.5	272.5	43.2	71.2	51.9	106.2
2003: I	173.5	14.3	159.1	40.4	70.8	19.9	28.0	311.4	36.0	275.4	44.4	71.2	51.5	108.2
II	174.6	14.6	159.9	40.3	71.0	20.2	28.4	310.1	30.8	279.3	44.6	73.2	52.7	108.7
III	178.3	15.7	162.6	40.2	73.5	19.9	29.1	312.9	32.6	280.2	46.0	73.7	51.5	109.0
IV	186.9	16.3	170.6	41.6	78.3	20.6	30.0	326.3	33.6	292.7	46.3	77.7	54.5	114.3
2004: I	193.9	15.9	178.0	44.7	80.8	20.9	31.6	344.7	40.6	304.1	50.7	80.2	55.5	117.6
II	199.3	15.7	183.6	46.8	82.2	21.4	33.2	362.9	41.0	321.8	56.8	85.2	57.1	122.8
III *p*	204.6	15.1	189.5	48.8	83.5	23.1	34.1	371.3	44.9	326.5	61.1	87.7	57.8	119.8

[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, 1999–2004*

[Millions of dollars]

Item	1999	2000	2001	2002	2003	2004 first 3 quarters at annual rate[1]
EXPORTS	683,965	771,994	718,712	681,833	713,122	797,127
Industrial countries	401,525	438,292	406,148	380,994	398,641	435,597
Euro area[2]	105,474	115,826	111,049	103,750	109,869	122,175
Canada	166,713	178,877	163,259	160,894	169,905	187,773
Japan	56,073	63,473	55,879	49,669	50,250	52,128
United Kingdom	37,657	40,725	39,701	32,085	32,869	35,036
Other[3]	35,608	39,391	36,260	34,596	35,748	38,485
Other countries	282,440	333,701	312,564	300,839	314,481	361,529
OPEC[4]	18,315	17,625	19,503	17,806	16,552	20,281
Other[5]	264,125	316,076	293,061	283,033	297,929	341,248
Of which:						
China	13,047	16,141	19,108	22,037	28,285	34,104
Mexico	86,758	111,172	101,181	97,231	97,221	108,996
International organizations and unallocated	.....	1	.....	.....	.....	.....
IMPORTS	1,029,980	1,224,408	1,145,900	1,164,728	1,260,674	1,438,565
Industrial countries	557,249	636,311	599,330	591,843	622,074	692,203
Euro area[2]	144,928	164,002	166,190	172,474	187,608	205,855
Canada	201,287	233,676	218,726	211,756	224,249	256,611
Japan	130,873	146,492	126,478	121,426	118,034	128,003
United Kingdom	38,789	43,388	40,982	40,464	42,574	44,879
Other[3]	41,372	48,753	46,954	45,723	49,609	56,856
Other countries	472,731	588,097	546,570	572,885	638,600	746,361
OPEC[4]	41,952	66,995	59,752	53,246	68,347	89,368
Other[5]	430,779	521,102	486,818	519,639	570,253	656,993
Of which:						
China	81,789	100,021	102,279	125,189	152,426	187,231
Mexico	110,550	136,811	132,205	135,505	138,992	154,785
International organizations and unallocated	.....	.....	.....	.....	.....	.....
BALANCE (excess of exports +)	–346,015	–452,414	–427,188	–482,895	–547,552	–641,439
Industrial countries	–155,724	–198,019	–193,182	–210,849	–223,433	–256,605
Euro area[2]	–39,454	–48,176	–55,141	–68,724	–77,739	–83,680
Canada	–34,574	–54,799	–55,467	–50,862	–54,344	–68,837
Japan	–74,800	–83,019	–70,599	–71,757	–67,784	–75,875
United Kingdom	–1,132	–2,663	–1,281	–8,379	–9,705	–9,843
Other[3]	–5,764	–9,362	–10,694	–11,127	–13,861	–18,371
Other countries	–190,291	–254,396	–234,006	–272,046	–324,119	–384,832
OPEC[4]	–23,637	–49,370	–40,249	–35,440	–51,795	–69,087
Other[5]	–166,654	–205,026	–193,757	–236,606	–272,324	–315,745
Of which:						
China	–68,742	–83,880	–83,171	–103,152	–124,141	–153,127
Mexico	–23,792	–25,639	–31,024	–38,274	–41,771	–45,789
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, 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 regarding these data, see *Survey of Current Business,* July 2004.

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, 1979–2004*

[Billions of dollars; monthly data seasonally adjusted]

Year or month	Goods: Exports (f.a.s. value)[1 2]							Goods: Imports (customs value, except as noted)[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]							F.a.s. value[2]								
1979	184.4	186.4	...	...	...	...	...	212.0	210.3	...	...	...	...	...	39.7	36.7
1980	224.3	225.6	...	...	...	...	...	249.8	245.3	...	...	...	...	...	47.6	41.5
								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	119.4
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	123.7
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	132.9
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	141.3
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	152.4
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	256.3	166.3
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	263.1	181.3
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	282.5	199.7
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	299.0	224.9
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	287.9	223.4
2002	681.8	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	294.1	232.9
2003	713.1	724.8	55.0	173.0	293.6	80.7	89.9	1,260.7	1,257.1	55.8	313.8	295.8	210.2	333.9	307.4	256.3
2003: Jan	57.1	57.8	4.4	14.0	23.1	6.6	7.3	102.7	102.5	4.5	25.5	24.3	17.1	27.1	25.0	20.7
Feb	57.9	58.8	4.3	14.1	24.1	6.6	7.1	102.7	102.5	4.4	26.5	23.4	17.1	27.1	24.9	20.5
Mar	58.5	59.5	4.4	14.5	23.7	6.7	7.3	106.0	105.8	4.6	28.4	23.5	17.3	28.0	24.6	20.8
Apr	57.3	58.5	4.4	14.1	23.2	6.7	7.2	103.5	103.2	4.7	25.6	24.3	17.0	27.6	24.0	20.3
May	57.8	58.8	4.4	14.1	23.6	6.9	7.3	102.9	102.6	4.6	24.3	24.4	17.7	27.7	24.8	20.5
June	59.4	60.4	4.6	14.6	24.3	6.7	7.6	103.7	103.2	4.5	25.2	24.5	17.9	27.0	25.2	20.9
July	60.1	61.1	4.7	14.9	24.5	6.7	7.5	104.8	104.6	4.6	26.3	24.5	17.8	27.4	25.5	21.7
Aug	58.2	59.3	4.5	14.1	24.1	6.4	7.5	102.6	102.2	4.6	26.0	24.2	16.3	27.4	25.9	21.7
Sept	59.9	61.0	4.7	14.2	24.8	6.8	7.7	105.5	105.2	4.8	26.1	25.1	17.5	27.8	26.1	21.8
Oct	61.2	61.9	4.8	14.6	25.5	6.9	7.6	107.3	107.1	4.8	26.0	25.4	18.0	28.9	26.9	22.3
Nov	63.1	64.2	5.0	14.6	26.8	6.8	8.0	107.8	107.6	4.9	25.8	25.6	18.1	29.1	27.1	22.3
Dec	62.6	63.4	4.9	15.1	26.0	6.9	7.8	111.1	110.9	4.9	28.1	26.7	18.3	28.9	27.5	22.9
2004: Jan	61.7	62.7	4.6	15.1	25.9	6.7	7.7	111.3	111.0	4.8	28.3	26.7	17.8	29.4	26.9	23.1
Feb	64.9	65.9	4.7	16.0	27.2	7.0	8.2	114.7	114.5	5.1	31.2	26.3	18.8	28.9	27.3	23.3
Mar	67.3	68.5	4.9	16.7	27.7	7.2	8.6	118.7	118.4	5.1	31.8	27.2	18.9	31.2	27.9	23.6
Apr	65.9	66.9	4.7	16.3	27.1	7.2	8.6	118.9	118.7	5.1	30.9	27.8	19.0	31.7	28.3	23.8
May	68.7	69.6	4.8	17.3	28.7	7.2	8.5	120.2	119.9	5.3	31.9	28.0	19.4	31.0	28.1	24.0
June	64.7	65.7	4.5	16.1	26.4	7.0	8.4	123.8	123.5	5.2	35.1	29.4	18.7	31.0	28.3	24.5
July	67.5	68.2	4.4	17.3	27.8	7.6	8.2	122.2	122.0	5.1	33.9	29.2	19.1	30.5	28.4	24.2
Aug	68.0	68.8	4.2	17.0	27.7	7.8	8.6	125.0	124.7	5.1	36.6	29.0	19.2	30.4	28.2	25.1
Sept	69.1	70.2	4.9	17.4	28.0	7.7	8.8	124.1	123.9	5.0	35.5	29.5	19.5	30.3	28.4	24.3
Oct	69.2	70.1	4.7	17.9	28.1	7.7	8.8	129.3	129.0	5.2	38.4	29.8	19.4	32.0	28.6	24.5
Nov[p]	66.5	67.5	4.7	17.1	26.6	7.3	8.6	130.7	130.4	5.4	39.6	29.7	18.9	32.4	29.0	25.2

[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 and at foreign port of exportation for imports.

[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 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, 1995–2003*

[Billions of dollars]

Type of investment	1995	1996	1997	1998	1999	2000	2001	2002	2003 *p*
NET INTERNATIONAL INVESTMENT POSITION OF THE UNITED STATES:									
With direct investment at current cost	–458.5	–495.1	–820.7	–900.0	–775.5	–1,388.7	–1,889.7	–2,233.0	–2,430.7
With direct investment at market value	–305.8	–360.0	–822.7	–1,075.4	–1,046.7	–1,588.6	–2,308.2	–2,553.4	–2,651.0
U.S.-OWNED ASSETS ABROAD:									
With direct investment at current cost	3,486.3	4,032.3	4,567.9	5,090.9	5,965.1	6,231.2	6,270.4	6,413.5	7,202.7
With direct investment at market value	3,964.6	4,650.8	5,379.1	6,174.5	7,390.4	7,393.6	6,898.7	6,613.3	7,864.0
U.S. official reserve assets	176.1	160.7	134.8	146.0	136.4	128.4	130.0	158.6	183.6
Gold [1]	101.3	96.7	75.9	75.3	76.0	71.8	72.3	90.8	108.9
Special drawing rights	11.0	10.3	10.0	10.6	10.3	10.5	10.8	12.2	12.6
Reserve position in the International Monetary Fund	14.6	15.4	18.1	24.1	18.0	14.8	17.9	22.0	22.5
Foreign currencies	49.1	38.3	30.8	36.0	32.2	31.2	29.0	33.7	39.5
U.S. Government assets, other than official reserves	85.1	86.1	86.2	86.8	84.2	85.2	85.7	85.3	84.8
U.S. credits and other long-term assets	82.8	84.0	84.1	84.9	81.7	82.6	83.1	82.7	82.0
Repayable in dollars	82.4	83.6	83.8	84.5	81.4	82.3	82.9	82.4	81.7
Other	.4	.4	.4	.3	.3	.3	.3	.3	.3
U.S. foreign currency holdings and U.S. short-term assets	2.3	2.1	2.1	1.9	2.6	2.6	2.5	2.6	2.8
U.S. private assets:									
With direct investment at current cost	3,225.1	3,785.4	4,346.9	4,858.2	5,744.5	6,017.7	6,054.8	6,169.6	6,934.3
With direct investment at market value	3,703.4	4,404.0	5,158.1	5,941.7	7,169.8	7,180.1	6,683.1	6,369.4	7,595.6
Direct investment abroad:									
At current cost	885.5	989.8	1,068.1	1,196.0	1,414.4	1,531.6	1,686.6	1,840.0	2,069.0
At market value	1,363.8	1,608.3	1,879.3	2,279.6	2,839.6	2,694.0	2,314.9	2,039.8	2,730.3
Foreign securities	1,203.9	1,487.5	1,751.2	2,053.0	2,525.3	2,385.4	2,114.7	1,846.9	2,474.4
Bonds	413.3	481.4	543.4	578.0	521.6	532.5	502.1	501.8	502.1
Corporate stocks	790.6	1,006.1	1,207.8	1,475.0	2,003.7	1,852.8	1,612.7	1,345.1	1,972.2
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	367.6	450.6	545.5	588.3	704.5	836.6	839.3	908.0	614.7
U.S. claims reported by U.S. banks, not included elsewhere	768.1	857.5	982.1	1,020.8	1,100.3	1,264.1	1,414.1	1,574.7	1,776.3
FOREIGN-OWNED ASSETS IN THE UNITED STATES:									
With direct investment at current cost	3,944.7	4,527.4	5,388.6	5,990.9	6,740.6	7,620.0	8,160.1	8,646.6	9,633.4
With direct investment at market value	4,270.4	5,010.9	6,201.9	7,249.9	8,437.1	8,982.2	9,206.9	9,166.7	10,515.0
Foreign official assets in the United States	682.9	820.8	873.7	896.2	951.1	1,030.7	1,082.3	1,212.7	1,474.2
U.S. Government securities	507.5	631.1	648.2	669.8	693.8	756.2	831.5	954.9	1,145.0
U.S. Treasury securities	490.0	606.4	615.1	622.9	617.7	639.8	704.6	796.4	956.7
Other	17.5	24.7	33.1	46.8	76.1	116.4	126.9	158.4	188.4
Other U.S. Government liabilities	23.6	22.6	21.7	18.4	21.1	19.3	17.0	17.1	16.6
U.S. liabilities reported by U.S. banks, not included elsewhere	107.4	113.1	135.4	125.9	138.8	153.4	123.4	144.6	190.6
Other foreign official assets	44.4	54.0	68.4	82.1	97.3	101.8	110.4	96.0	122.0
Other foreign assets:									
With direct investment at current cost	3,261.9	3,706.5	4,514.9	5,094.7	5,789.5	6,589.3	7,077.8	7,433.8	8,159.2
With direct investment at market value	3,587.5	4,190.0	5,328.1	6,353.7	7,486.0	7,951.5	8,124.6	7,954.0	9,040.8
Direct investment in the United States:									
At current cost	680.1	745.6	824.1	920.0	1,101.7	1,421.0	1,513.5	1,505.2	1,554.0
At market value	1,005.7	1,229.1	1,637.4	2,179.0	2,798.2	2,783.2	2,560.3	2,025.3	2,435.5
U.S. Treasury securities	327.0	433.9	538.1	543.3	440.7	381.6	358.5	457.7	542.5
U.S. securities other than U.S. Treasury securities	969.8	1,165.1	1,512.7	1,903.4	2,351.3	2,623.0	2,821.4	2,786.6	3,391.1
Corporate and other bonds	459.1	539.3	618.8	724.6	825.2	1,068.6	1,343.1	1,600.4	1,853.0
Corporate stocks	510.8	625.8	893.9	1,178.8	1,526.1	1,554.4	1,478.3	1,186.2	1,538.1
U.S. currency	169.5	186.8	211.6	228.3	250.7	256.0	279.8	301.3	317.9
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	300.4	346.8	459.4	485.7	578.0	738.9	798.3	864.6	466.5
U.S. liabilities reported by U.S. banks, not included elsewhere	815.0	828.2	968.8	1,014.0	1,067.2	1,168.7	1,306.4	1,518.4	1,887.2

[1] Valued at market price.

Note.—For details regarding these data, see *Survey of Current Business*, July 2004.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B–108.—*Industrial production and consumer prices, major industrial countries, 1979–2004*

Year or quarter	United States[1]	Canada	Japan	European Union[2]	France	Germany[3]	Italy	United Kingdom
	Industrial production (Index, 1997=100)[4]							
1979	64.3	68.6	63.1	78.8	85.5	83.3	76.6	79.8
1980	62.6	66.5	66.0	78.5	84.6	83.3	80.8	74.7
1981	63.4	66.8	66.7	77.2	83.7	81.7	79.1	72.2
1982	60.2	61.7	66.9	76.0	83.0	79.1	76.6	73.6
1983	61.8	65.1	69.0	76.8	83.0	79.6	74.8	76.3
1984	67.3	73.2	75.4	78.6	84.5	82.1	77.3	76.3
1985	68.2	76.9	78.2	80.9	85.0	85.9	77.4	80.6
1986	68.9	76.3	78.1	82.9	87.2	87.6	80.5	82.6
1987	72.4	79.5	80.8	84.6	88.8	87.9	82.6	85.8
1988	76.0	84.8	88.4	88.2	91.9	91.0	88.4	89.9
1989	76.7	84.6	93.5	91.7	95.0	95.6	91.8	91.9
1990	77.4	82.2	97.5	93.6	96.5	100.4	91.3	91.6
1991	76.2	79.3	99.2	93.4	95.9	103.4	90.4	88.5
1992	78.4	80.3	93.6	92.2	94.5	101.0	89.5	88.8
1993	80.9	84.2	90.4	89.2	90.9	93.5	87.5	90.8
1994	85.3	89.4	91.5	93.4	94.4	96.1	92.6	95.7
1995	89.4	93.5	94.4	96.3	96.1	96.8	98.0	97.3
1996	93.2	94.7	96.6	96.5	96.0	97.0	96.3	98.7
1997	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1998	105.8	103.5	93.5	103.2	103.5	103.7	101.2	101.0
1999	110.6	109.6	93.8	104.8	106.1	104.9	101.2	102.3
2000	115.4	119.0	99.0	109.5	110.1	110.7	105.3	104.2
2001	111.3	114.4	92.7	109.4	111.3	111.0	104.2	102.6
2002	111.0	116.1	91.7	108.5	109.6	109.9	102.6	100.0
2003	110.9	117.0	94.5	108.8	109.5	110.3	102.0	99.8
2004 *p*	115.5	...	99.6	...	...	...	...	...
2003: I	110.8	117.5	93.8	109.0	110.1	110.6	102.6	99.6
II	109.7	115.6	93.2	108.1	108.7	109.3	101.4	99.4
III	110.8	116.4	93.9	108.8	109.4	109.1	102.9	99.9
IV	112.4	118.7	97.5	109.9	110.4	111.8	102.8	100.2
2004: I	113.9	118.8	98.1	109.9	110.8	112.2	102.5	99.8
II	115.1	120.5	100.5	111.0	111.6	113.8	102.7	100.8
III	115.9	122.4	100.1	111.0	111.5	114.1	102.2	99.6
IV *p*	117.1	...	99.1	...	...	...	...	...
	Consumer prices (Index, 1982-84=100)							
1979	72.6	69.2	84.4	65.7	63.6	82.3	52.8	66.6
1980	82.4	76.1	91.0	74.4	72.2	86.7	63.9	78.5
1981	90.9	85.6	95.3	83.4	81.8	92.2	75.5	87.9
1982	96.5	94.9	98.1	92.3	91.7	97.0	87.8	95.4
1983	99.6	100.4	99.8	100.3	100.3	100.3	100.8	99.8
1984	103.9	104.7	102.1	107.4	108.0	102.7	111.4	104.8
1985	107.6	109.0	104.2	114.0	114.3	104.8	121.7	111.1
1986	109.6	113.5	104.9	118.2	117.2	104.6	128.9	114.9
1987	113.6	118.4	104.9	122.2	121.1	104.9	135.1	119.7
1988	118.3	123.2	105.6	126.7	124.3	106.3	141.9	125.6
1989	124.0	129.3	108.0	133.3	128.7	109.2	150.7	135.4
1990	130.7	135.5	111.4	141.0	132.9	112.2	160.4	148.2
1991	136.2	143.1	115.0	148.4	137.2	116.3	170.5	156.9
1992	140.3	145.3	117.0	155.2	140.4	122.2	179.5	162.7
1993	144.5	147.9	118.5	161.0	143.4	127.6	187.7	165.3
1994	148.2	148.2	119.3	166.0	145.8	131.1	195.3	169.3
1995	152.4	151.4	119.2	171.1	148.4	133.3	205.6	175.2
1996	156.9	153.8	119.3	175.4	151.4	135.3	213.8	179.4
1997	160.5	156.3	121.5	179.0	153.2	137.8	218.2	185.1
1998	163.0	157.8	122.2	182.2	154.2	139.1	222.5	191.4
1999	166.6	160.5	121.8	184.5	155.0	140.0	226.2	194.3
2000	172.2	164.9	121.0	188.8	157.6	142.0	231.9	200.1
2001	177.1	169.1	120.1	193.3	160.2	144.8	238.3	203.6
2002	179.9	172.9	119.0	197.5	163.3	146.7	244.3	207.0
2003	184.0	177.7	118.7	201.8	166.7	148.3	250.8	213.0
2004 *p*	188.9	181.0	118.7	...	170.3	150.8	256.3	219.4
2003: I	183.0	177.5	118.4	200.3	165.8	148.2	248.5	210.6
II	183.7	177.2	119.0	201.6	166.4	148.0	250.3	213.1
III	184.6	177.9	118.7	202.0	166.8	148.4	251.6	213.6
IV	184.6	178.2	118.5	203.1	167.9	148.5	252.8	214.9
2004: I	186.3	179.0	118.3	204.1	168.8	149.6	254.2	216.0
II	188.9	181.1	118.6	206.2	170.3	150.7	256.1	218.9
III	189.6	181.5	118.6	206.7	170.6	151.2	257.2	220.2
IV *p*	190.7	182.2	119.2	...	171.4	151.5	257.8	222.3

[1] See Note, Table B–51 for information on U.S. industrial production series.
[2] Consists of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom. Data exclude Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia which became members on May 1, 2004.
[3] Prior to 1991 data are for West Germany only.
[4] All data exclude construction. Quarterly data are seasonally adjusted.

Sources: National sources as reported by Department of Commerce (International Trade Administration, Office of Trade and Industry Information), 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, 1979–2004*

[Quarterly data seasonally adjusted]

Year or quarter	United States	Canada	Japan	France	Germany [1]	Italy	United Kingdom
	Civilian unemployment rate (Percent) [2]						
1979	5.8	7.3	2.1	6.1	2.9	4.4	5.4
1980	7.1	7.3	2.0	6.5	2.8	4.4	7.0
1981	7.6	7.3	2.2	7.6	4.0	4.9	10.5
1982	9.7	10.6	2.4	[3] 8.3	5.6	5.4	11.3
1983	9.6	11.5	2.7	8.6	[3] 6.9	5.9	11.8
1984	7.5	10.9	2.8	10.0	7.1	5.9	[3] 12.0
1985	7.2	10.2	2.6	10.5	7.2	6.0	11.4
1986	7.0	9.2	2.8	10.6	6.6	[3] 7.5	11.4
1987	6.2	8.4	2.9	10.8	6.3	7.9	10.9
1988	5.5	7.3	2.5	10.3	6.3	7.9	8.9
1989	5.3	7.1	2.3	9.6	5.7	7.8	7.3
1990	[3] 5.6	7.7	2.1	[3] 9.1	5.0	7.0	6.9
1991	6.8	9.8	2.1	9.5	[3] 5.6	[3] 6.9	8.5
1992	7.5	10.6	2.2	[3] 9.9	6.7	7.3	[3] 9.7
1993	6.9	10.8	2.5	11.3	8.0	[3] 10.2	10.4
1994	[3] 6.1	9.5	2.9	11.8	8.5	11.2	9.7
1995	5.6	8.6	3.2	11.3	8.2	11.8	8.7
1996	5.4	8.8	3.4	11.9	9.0	11.7	8.1
1997	4.9	8.4	3.4	11.8	9.9	11.9	7.0
1998	4.5	7.7	4.1	11.3	9.3	12.0	6.3
1999	4.2	7.0	4.7	10.6	[3] 8.5	11.5	6.0
2000	4.0	6.1	4.8	9.1	7.8	10.7	5.5
2001	4.7	6.4	5.1	8.4	7.9	9.6	5.1
2002	5.8	7.0	5.4	8.7	8.7	9.1	5.2
2003	6.0	6.9	5.3	9.3	9.7	8.8	5.0
2004	5.5	.....	.....	.....	.....	.....	.....
2003: I	5.8	6.7	5.4	9.0	9.6	9.0	5.1
II	6.1	6.9	5.4	9.2	9.8	8.8	5.0
III	6.1	7.2	5.2	9.4	9.8	8.7	5.0
IV	5.9	6.8	5.1	9.4	9.7	8.6	4.9
2004: I	5.6	6.7	5.0	9.4	9.7	8.6	4.8
II	5.6	6.6	4.7	9.4	9.8	.....	4.8
III	5.5	6.4	4.8	9.4	10.0	.....	4.7
IV	5.4	.....	.....	.....	.....	.....	.....
	Manufacturing hourly compensation in U.S. dollars (Index, 1992=100) [4]						
1979	49.6	44.0	32.0	44.5	42.0	38.6	31.8
1980	55.6	49.1	32.8	51.6	46.1	43.8	42.2
1981	61.1	54.2	36.0	46.6	39.3	39.1	42.8
1982	67.0	59.7	33.5	45.5	38.8	38.4	40.8
1983	68.8	64.0	36.1	43.4	38.6	39.4	38.1
1984	71.2	64.4	37.1	41.1	36.3	39.1	36.4
1985	75.1	63.6	38.5	43.3	37.2	40.7	38.8
1986	78.5	63.4	57.1	58.4	52.4	54.4	47.9
1987	80.7	68.1	68.2	69.7	66.0	66.0	59.7
1988	84.0	76.1	78.4	72.7	70.4	70.6	69.3
1989	86.6	84.3	77.4	71.3	69.1	72.7	68.4
1990	90.8	91.5	79.2	88.3	86.4	90.1	83.7
1991	95.6	100.1	90.9	90.3	86.1	93.5	93.9
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	102.7	95.5	117.2	96.3	100.4	82.8	88.9
1994	105.6	91.7	129.9	101.7	107.6	81.7	93.1
1995	107.9	93.3	146.1	117.2	128.3	84.2	97.2
1996	109.4	94.8	127.2	116.1	128.0	95.0	98.4
1997	111.5	95.3	117.9	101.3	113.2	88.9	107.3
1998	117.4	91.0	111.7	101.1	113.3	86.7	115.4
1999	122.0	94.2	128.0	100.2	111.1	84.2	118.9
2000	133.2	97.3	133.7	91.5	101.3	75.1	118.0
2001	136.3	96.5	119.5	92.7	101.5	75.5	117.6
2002	145.4	97.6	124.3	103.2	109.9	81.7	129.5
2003	157.8	113.3	135.3	127.0	134.5	100.8	148.3

[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, 1990 and 1992), Germany (1983, 1991 and 1999), Italy (1986, 1991 and 1993), United Kingdom (1984 and 1992), 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: 1959–2003,* June 2004.

[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, 2003,* September 30, 2004.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B–110.—*Foreign exchange rates, 1983–2004*

[Foreign currency units per U.S. dollar, except as noted; certified noon buying rates in New York]

Period	Canada (dollar)	EMU Members (euro) [1 2]	Belgium (franc) [1]	France (franc) [1]	Germany (mark) [1]	Italy (lira) [1]	Netherlands (guilder) [1]	Japan (yen)	Sweden (krona)	Switzerland (franc)	United Kingdom (pound) [2]
March 1973	0.9967	.....	39.408	4.5156	2.8132	568.17	2.8714	261.90	4.4294	3.2171	2.4724
1983	1.2325	.....	51.122	7.6204	2.5539	1519.32	2.8544	237.55	7.6718	2.1007	1.5159
1984	1.2952	.....	57.752	8.7356	2.8455	1756.11	3.2085	237.46	8.2708	2.3500	1.3368
1985	1.3659	.....	59.337	8.9800	2.9420	1908.88	3.3185	238.47	8.6032	2.4552	1.2974
1986	1.3896	.....	44.664	6.9257	2.1705	1491.16	2.4485	168.35	7.1273	1.7979	1.4677
1987	1.3259	.....	37.358	6.0122	1.7981	1297.03	2.0264	144.60	6.3469	1.4918	1.6398
1988	1.2306	.....	36.785	5.9595	1.7570	1302.39	1.9778	128.17	6.1370	1.4643	1.7813
1989	1.1842	.....	39.409	6.3802	1.8808	1372.28	2.1219	138.07	6.4559	1.6369	1.6382
1990	1.1668	.....	33.424	5.4467	1.6166	1198.27	1.8215	145.00	5.9231	1.3901	1.7841
1991	1.1460	.....	34.195	5.6468	1.6610	1241.28	1.8720	134.59	6.0521	1.4356	1.7674
1992	1.2085	.....	32.148	5.2935	1.5618	1232.17	1.7587	126.78	5.8258	1.4064	1.7663
1993	1.2902	.....	34.581	5.6669	1.6545	1573.41	1.8585	111.08	7.7956	1.4781	1.5016
1994	1.3664	.....	33.426	5.5459	1.6216	1611.49	1.8190	102.18	7.7161	1.3667	1.5319
1995	1.3725	.....	29.472	4.9864	1.4321	1629.45	1.6044	93.96	7.1406	1.1812	1.5785
1996	1.3638	.....	30.970	5.1158	1.5049	1542.76	1.6863	108.78	6.7082	1.2361	1.5607
1997	1.3849	.....	35.807	5.8393	1.7348	1703.81	1.9525	121.06	7.6446	1.4514	1.6376
1998	1.4836	.....	36.310	5.8995	1.7597	1736.85	1.9837	130.99	7.9522	1.4506	1.6573
1999	1.4858	1.0653	.....	.....	.....	.....	.....	113.73	8.2740	1.5045	1.6172
2000	1.4855	.9232	.....	.....	.....	.....	.....	107.80	9.1735	1.6904	1.5156
2001	1.5487	.8952	.....	.....	.....	.....	.....	121.57	10.3425	1.6891	1.4396
2002	1.5704	.9454	.....	.....	.....	.....	.....	125.22	9.7233	1.5567	1.5025
2003	1.4008	1.1321	.....	.....	.....	.....	.....	115.94	8.0787	1.3450	1.6347
2004	1.3017	1.2438	.....	.....	.....	.....	.....	108.15	7.3480	1.2428	1.8330
2003: I	1.5098	1.0733	.....	.....	.....	.....	.....	118.93	8.5572	1.3662	1.6025
II	1.3992	1.1356	.....	.....	.....	.....	.....	118.55	8.0607	1.3370	1.6183
III	1.3806	1.1264	.....	.....	.....	.....	.....	117.41	8.1385	1.3720	1.6107
IV	1.3162	1.1920	.....	.....	.....	.....	.....	108.78	7.5647	1.3044	1.7079
2004: I	1.3184	1.2499	.....	.....	.....	.....	.....	107.24	7.3533	1.2552	1.8385
II	1.3590	1.2047	.....	.....	.....	.....	.....	109.69	7.5968	1.2768	1.8063
III	1.3078	1.2227	.....	.....	.....	.....	.....	109.94	7.4922	1.2569	1.8193
IV	1.2208	1.2991	.....	.....	.....	.....	.....	105.67	6.9436	1.1818	1.8687

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]
1983	125.3	52.8	120.4	7.4	110.4	110.8	108.6
1984	138.2	60.1	128.7	9.8	117.5	118.3	115.1
1985	143.0	67.2	133.5	13.1	122.4	122.1	122.9
1986	112.2	62.4	109.8	16.5	106.8	99.6	126.4
1987	96.9	60.4	97.2	19.9	98.1	89.1	123.8
1988	92.7	60.9	90.4	24.1	91.5	84.0	113.3
1989	98.6	66.9	94.3	29.6	93.1	88.2	107.8
1990	89.1	71.4	89.9	40.1	91.5	84.8	110.8
1991	89.8	74.4	88.6	46.7	90.1	83.1	110.3
1992	86.6	76.9	87.0	53.2	88.2	82.0	106.6
1993	93.2	83.8	89.9	63.4	89.6	85.2	104.0
1994	91.3	90.9	88.4	80.5	89.4	84.9	104.1
1995	84.2	92.7	83.4	92.5	86.9	81.0	104.1
1996	87.3	97.5	87.2	98.2	89.0	85.9	101.1
1997	96.4	104.4	93.9	104.6	93.7	93.2	102.1
1998	98.8	115.9	98.4	125.9	101.7	98.2	115.5
1999	.....	116.0	96.9	129.2	101.1	98.0	114.2
2000	.....	119.4	101.6	129.8	105.0	104.7	114.3
2001	.....	125.9	107.7	135.9	111.1	112.2	119.0
2002	.....	126.8	106.0	140.6	111.3	110.6	121.6
2003	.....	119.3	93.0	144.0	104.6	97.7	123.3
2004	.....	113.8	85.4	144.0	100.0	90.7	122.1
2003: I	.....	123.4	97.9	146.0	108.1	102.5	124.9
II	.....	119.1	93.4	143.0	104.5	97.9	122.7
III	.....	119.0	93.1	143.1	104.9	98.0	123.4
IV	.....	115.6	87.8	144.1	101.0	92.2	122.3
2004: I	.....	113.3	85.4	142.9	99.1	90.1	120.8
II	.....	116.0	88.0	145.0	102.2	93.5	123.7
III	.....	115.1	86.5	145.4	101.3	92.1	123.4
IV	.....	110.8	81.8	142.9	97.4	87.3	120.6

[1] European Economic and Monetary Union members include Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, and beginning in 2001, Greece.

[2] U.S. dollars per foreign currency unit.

[3] G-10 comprises the individual countries shown in this table. 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 the consumer price index.

Source: Board of Governors of the Federal Reserve System.

TABLE B–111.—*International reserves, selected years, 1962–2004*

[Millions of SDRs; end of period]

Area and country	1962	1972	1982	1992	2002	2003	2004	
							Oct	Nov
All countries	62,851	146,658	361,239	752,566	1,889,155	2,155,742	2,464,075	2,474,098
Industrial countries [1]	53,502	113,362	214,025	424,229	757,942	846,566	941,959	930,034
United States	17,220	12,112	29,918	52,995	59,160	59,555	57,986	58,414
Canada	2,561	5,572	3,439	8,662	27,225	24,380	24,298	22,159
Euro area:								
Austria	1,081	2,505	5,544	9,703	7,480	6,057	5,452	5,584
Belgium	1,753	3,564	4,757	10,914	9,010	7,686	7,114	7,060
Finland	237	664	1,420	3,862	6,885	7,131	7,462	7,651
France	4,049	9,224	17,850	22,522	24,268	23,718	26,289	26,548
Germany	6,958	21,908	43,909	69,489	41,516	37,986	35,646	35,008
Greece	287	950	916	3,606	6,083	3,056	1,666	1,456
Ireland	359	1,038	2,390	2,514	3,989	2,751	1,760	1,830
Italy	4,068	5,605	15,108	22,438	23,798	23,194	20,681	20,296
Luxembourg	.....	.....	.....	.....	114	191	168	184
Netherlands	1,943	4,407	10,723	17,492	7,993	8,285	7,712	7,597
Portugal	680	2,129	1,179	14,474	8,889	4,536	3,571	3,630
Spain	1,045	4,618	7,450	33,640	25,992	13,906	8,871	8,671
Australia	1,168	5,656	6,053	8,429	15,307	21,751	21,622	21,750
Japan	2,021	16,916	22,001	52,937	340,088	447,229	552,915	540,566
New Zealand	251	767	577	2,239	2,750	3,282	3,022	3,634
Denmark	256	787	2,111	8,090	19,924	25,045	24,956	25,044
Iceland	32	78	133	364	326	535	624	657
Norway	304	1,220	6,273	8,725	23,579	25,089	26,296	28,207
San Marino	.....	.....	.....	.....	135	170	.....	.....
Sweden	802	1,453	3,397	16,667	12,807	13,453	14,151	14,268
Switzerland	2,919	6,961	16,930	27,100	31,693	33,906	34,816	35,139
United Kingdom	3,308	5,201	11,904	27,300	29,305	28,516	28,751	29,447
Developing countries: Total [2]	9,349	33,295	147,213	328,337	1,131,213	1,309,176	1,522,115	1,544,064
By area:								
Africa	2,110	3,962	7,737	13,044	54,158	62,292	77,665	79,961
Asia [2]	2,772	8,130	44,490	190,363	720,141	842,505	993,639	1,009,976
Europe	381	2,680	5,359	16,006	139,318	170,303	203,177	208,521
Middle East	1,805	9,436	64,039	44,149	98,645	101,819	108,077	105,258
Western Hemisphere	2,282	9,089	25,563	64,774	118,953	132,256	139,557	140,348
Memo:								
Oil-exporting countries	2,030	9,956	67,108	46,144	110,079	120,086	136,500	134,296
Non-oil developing countries [2]	7,319	23,339	80,105	282,193	1,021,135	1,189,090	1,385,615	1,409,768

[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; 2003—1.4860; October 2004—1.4988; and November 2004—1.5359.

Source: International Monetary Fund, *International Financial Statistics.*

TABLE B–112.—*Growth rates in real gross domestic product, 1986–2004*

[Percent change at annual rate]

Area and country	1986–95	1996	1997	1998	1999	2000	2001	2002	2003	2004 [1]
World	3.3	4.1	4.2	2.8	3.7	4.7	2.4	3.0	3.9	5.0
Advanced economies	3.0	3.0	3.4	2.7	3.5	3.9	1.2	1.6	2.1	3.6
Of which:										
United States	2.9	3.7	4.5	4.2	4.5	3.7	.8	1.9	3.0	4.3
Japan	3.1	3.5	1.8	–1.2	.2	2.8	.4	–.3	2.5	4.4
United Kingdom	2.5	2.8	3.3	3.1	2.9	3.9	2.3	1.8	2.2	3.4
Canada	2.3	1.6	4.2	4.1	5.5	5.2	1.8	3.4	2.0	2.9
Euro area	.....	1.4	2.3	2.9	2.8	3.5	1.6	.8	.5	2.2
Germany	2.7	.8	1.4	2.0	2.0	2.9	.8	.1	–.1	2.0
France	2.1	1.0	1.9	3.6	3.2	4.2	2.1	1.1	.5	2.6
Italy	2.1	1.1	2.0	1.8	1.7	3.0	1.8	.4	.3	1.4
Spain	3.0	2.4	4.0	4.3	4.2	4.4	2.8	2.2	2.5	2.6
Netherlands	2.7	3.0	3.8	4.3	4.0	3.5	1.4	.6	–.9	1.1
Belgium	2.3	.9	3.7	2.1	3.2	3.7	.7	.7	1.1	2.5
Austria	2.5	2.0	1.6	3.9	2.7	3.4	.8	1.4	.7	1.6
Finland	1.1	3.9	6.3	5.0	3.4	5.1	1.1	2.3	2.0	2.8
Greece	1.2	2.4	3.6	3.4	3.4	4.4	4.0	3.9	4.3	3.9
Portugal	4.0	3.5	4.0	4.6	3.8	3.4	1.6	.4	–1.2	1.4
Ireland	4.4	8.1	10.8	8.9	11.1	9.9	6.0	6.1	3.7	4.7
Luxembourg	6.2	3.3	8.3	6.9	7.8	9.0	1.3	1.7	2.1	2.8
Memorandum:										
Major advanced economies [2]	2.7	2.8	3.2	2.7	3.1	3.5	1.0	1.2	2.2	3.7
Newly industrialized Asian economies [3]	8.1	6.4	5.6	–2.2	7.2	7.9	1.1	5.0	3.0	5.5
Other emerging market and developing countries	3.7	5.6	5.3	3.0	4.0	5.9	4.0	4.8	6.1	6.6
Regional groups:										
Africa	1.9	5.7	3.2	3.1	2.7	2.9	4.0	3.5	4.3	4.5
Central and eastern Europe	.8	4.8	4.2	2.8	.4	4.9	.2	4.4	4.5	5.5
Commonwealth of Independent States [4]	.....	–3.9	1.1	–3.5	5.1	9.1	6.4	5.4	7.8	8.0
Russia	.....	–3.6	1.4	–5.3	6.3	10.0	5.1	4.7	7.3	7.3
Developing Asia	7.7	8.2	6.5	4.1	6.2	6.7	5.5	6.6	7.7	7.6
China	9.9	9.6	8.8	7.8	7.1	8.0	7.5	8.3	9.1	9.0
India	5.7	7.5	5.0	5.8	6.7	5.4	3.9	5.0	7.2	6.4
Middle East	2.7	4.6	5.3	3.8	2.4	5.5	3.6	4.3	6.0	5.1
Western Hemisphere	2.8	3.7	5.2	2.3	.4	3.9	.5	–.1	1.8	4.6
Brazil	2.5	2.7	3.3	.1	.8	4.4	1.3	1.9	–.2	4.0
Mexico	1.6	5.2	6.8	5.0	3.6	6.6	–.2	.8	1.3	4.0

[1] All figures are forecasts as published by the International Monetary Fund. For United States, advance estimates by the Department of Commerce show that real GDP grew 4.4 percent in 2004.

[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.

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.

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