

# **Separate Recognition of Income and Outlays of Nonprofit Institutions Serving Households**

**by**

**Charles Ian Mead\*  
Bureau of Economic Analysis  
U.S. Department of Commerce  
Washington, D.C. 20230**

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## ***Introduction***

BEA's personal sector -- the basis of the measures of personal income and personal consumption expenditures -- includes both households and nonprofit institutions serving households (NPISH's). Because the economic organization and behavior of households differs from that of NPISH's, BEA's data users have long been interested in obtaining separate estimates for these two types of economic units. For next year's comprehensive revision, BEA is developing a table that will present separate income and outlay accounts for households and NPISH's subsectors within the personal income and outlay account. In addition, a new table will reconcile the new income and outlay estimates for NPISH's to similar estimates in the Internal Revenue Service (IRS) *SOI Bulletin*.<sup>1</sup>

One of the primary benefits of the new sets of estimates is that they will separately identify trends and cyclical behavior associated with the transactions of households and NPISH's, along with the transactions between these two different types of economic agents. Thus, they will permit examinations of how spending and savings behavior differs between the two types of economic agents as large demographic shifts or business cycles occur in the U.S. economy. In addition, examinations of the effects of changes in tax laws on charitable giving and household savings will also become possible. Lastly, the new sets of estimates will aid in examinations of differences in market outcomes associated with the provision of services between nonprofit institutions and for-profit businesses.

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<sup>1</sup> Note that the research included in this project is specified in BEA's Strategic Plan for 2001-2005. See U.S. Bureau of Economic Analysis, "BEA's Strategic Plan for 2001-2005" in the Survey of Current Business (Washington, D.C.: U.S. Government Printing Office, May 2002).

An additional benefit of the new sets of estimates is that they will allow for the direct comparison of the income, outlays, and savings of households with the estimates of many other countries. The national income accounting framework agreed to by most of the international community, the *System of National Accounts 1993*, specifies that households and NPISH's should form separate sectors in a country's national accounts. The new sets of estimates for the household sector will be consistent with this organizing principle, allowing for the direct comparison of the income and outlays of households in the United States with those of many other countries.

Although the new sets of estimates are designed to allow for the comparison of estimates within the framework of the NIPA's, many policymakers and researchers are familiar with the estimates of the transactions of tax-exempt organizations provided in the *SOI Bulletin*. Thus, one of the new sets of estimates will specifically explain how the income and outlays of NPISH's produced by BEA relate to the estimates of the transactions of tax-exempt institutions provided by SOI.

The preliminary estimates associated with this project demonstrate that the additional detail that they provide is likely of interest to users of the NIPA's. Specifically, the preliminary results provide the following additional details:

- About one-fourth of the decline in savings in the personal sector between 2000-2001 is explained by a substantial decrease in the savings of NPISH's
- The savings of NPISH's declines by about 40 percent between 2000-2001, whereas the savings of households only declines by about 13 percent between these same years
- About 65 percent of nonprofit institution consumption expenditures is for medical care and about 25 percent is for religious and welfare activities

- Contributions to the estimates of personal income and outlays that are made by NPISH's are small because the transactions between households and NPISH's are netted out in the personal sector estimates

The rest of this paper discusses the general definitions of nonprofit institutions in the NIPA's, presents some methodological considerations, discusses some of the more recently available data, discusses the framework in which the new estimates will be presented, presents preliminary results, and offers conclusions. A methodological appendix that describes the creation of the preliminary estimates follows.

### *The definition of NPISH's*

The NPISH's included in the personal sector of the NIPA's (at least for personal consumption expenditures) consist of trade unions, professional associations, clubs and fraternal organizations, educational institutions, foundations for education and research, and religious and welfare organizations.<sup>2</sup> Although tax status might form an initial basis for defining this sector, the scope of tax-exempt institutions treated as NPISH's is more narrowly defined. In particular, not all tax-exempt institutions are considered nonprofit institutions in NIPA's. Additionally, not all nonprofit institutions in the NIPA's are considered NPISH's.

Many tax-exempt institutions that are excluded from NIPA definition of nonprofit institutions are ones that behave more like businesses. In particular, they raise almost all of their

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<sup>2</sup> This discussion concerns the scope of institutions intended for inclusion in the personal sector. As discussed later in this paper, there are some notable exceptions to this treatment that are a result of limited data availability that does not allow the separate identification of the transactions of nonprofit institution by primary activity.

revenue from sales of goods and services rather than from contributions, gifts, and grants. Examples include mutual-insurance organizations and federal credit unions. In addition, cooperative organizations that receive tax-exempt status from the IRS often have revenues that exceed expenses over prolonged periods of time. Both of these sets of institutions are treated as part of the business sector in the NIPA's.

There is an additional restriction that is used to define the scope of tax-exempt institutions that are treated as nonprofit institutions in the NIPA's: the transactions of tax-exempt organizations within an industry must be separately tabulated in Census Bureau surveys. In particular, the Census Bureau does not provide separate tabulations for tax-exempt financial and manufacturing establishments. Although this restriction results in the elimination of some tax-exempt activity from the nonprofit institution transactions identified in the NIPA's, it is not much reason for concern. The Census Bureau does not separately tabulate the transactions of tax-exempt organizations in industries in which the value is believed to be very small. Further, the NIPA's generally considers the transactions of tax-exempt financial institutions to be associated with the business sector.

Another important distinction for the NIPA's is that nonprofit institutions are further defined as either serving households or business with neither of these definitions corresponding perfectly with those used in *SOI Bulletin*. Although a large proportion of public charities that are considered NPISH's in the personal income and outlay account, there are exceptions. For instance, public charities that primarily provide nonfinancial support to other nonprofit institutions are not considered NPISH's. In addition to the large subset of public charities, a number of other types of tax-exempt organizations are considered NPISH's. These include domestic fraternal societies, labor organizations, political organizations, and social and

recreation clubs, along with some professional associations. All other nonprofit institutions in the NIPA's are defined as those serving business.

A summary of the treatment of tax-exempt institutions in personal consumption expenditures is presented in Table 1. This table lists the North American Industrial Classification System codes for industries included in personal consumption expenditures that are treated as NPISH's. As can be seen in the table, many industries that encompass the nontaxable activity of organizations that act like business, such as the credit unions, are not listed in the table because they are not considered nonprofit institutions in the NIPA's. In addition, examples of industries that encompass the nontaxable activity of nonprofit institutions serving business, such as business associations, are absent from the table.

### ***Structure of the income and outlay account***

The income and outlay account presents four main sets of estimates for the personal sector that is comprised of households, NPISH's, private noninsured welfare funds, and personal trust funds. The first set of the account consists of estimates related to the measurement of personal income. Personal income is the sum of wage and salary disbursements, other labor income, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments to persons, less personal contributions to social

insurance.<sup>3</sup> The second set consists of an estimate of disposable income which is defined as personal income minus personal tax and nontax payments. The third set consists of estimates related to personal outlays. Personal outlays are defined as of the sum of personal consumption expenditures, interest paid by persons, and personal transfer payments to the rest of the world. The last set consists of the measure of personal saving that is calculated as disposable personal income minus personal outlays.

### ***Methodological considerations***

The availability of data used to create estimates for the personal income and outlay account influences the methodology used to create the estimates for the proposed tables. In particular, the estimation of many personal income items relies on the use of data from a wide variety of sources, none of which directly identify the value of transactions associated with households of NPISH's in the personal sector. Rather, estimates for many items are based on the use of accounting identities. Although these items typically contribute less than 20 percent to the total value of personal income, the nature of these calculations demonstrates the need to use alternative source data to complete the proposed tables. In particular, data are needed that directly identify either the transactions of households or NPISH's.

The specific income items that rely on the use of accounting identities to estimate their value of interest for the proposed tables include the rental income of persons with capital

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<sup>3</sup> The BEA measure of personal income and the IRS measure of adjusted gross income are both commonly used measures of household income. See Thae S. Park, "Comparison of BEA Estimates of Personal Income and IRS Estimates of Adjusted Gross Income" in the *Survey of Current Business* (Washington, D.C.: U.S. Government Printing Office, November 2001) for an explanation of the major definitional and statistical differences between these two measures, along with a discussion of some of the uses of these measures.

consumption adjustment, personal dividend income, and personal interest payments. Wage and salary disbursements, other labor income, and proprietors' income with inventory valuation and capital consumption adjustment are not of particular interest because they are only received by households.

The transactions of nonprofit institutions that are included in the rental income of persons consist of a portion of rental income from nonfarm nonresidential property. The estimates are based on nonresidential fixed assets from the BEA capital stock series and a rate of return based on IRS tabulations of business tax returns, less a capital consumption adjustment.<sup>4</sup> Because the personal income and outlay account includes all rental income received by noncorporate business, it should be noted that the rental income of nonprofit institutions serving business are implicitly included in these estimates.<sup>5</sup>

Although the specific methodologies that are used to create the personal dividend and interest income estimates differ, both estimates are determined by identifying a residual value that imperfectly incorporates the transactions of NPISH's. Personal dividend income is defined as net dividends paid by corporations, less dividends received by government. Its estimation is primarily based on data provided in tabulations of IRS tax returns and data in the *Budget of the United States*. Based on a variety of data sources, personal interest income is net interest plus net interest paid by government and interest paid by persons. As with personal rental income,

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<sup>4</sup> Additional information on the data and methodology used to produce different vintages of both annual and quarterly estimates of personal income can be found in U.S. Bureau of Economic Analysis, "Updated Summary Methodologies," *Survey of Current Business* 82 (Washington, D.C.: U.S. Government Printing Office, September 2001): 20-31. In addition, see U.S. Bureau of Economic Analysis, *State Personal Income, 1929-97* (Washington, D.C.: U.S. Government Printing Office, May 1999)

<sup>5</sup> Note that this feature of the income and outlay account has no bearing on estimates of gross national income or product. It is an issue associated with the allocation of income across sectors of the economy that the reconciliation estimates provided later in this paper do not suggest is a very substantial issue.



these measures implicitly include some nonprofit transactions for nonprofit institutions that are not included in the scope of NPISH's.

The measurement of the transactions of NPISH's in the outlay portion of the account is a bit more direct and precise than in the income portion of the account. Most of the data used to construct personal consumption expenditures, which usually comprises more than 95 percent of the value of personal outlays, is from Census Bureau surveys that directly identify the transactions of NPISH's.<sup>6</sup> However, the coverage of NPISH's in the Census Bureau surveys is incomplete. In particular, labor organizations, religious organizations, and educational organizations other than technical or trade schools are not included in the surveys. For these institutions, alternative source data are used. In addition, tabulations in the SOI Bulletin and data collected by BEA surveys are used to formulate the estimates for interest paid by persons and transfer payments by persons to the rest of the world from the international transaction accounts.

### ***New data availability***

Although the Census Bureau has provided separate tabulations for nonprofit institutions across a broad range of industries since 1977, the increased interest in the activities of nonprofit institutions has resulted in the availability of additional data that can be used measure the transactions of nonprofit institutions. Most notably, SOI micro data have become available to

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<sup>6</sup> A complete description of how these data are used to create the various vintages of estimates appears in U.S. Bureau of Economic Analysis, *MP-6: Personal Consumption Expenditures* (Washington, D.C.: U.S. Government Printing Office, June 1990). Updated information on methodologies appears in U.S. Bureau of Economic Analysis, "Updated Summary Methodologies," *Survey of Current Business* 82 (Washington, D.C.: U.S. Government Printing Office, October 2002): 20-38.

researchers with approved research projects through the National Center for Charitable Statistics (NCCS) at the Urban Institute. These data consist of much of the information provided by tax-exempt organizations on the information returns required by the IRS. One set of these data, the Return Transaction Files, consists of a set of administrative records that are maintained by the IRS for all tax-exempt organizations. A second set, the SOI Sample Files, consists of a sample of returns in which a larger set of return items is included. A third set, the Core Files, consist of data sets created by NCCS that primarily consist of IRS administrative records data.<sup>7</sup>

The SOI micro data are of particular interest because they not only allow for the calculation of more precise estimates for some items of the new tables, but they also allow for the creation of estimates for the reconciliation table. Their particular value for the proposed tables lies in their ability to identify NPISH transactions. However, one limitation of these data is that they are not available for all nonprofit institutions included in the tabulations of the SOI Bulletin before 1990. An additional limitation is that it is anticipated that the SOI Sample Files will only be available with about a lag of three to four years.

In addition to the data on nonprofit institutions available through the NCCS, a number of surveys have been recently conducted that measure additional aspects of nonprofit activity. Although a much large set of surveys was investigated for this project, there are a few notable examples of useful surveys. Most notably, the American Association of Fundraising Council (AAFRC) Trust for Philanthropy has conducted surveys that have led to annual estimates for the value of donations and bequests from households to nonprofit institutions over the period of 1970-2001. Another set of examples are the two surveys of charitable contributions to religious

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<sup>7</sup> NCCS has added additional activity classification coding to many of the Core files, particularly for earlier years of data. They also further edit these data. For more information as to the details associated with the data available through NCCS see <http://nccs.urban.org>.

organizations that have been financially supported by the Lilly Foundation. The first of these surveys was conducted by the Independent Sector in 1992, and the second was conducted by the Alban Institute in 1998. As a final set of examples, two School and Staffing Surveys were conducted by the Census Bureau in 1993 and 1999 for the U.S. Department of Education. These additional data either can be used to create new estimates or corroborate existing estimates of nonprofit transactions.

### ***Framework for the presentation of new income and outlay estimates***

The addition of the new income and outlay estimates in the NIPA's will not create any fundamental accounting changes that might have repercussions elsewhere in the NIPA's. No changes will be made to the methodology or source data used to construct the personal income and outlay estimates. Further, no changes will be made to the definition of NPISH's that is currently used to create estimates for personal consumption expenditures. Rather, newly formulated estimates will be created that specify the activity of NPISH's. These estimates will then be used to create estimates for households in a manner where many are defined as differences between personal and NPISH estimates. This general approach not only avoids making undue changes to the personal income estimates, but is also reflects the effects of limited data availability on the methodology that can be used to create the new set of estimates.

The new sets of estimates will be presented in a table that will specifically consist of three main panels of data. The first panel will present estimates for the income and outlays of the personal sector where the methodology and source data used to create the estimates is the same as that used to create the personal income and outlay account. The second panel will

present estimates for the income and outlays of households. The last panel of the table will present the income and outlays of NPISH's. The order in which individual line item will be presented in this table will generally be the same as that used in the income and outlay account.

The few items presented in the new tables that are not included in the personal income and outlay account will be used so that of transactions between households and NPISH's are not netted out in the last two panels of the data. This will specifically involve the addition of a few items. First, transfer payments from nonprofit institutions to households will be introduced into the measurement of household income. Specifically, these transfers include the gifts and grants paid out by nonprofit institutions that do not primarily support to other nonprofit organizations. These estimates are also introduced into the outlays of NPISH's. Second, transfer payments to nonprofit institutions from households will be introduced in household outlays. These transfers not only include household contributions, but also include household bequests. These estimates are introduced into the income of NPISH's as well. Third, household consumption expenditures on the purchase of the goods and services provided by NPISH's will be introduced. These estimates will also be included in the income of NPISH's.

### ***Framework for the presentation of reconciliation estimates***

The estimates of the income and outlays of NPISH's that will be prepared by BEA differ from similar estimates provided in the *SOI Bulletin*. Both of these sets of estimates contain transactions of institutions that the other omits. The estimates that will explain how the BEA estimates of the income and outlays of NPISH's related to estimates provided in the *SOI Bulletin*

will be presented in a separate table. In addition, they will only be created for years which estimates are currently provided by SOI.

The first group of estimates in the table will consist of the items removed from IRS nonprofit revenue in order to arrive at the BEA definition of NPISH income. First, gains from the sale of assets are not included in the BEA definition. Second, the BEA definition is intended to measure activity over a calendar year. Third, the BEA definition does not include the revenue of nonresident institutions. Fourth, the transactions of many tax-exempt educational institutions and hospitals that are considered government entities in the NIPA's are included in the IRS tabulation. Fifth, the specific activities of many tax-exempt institutions are not considered to occur in the NPISH's subsector.<sup>8</sup> Lastly, transfer payments between NPISH's are not included in the BEA definition of revenue.

The second group of estimates will add the activity of NPISH's that are included in the BEA definition of NPISH income, but are not included in the SOI tabulations of revenue. First, the coverage of the transactions of religious organizations is incomplete in the SOI tabulations because they are not required to file information returns with the IRS. Thus, the transactions of these organizations that are included in the SOI tabulations will be removed and replaced with an estimate based on alternative source data. Second, the tabulations presented in the SOI Bulletin do not cover all tax-exempt institutions, some of which are included in the BEA definition of NPISH income. The last item in this second group of reconciliation items will add the revenue of these particular institutions.

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<sup>8</sup> These include all of the activities of tax-exempt institutions that are not considered a NPISH's as well as some activities associated with tax-exempt institutions that are considered NPISH's. This last set of activities is included because they are redefined into other industries in the personal income and outlay estimates. Although these redefinition of activity associated with nonprofit institutions is usually around \$10 billion, additional research is planned that will reconsider this treatment of redefinitions for the new sets of estimates.

After this group of statistics is presented, the “NPISH income gap” will be presented. This statistic will be defined as the difference between the IRS- and BEA-derived estimates of NPISH income. Although there might be cases in which there are some offsetting errors that are incorporated into the unexplained differences between these two series of estimates, these gaps are intended to measure the differences between the estimates that cannot be explained because the estimates are influenced by sample coverage or measurement error in the separate source data.

The last portion of the reconciliation table will show the reconciliation between BEA- and IRS-derived NPISH expenditures. Since the primary difference between the BEA and IRS estimates concern the coverage of institutions, the presentation of the reconciliation for these estimates will closely mirror that of the reconciliation of the revenue estimates. There are only two items in this portion of the table that need further elaboration. First, no adjustment is necessary to match the accounting definitions of BEA outlays and IRS expenditures. Second, the BEA definition of expenditures does not include transfers to other nonprofit institutions. Thus, transfer payments to other organizations will be subtracted from IRS expenditures rather than added as will be the case for income.

The last section of table will present the “NPISH outlay gap” that will be defined as the difference between the IRS- and BEA-defined estimates of NPISH revenue. As with the income gap measure, it is intended to measure the differences between the estimates that cannot be explained.

### *Preliminary estimates*

Preliminary estimates using the methodology described in the appendix of this paper have been completed and are presented in tables 2 and 3. Although preliminary, they current sets of estimates provide an indication of the types of results that can be expected from the final sets of estimates.

There are a number of noteworthy characteristics from the preliminary results presented for the supplemental income and outlay table that are presented in table 2. In particular, the following features that were mentioned in the introduction of this paper can be seen (the line items containing these results are in brackets):

- About one-fourth of the decline in savings in the personal sector between 2000-2001 is explained by a substantial decrease in the savings of NPISH's [lines 16 and 58]
- The savings of NPISH's declines by about 40 percent between 2000-2001, whereas the savings of households only declines by about 13 percent between these same years [lines 37 and 58]
- About 65 percent of nonprofit institution consumption expenditures is for medical care and about 25 percent is for religious and welfare activities
- Contributions to personal income that are made by NPISH's are small because transactions between households and NPISH's are netted out of this estimate [line 60]

The preliminary reconciliation estimates that are presented in table 3 of this paper are encouraging. The values of the income and expenditure gaps are usually less than 10 percent of the respective BEA-derived estimates of NPISH income and outlays. Most of the difference between these estimates can be explained by differences in the scope of nonprofit institutions

that are covered in each of the estimates, with a smaller portion explained by accounting differences. Although the income gap is anticipated to change a bit as the final estimates for the income items are completed, these values are well within bounds that support the notion that the preliminary BEA estimates are fairly accurate.

### ***Conclusions***

This paper presents the results of ongoing research at BEA to create a new set of tables that separately summarize the transactions of households and NPISH's that are currently grouped together in the personal income and outlay account. In particular, these tables will provide estimates of the transactions of both types of agents included in the personal income and outlay account in a manner that will not cause changes to the main set of accounts. They also will describe how BEA-derived estimates of income and outlays for NPISH's relate to tabulations of tax-exempt transactions presented in the *SOI Bulletin*.

One of the main difficulties that has traditionally been encountered in the creation of the separate treatment of households and NPISH's in the NIPA's has been limited data availability. In particular, the absence of source data that directly identify the transactions of the personal sector has led to the need to make these estimates more indirectly through accounting identities. In addition, any estimates for the transactions of NPISH's could not be easily related to tabulations of the transactions of tax-exempt institutions provided in the *SOI Bulletin* because the scope of institutions that are considered to be NPISH's in the NIPA's does not perfectly correlate with any of the concepts used to tabulate the SOI information return data.



The increased availability of new source data allows for the creation of reasonable estimates for the currently proposed tables. For instance, the underlying microdata used to create the tabulations of nonprofit transaction that are presented in the *SOI Bulletin* have become available through NCCS. The availability of these data allows for the creation of the reconciliation estimates, and they also allow for the creation of more accurate estimates for many items in the new income and outlay table. In addition, numerous surveys have been conducted on the sources of income for nonprofit institutions. Although these data measure the transactions of nonprofit institutions, they can also be used to define values for the transactions of households through the use of accounting identities that form the basis for many estimates for households in the new income and outlay table.

The initial results from this research have been encouraging for at least a couple of reasons. First, estimates for the new table that specify the income and outlays for the two separate sets of economic entities that make up the personal sector demonstrate that there are some additional details that are likely of interest to some policymakers and researchers that are masked by the inclusion of NPISH's with households in the personal sector. Second, the results of the reconciliation table suggest that the proposed methodology to complete the estimates for these tables results in reasonable estimates that are not too different from estimates derived from alternative source data.

## *Methodological appendix*

This appendix describes the source data and methodology used to create the estimates presented in the main text. The first section discusses the formation of the estimates presented in the supplemental income and outlay account. The second section discusses the formation of the estimates presented in the reconciliation table.

### *The supplemental income and outlay estimates*

The source data and methodology used to produce the estimates for the supplemental income and outlay table are presented in table 4. As can be seen from this table, there were three types of ways in which these estimates were created. First, some items in the personal income and outlay account do not contain the transactions of NPISH's so that the estimates for households were chosen as identical to those for the personal sector. These items include wage and salary disbursements (line 18), other labor income (line 19), proprietors' income with inventory valuation and capital consumption allowances (line 20), and household contributions to social insurance (line 27). Second, some items were calculated as the residual between personal and NPISH estimates, such as rental income (item 21), dividend and interest income (lines 22 and 23, respectively), transfer payments to households from business and government (line 25), and household tax and non-tax payments (line 28). Third, some items were calculated from new source data that has become available that measures the transactions of nonprofit

institutions. Examples include transfer payments to households from nonprofit institutions (line 26) and transfer payments from households to nonprofit institutions (line 36).

The summary of methodology in table 4 also demonstrates that many of the estimates for the income items associated with NPISH's are based on the use of a wide variety of source data. For instance, estimates of nonprofit dividend and interest income (lines 40 and 41, respectively) are primarily based on data from the SOI Sample Files. However, these data are also supplemented with trade source data in the formation of the final estimates because the filing of information returns by churches and many religious-affiliated schools is not required by the IRS. Additionally estimates for transfer payments to nonprofit institutions (line 42) are based on a wide variety of source data. Estimates of transfer payments from business and government (line 43) are based on information in the *Budget of the United States* and tabulations of corporate income tax returns presented in the *SOI Bulletin*.<sup>9</sup> Estimates of transfer payments from households are primarily based on data provided in the AAFRC *Giving USA* publications.

The estimates for the outlay items for NPISH's in the new table are primarily based on data provided by Census Bureau surveys. However, additional source data was used to complete these estimates as well. In particular, the Census Bureau surveys do not cover or separately identify the transactions of religious or labor organizations, nor do they generally cover institutions of higher education. Thus, Census data was supplemented with data from the U.S. Department of Education and trade sources to complete estimates for the consumption

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<sup>9</sup> Some transfer payments are made from State and local governments to nonprofit institutions that are not included in the current estimates that are presented later in this paper. Although no separate source of data has been found that separately identifies the value of these transactions, the available data suggest that these payments are small relative to transfer payments from the Federal Government.

expenditures of NPISH's (line 49). The last three outlay items included in the new table (lines 55 through 57) are based on data collected by the IRS.

*The reconciliation estimates*

Table 3 shows the source data and methodology used to estimate each of the items that will be presented in the proposed reconciliations table. As this table demonstrates, most of the estimates were created through the use of the SOI micro data. However, there are two items that deserve further explanation. First, the adjustment for the partial coverage of religious institutions in the SOI data was calculated as the difference between BEA- and SOI-based estimates (lines 10 and 23). In addition, the adjustment to reflect differences in the definitions of government institutions between the NIPA's and the IRS was calculated as the difference between BEA- and SOI-derived estimates (lines 6 and 19).

**Table 1. – North American Classification System (NAICS) Industries with Nonprofit Activity in Personal Consumption Expenditures**

NAICS	Description
513	Broadcasting and Telecommunications
514	Information and Data Processing Services
541	Professional, Scientific and Technical Services
611	Education Services
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
721	Accommodations
813	Religious, Grantmaking, Civic, Professional, and Similar Organizations

**Table 2. – Preliminary Estimates of Personal Income and Its Disposition  
by Type: Annually, 1992-2001**

[Billions of dollars]

Line		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
1	<b>Personal income</b>	<b>5390.4</b>	<b>5610.0</b>	<b>5888.0</b>	<b>6200.9</b>	<b>6547.4</b>	<b>6937.0</b>	<b>7426.0</b>	<b>7786.5</b>	<b>8406.6</b>	<b>8685.3</b>
2	Wage and salary disbursements	2982.6	3085.2	3236.7	3424.7	3626.5	3888.9	4192.8	4470.4	4836.3	4950.6
3	Other labor income	449.5	482.8	507.5	497.0	490.0	475.4	490.6	510.2	544.2	570.4
4	Proprietors' income with inventory valuation and capital consumption adjustments	434.3	461.8	476.6	497.7	544.7	581.2	623.8	678.4	714.8	727.9
5	Rental income of persons with capital consumption adjustment	63.3	90.9	110.3	117.9	129.7	128.3	138.6	149.1	146.6	137.9
6	Personal dividend income	185.3	203.0	234.7	254.0	297.4	334.9	348.3	328.0	375.7	409.2
7	Personal interest income	750.1	725.5	742.4	792.5	810.6	864.0	964.4	969.2	1077.0	1091.3
8	Transfer payments to persons	751.7	798.6	833.9	885.9	928.8	962.2	983.7	1018.5	1070.3	1170.4
9	Less: Personal contributions for social insurance	226.6	237.8	254.1	268.8	280.4	297.9	316.3	337.4	358.4	372.3
10	<b>Less: Personal tax and nontax payments</b>	<b>635.8</b>	<b>674.6</b>	<b>722.6</b>	<b>778.3</b>	<b>869.7</b>	<b>968.8</b>	<b>1070.4</b>	<b>1159.1</b>	<b>1286.4</b>	<b>1292.1</b>
11	<b>Equals: Disposable personal income</b>	<b>4754.6</b>	<b>4935.3</b>	<b>5165.4</b>	<b>5422.6</b>	<b>5677.7</b>	<b>5968.2</b>	<b>6355.6</b>	<b>6627.4</b>	<b>7120.2</b>	<b>7393.2</b>
12	<b>Less: Personal outlays</b>	<b>4340.9</b>	<b>4584.5</b>	<b>4849.9</b>	<b>5120.2</b>	<b>5405.6</b>	<b>5715.3</b>	<b>6054.1</b>	<b>6453.3</b>	<b>6918.6</b>	<b>7223.5</b>
13	Personal consumption expenditures	4209.7	4454.7	4716.4	4969.0	5237.5	5529.3	5856.0	6246.5	6683.7	6987.0
14	Interest paid by persons	118.7	115.4	117.9	134.7	149.9	164.8	173.7	179.5	205.4	205.4
15	Personal transfer payments to the rest of the world (net)	12.5	14.4	15.6	16.5	18.2	21.2	24.3	27.3	29.5	31.1
16	<b>Equals: Personal saving</b>	<b>413.7</b>	<b>350.8</b>	<b>315.5</b>	<b>302.4</b>	<b>272.1</b>	<b>252.9</b>	<b>301.5</b>	<b>174.0</b>	<b>201.5</b>	<b>169.7</b>
17	<b>Household Income</b>	<b>5358.5</b>	<b>5577.7</b>	<b>5852.8</b>	<b>6159.3</b>	<b>6503.2</b>	<b>6892.3</b>	<b>7388.8</b>	<b>7755.6</b>	<b>8378.7</b>	<b>8657.0</b>
18	Wage and salary disbursements	2982.6	3085.2	3236.7	3424.7	3626.5	3888.9	4192.8	4470.4	4836.3	4950.6
19	Other labor income	449.5	482.8	507.5	497.0	490.0	475.4	490.6	510.2	544.2	570.4
20	Proprietors' income with inventory valuation and capital consumption adjustments	434.3	461.8	476.6	497.7	544.7	581.2	623.8	678.4	714.8	727.9
21	Rental income of households with capital consumption adjustment	62.1	89.5	108.8	116.2	127.9	126.3	136.5	147.2	144.8	136.2
22	Household dividend income	175.0	191.5	222.3	239.3	281.2	320.0	334.2	316.0	365.7	398.3
23	Household interest income	729.5	706.0	721.1	768.2	785.3	834.2	936.7	940.5	1049.5	1063.4
24	Transfer payments to households	752.1	798.7	833.9	885.0	928.0	964.2	990.5	1030.3	1081.8	1182.4
25	From business and government	737.4	782.8	816.7	866.9	909.6	942.8	963.4	996.9	1046.9	1144.5
26	From nonprofit institutions 1/	14.7	15.9	17.2	18.1	18.4	21.4	27.1	33.4	34.9	37.9
27	Less: Household contributions for social insurance	226.6	237.8	254.1	268.8	280.4	297.9	316.3	337.4	358.4	372.3
28	<b>Less: Household tax and nontax payments</b>	<b>635.6</b>	<b>674.4</b>	<b>722.4</b>	<b>778.1</b>	<b>869.4</b>	<b>968.3</b>	<b>1069.9</b>	<b>1158.5</b>	<b>1285.8</b>	<b>1291.5</b>
29	<b>Equals: Disposable household income</b>	<b>4722.9</b>	<b>4903.3</b>	<b>5130.4</b>	<b>5381.2</b>	<b>5633.8</b>	<b>5924.0</b>	<b>6318.9</b>	<b>6597.1</b>	<b>7092.9</b>	<b>7365.5</b>

See footnotes at the end of the table.

**Table 2. – Preliminary Estimates of Personal Income and Its Disposition  
by Type: Annually, 1992-2001 – Continued**

[Billions of dollars]

Line		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
30	<b>Less: Household outlays</b>	<b>4335.3</b>	<b>4578.5</b>	<b>4841.0</b>	<b>5105.0</b>	<b>5395.9</b>	<b>5717.6</b>	<b>6059.8</b>	<b>6459.5</b>	<b>6918.4</b>	<b>7215.1</b>
	Household consumption expenditures										
31		<b>4116.8</b>	<b>4359.8</b>	<b>4612.5</b>	<b>4860.7</b>	<b>5119.8</b>	<b>5416.3</b>	<b>5730.6</b>	<b>6110.6</b>	<b>6529.5</b>	<b>6820.1</b>
32	From business and government	3803.1	4023.7	4262.0	4494.9	4739.8	5012.2	5306.5	5666.5	6061.4	6321.2
33	From nonprofit institutions	313.7	336.1	350.5	365.8	380.0	404.1	424.1	444.1	468.1	498.9
34	Interest paid by households	109.9	106.4	111.2	124.4	139.3	153.1	161.5	167.4	193.9	193.7
35	Household transfer payments to the rest of the world (net)	10.0	11.4	12.4	13.1	14.3	16.4	18.1	20.1	22.2	23.5
36	Household transfer payments to nonprofit institutions 2/	98.7	100.9	104.9	106.7	122.5	131.7	149.6	161.4	172.7	177.8
37	<b>Equals: Household saving</b>	<b>387.6</b>	<b>324.8</b>	<b>289.4</b>	<b>276.2</b>	<b>237.9</b>	<b>206.4</b>	<b>259.1</b>	<b>137.6</b>	<b>174.5</b>	<b>150.3</b>
38	<b>Nonprofit Institution Income</b>	<b>458.7</b>	<b>485.2</b>	<b>507.8</b>	<b>532.3</b>	<b>565.0</b>	<b>602.0</b>	<b>637.9</b>	<b>669.8</b>	<b>703.6</b>	<b>743.0</b>
	Rental income of nonprofit institutions with capital consumption adjustment										
39		1.2	1.4	1.5	1.7	1.8	2.0	2.1	1.9	1.8	1.7
40	Nonprofit institution dividend income	10.3	11.5	12.4	14.7	16.2	14.9	14.1	12.0	10.0	10.9
41	Nonprofit institution interest income	20.6	19.5	21.3	24.3	25.3	29.8	27.7	28.7	27.5	27.9
42	Transfer payments to nonprofit institutions	113.0	116.7	122.1	125.7	141.7	151.1	169.9	183.0	196.1	203.7
43	From business and government	14.3	15.8	17.2	19.0	19.2	19.4	20.3	21.6	23.4	25.9
44	From households 2/	98.7	100.9	104.9	106.7	122.5	131.7	149.6	161.4	172.7	177.8
45	Receipts from sales of goods and services by nonprofit institutions 3/	313.7	336.1	350.5	365.8	380.0	404.1	424.1	444.1	468.1	498.9
46	<b>Less: Nonprofit institution tax and nontax payments</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>
47	<b>Equals: Disposable nonprofit institution income</b>	<b>458.5</b>	<b>485.0</b>	<b>507.6</b>	<b>532.1</b>	<b>564.7</b>	<b>601.5</b>	<b>637.4</b>	<b>669.2</b>	<b>703.0</b>	<b>742.4</b>
48	<b>Less: Nonprofit institution outlays</b>	<b>432.6</b>	<b>458.9</b>	<b>481.5</b>	<b>505.9</b>	<b>530.6</b>	<b>555.0</b>	<b>595.0</b>	<b>632.7</b>	<b>676.0</b>	<b>723.0</b>
49	Nonprofit institution consumption expenditures 4/	406.6	431.0	454.4	474.1	497.7	517.1	549.5	580.0	622.3	665.8
50	Medical care	228.6	244.9	255.4	264.8	275.1	287.8	302.6	318.4	335.4	362.1
51	Recreation	13.0	14.1	15.2	16.0	16.2	16.2	17.3	18.3	19.9	20.7
52	Education and religion	57.2	60.6	63.7	67.5	71.3	74.7	78.9	84.6	89.7	95.0
53	Religious and welfare activities	95.5	98.9	107.0	112.3	120.9	122.7	135.0	141.8	159.2	168.7
54	Other 5/	12.2	12.6	13.0	13.6	14.2	14.9	15.9	16.9	18.1	19.2
55	Interest paid by nonprofit institutions	8.8	9.0	6.7	10.3	10.6	11.7	12.2	12.1	11.5	11.7
56	Nonprofit institution transfer payments to the rest of the world (net)	2.5	3.0	3.2	3.4	3.9	4.8	6.2	7.2	7.3	7.6

See footnotes at the end of the table.

**Table 2. – Preliminary Estimates of Personal Income and Its Disposition  
by Type: Annually, 1992-2001 – Continued**

[Billions of dollars]

Line		1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
57	Nonprofit institution transfer payments to households (gross) 1/	14.7	15.9	17.2	18.1	18.4	21.4	27.1	33.4	34.9	37.9
58	<b>Equals: Nonprofit institution saving</b>	<b>25.9</b>	<b>26.1</b>	<b>26.1</b>	<b>26.2</b>	<b>34.1</b>	<b>46.5</b>	<b>42.4</b>	<b>36.4</b>	<b>27.0</b>	<b>19.5</b>
	<b>Addenda:</b>										
59	Portion of NPISH revenue included in personal income 6/	46.4	48.2	52.4	59.7	62.5	66.1	64.2	64.2	62.7	66.3
60	Transfers between nonprofit institutions 7/	22.9	22.7	22.5	23.9	27.8	31.2	39.6	41.5	43.3	46.0

1/ Includes grants and allocations made by nonprofit institutions that directly support households, including private foundations

2/ Includes individual contributions and bequests from households

3/ Excludes secondary sales to other sectors

4/ Expenditures are net of secondary sales to other sectors

5/ Includes legal services, labor unions, expenses, professional association expenses, and club and fraternal housing

6/ Consists of the sum of nonprofit rental income, dividend income, interest income, transfer payments from business, and transfer payments from government

7/ Includes grants and allocations made by nonprofit institutions and private foundations that indirectly support households through the support of other nonprofit institutions



**Table 3. – Preliminary Comparison of Revenue and Expenses of Nonprofit Institutions Serving Individuals**

[Billions of dollars]

Line		1992	1993	1994	1995	1996	1997	1998
1	IRS nonprofit revenue (reported) .....	681.5	728.2	764.5	849.1	917.0	987.3	997.2
2	<b>Less: Portion of IRS nonprofit revenue (reported) not included in nonprofit income</b>	<b>255.4</b>	<b>251.8</b>	<b>269.1</b>	<b>319.4</b>	<b>359.2</b>	<b>410.3</b>	<b>368.2</b>
3	Adjustment for for different accounting concepts 1/	18.3	22.2	20.1	36.8	60.0	80.8	60.7
4	Adjustment for different accounting periods .....	8.2	4.6	4.8	1.7	10.1	9.8	7.5
5	Nonresident institutions .....	10.3	9.8	12.1	12.6	12.1	11.9	9.9
6	Government hospitals and schools 2/.....	85.4	82.1	88.6	91.3	89.6	99.4	107.3
7	Out-of-scope activity 3/.....	111.5	110.8	122.2	154.5	161.5	180.3	148.4
8	Transfer payments from other nonprofit institutions 4/	21.7	22.3	21.3	22.5	25.9	28.1	34.4
9	<b>Plus: Portion of NPISH revenue not included in IRS nonprofit income</b> .....	<b>28.2</b>	<b>29.2</b>	<b>32.3</b>	<b>31.6</b>	<b>33.6</b>	<b>32.4</b>	<b>36.2</b>
10	Religious organizations 2/.....	26.1	26.9	29.8	28.9	30.9	29.5	33.1
11	Other organizations .....	2.1	2.3	2.5	2.7	2.7	2.9	3.1
12	<b>Equals: IRS-derived nonprofit income</b> .....	<b>454.3</b>	<b>505.6</b>	<b>527.7</b>	<b>561.3</b>	<b>591.4</b>	<b>609.4</b>	<b>665.2</b>
13	BEA-derived nonprofit income .....	458.7	485.2	507.8	532.3	565.0	602.0	637.9
14	<b>Nonprofit income gap</b> .....	<b>-4.4</b>	<b>20.4</b>	<b>19.9</b>	<b>29.0</b>	<b>26.4</b>	<b>7.4</b>	<b>27.3</b>
15	IRS nonprofit expenditures (reported) .....	634.4	674.6	700.5	763.6	808.8	864.6	881.9
16	<b>Less: Portion of IRS nonprofit expenditures (reported) not included in nonprofit outlays</b>	<b>213.0</b>	<b>213.8</b>	<b>234.2</b>	<b>262.0</b>	<b>279.7</b>	<b>307.1</b>	<b>287.9</b>
17	Adjustment for different accounting periods .....	7.3	4.0	4.3	1.4	6.5	3.3	8.6
18	Nonresident institutions .....	9.3	9.3	11.5	10.7	10.7	10.7	9.3
19	Government hospitals and schools 2/.....	64.7	72.4	78.2	83.8	79.6	84.4	96.1
20	Out-of-scope activity 3/.....	110.0	105.8	118.9	143.6	157.0	180.6	139.5
21	Transfer payments from other nonprofit institutions 4/	21.7	22.3	21.3	22.5	25.9	28.1	34.4
22	<b>Plus: Portion of nonprofit outlays not included in IRS nonprofit expenditures (reported) ...</b>	<b>27.9</b>	<b>29.1</b>	<b>32.2</b>	<b>32.4</b>	<b>35.2</b>	<b>34.0</b>	<b>36.6</b>
23	Religious organizations .....	26.2	27.2	30.2	30.2	33.0	31.7	34.0
24	Other organizations .....	1.7	1.9	2.0	2.2	2.2	2.3	2.6
25	<b>Equals: IRS-derived nonprofit outlays</b> .....	<b>458.5</b>	<b>485.0</b>	<b>507.6</b>	<b>534.0</b>	<b>564.3</b>	<b>591.5</b>	<b>630.6</b>
26	BEA-derived nonprofit outlays .....	432.6	458.9	481.5	505.9	530.6	555.0	595.0
27	<b>Nonprofit outlay gap</b> .....	<b>25.9</b>	<b>26.1</b>	<b>26.1</b>	<b>28.1</b>	<b>33.7</b>	<b>36.5</b>	<b>35.6</b>

1/ Reflects removal of the gains from the sales of assets

2/ Reflects adjustment for partial coverage in one of the data sources

3/ Reflects both the activity of out-of-scope institutions and secondary sales to other sectors

4/ Consists of the gifts and grants of nonprofit institutions that primarily support other nonprofit institutions

**Table 4. – Source Data and Methodology for New Income and Outlay Estimates**

Line	Component	Subcomponent	Source and Methodology
17	<b>Household income</b>		Sum of lines 18 through 24, less line 27
18		Wage and salary disbursements	NIPA table 2.1, line 2
19		Other labor income	NIPA table 2.1, line 9
20		Proprietors' income with inventory valuation and capital consumption adjustments	NIPA table 2.1, line 10
21		Rental income of households with capital consumption adjustment	NIPA table 2.1, line 13, less line 39
22		Household dividend income	NIPA table 2.1, line 28, less line 40
23		Household interest income	NIPA table 2.1, line 29, less line 41
24	Transfer payments to households		Sum of lines 25 and 26
25		From business and government	NIPA table 2.1, line 16, less line 43
26		From nonprofit institutions	For public foundations, <i>SOI Bulletin</i> ; for all others, SOI Sample files; judgmental trend for the few years that SOI Sample File or <i>SOI Bulletin</i> data do not exist, including past 3 years 1/
27		Household contributions to social insurance	NIPA table 2.1, line 23
28	<b>Household tax and nontax payments</b>		NIPA table 2.1, line 24, less line 46
29	<b>Disposable household income</b>		Line 17 minus line 28
30	<b>Household outlays</b>		Line 31 plus sum of lines 34 through 36
31		Household consumption expenditures	Line 32 plus line 33
32		From business and government	NIPA table 2.1, line 27, less line 43
33		From nonprofit institutions	For higher educational institutions, National Center for Education Statistics, Current Funds Revenues and Expenditures of Institutions of Higher Education (includes realized and unrealized gains and losses). For elementary and secondary education, and religious organizations, trade source data. For all other organizations Census Bureau Economic Census and annual survey data.
34		Interest paid by households	NIPA table 2.1, line 28, less line 50
35		Household transfer payments to the rest of the world (net)	NIPA table 2.1, line 15, less line 51
36		Household transfer payments to nonprofit institutions	For political organizations, Federal Election Commission and trade source data; for all others, American Association of Fundraising Council Giving USA tabulations, and www.aafrc.org for most recent year
37	<b>Household saving</b>		Line 29, less line 30
38	<b>Nonprofit institution income</b>		Sum of lines 39 through 42, plus line 45
39		Rental income of nonprofit institutions with capital consumption adjustment	Previously unpublished underlying detail for NIPA table 8.28, line 7 primarily based on data from <i>SOI Bulletin</i> and trade source data

See note on next page.

**Table 4. – Source Data and Methodology for New Income and Outlay Estimates – Continued**

Line	Component	Subcomponent	Source and Methodology
40		Nonprofit institution dividend income	Unpublished BEA underlying detail for NIPA table 8.28, line 7, primarily based on data from <i>SOI Bulletin</i> and trade source data
41		Nonprofit institution interest income	Unpublished BEA underlying detail for NIPA table 8.28, line 7, primarily based on data from <i>SOI Bulletin</i> and other source data
42	Transfer payments to nonprofit institutions		Sum of lines 43 and 44
43		Transfer payments from business and government	For business transactions, <i>SOI Bulletin</i> tabulations of corporate tax returns. For government, previously unpublished BEA underlying detail based on the Budget of the United States.
44		Transfer payment from individuals	Same as line 36
45	Receipts from the sales of goods and services by nonprofit institutions		Same as line 33
46	<b>Nonprofit institution tax and nontax payments</b>		<i>SOI Bulletin</i> ; judgmental trend for past three years
47	<b>Disposable nonprofit institution income</b>		Line 38 minus line 46
48	<b>Nonprofit institution outlays</b>		Sum of lines 49 through 52
49		Nonprofit institution consumption expenditures	Previously unpublished underlying detail for Personal Consumption Expenditures in the NIPA's. Primarily based on Census Bureau survey data, and data from other sources for higher education, labor, political, and religious organizations.
50		Medical care	Underlying detail used in line 49
51		Recreation	Underlying detail used in line 49
52		Education and religion	Underlying detail used in line 49
53		Religious and welfare activities	Underlying detail used in line 49
54		Other	Underlying detail used in line 49
55		Non-mortgage interest paid by nonprofit institutions	For public foundations, <i>SOI Bulletin</i> ; for all others SOI, Sample files; judgmental trend for the few years that SOI Sample File or <i>SOI Bulletin</i> data do not exist, including past 3 years 1/
56		Nonprofit transfer payments to the rest of the world (net)	Unpublished BEA underlying detail for NIPA table 2.1, line 15
57		Nonprofit transfer payments to households (gross)	Same as line 26
58	<b>Saving of nonprofit institutions</b>		Line 47 minus line 48
59	<b>Portion of NPISI Income included in personal income</b>		Lines 39-41, plus line 43
60	<b>Transfer between nonprofit institutions</b>		For public foundations, <i>SOI Bulletin</i> ; for all others SOI Sample files; judgmental trend for the few years that SOI Sample File or <i>SOI Bulletin</i> data do not exist, including past three years 1/

1/ The SOI Sample Files used in this project have been supplemented with National Taxonomy of Exempt Entities and IRS activity codes from the Return Transaction and Core files available through the National Center for Charitable Statistics.

**Table 5. – Source Data and Methodology for Reconciliation Table**

Line	Component	Subcomponent	Source and Methodology
1	<b>IRS nonprofit revenue (reported)</b>		Statistics of Income Bulletin, tabulations of entities exempt under sections 501(c)(3-9) filing all types of Form 990
2	<b>Portion of IRS nonprofit revenue (reported) not included in NPISH income</b>		Sum of lines 3-8
3		Adjustment for different accounting concepts	Statistics of Income Bulletin, tabulations of entities exempt under sections 501(c)(3-9) filing all types of Form 990's with the exception of Form 990-EZ; judgmental trend based on Core and Return Transaction Files for years missing SOI Sample File data
4		Adjustment for coverage of different time period	Calculation based on tabulations of data in SOI Sample Files; judgmental trend based on the Core and Return Transaction Files for years missing SOI Sample File data
5		Nonresident institutions	Calculation based on tabulations of data in SOI Sample Files
6		Government hospitals and schools	For hospitals, calculation based on tabulations of data in SOI Sample Files minus BEA estimates based on Census Bureau data. For schools, calculations based on tabulations of data in SOI Sample Files minus BEA estimates based tabulations of data in U.S.
7		Out-of-scope of institutions	Calculation based on tabulations of SOI Sample Files and concordance file linking North Atlantic Industry Classification System (NAICS) codes, National Taxonomy of Exempt Entities (NTEE), and IRS activity codes developed at BEA
8		Transfers from other nonprofit institutions	Sum of the qualifying distributions of nonoperating public foundations as published Statistics of Income Bulletin plus estimates of the grants of "supporting public charities" in the SOI Sample Files for institutions in the scope of the NPISH sector.
9	<b>NPISH income not included in IRS nonprofit revenue (reported)</b>		Sum of lines 10-11
10		Religious organizations	Calculation based on tabulations of data in the SOI Sample Files minus BEA estimate based on trade source data
11		Other organizations	Calculation based on tabulations of SOI Return Transaction Files and concordance file linking NAICS codes, NTEE, and IRS activity codes developed at BEA
12	<b>IRS-derived NPISH income</b>		Line 1 - line2 + line 9
13	BEA-derived NPISH income		Table 3, line 38
14	<b>NPISH income gap</b>		Line 13- line 12

See note on the next page.

**Table 5. – Source Data for Reconciliation Table – Continued**

Line	Component	Subcomponent	Source and Methodology
15	<b>IRS nonprofit expenses (reported)</b>		Same as line 1
16	<b>Portion of IRS nonprofit revenue (reported) not included in NPISH outlays</b>		Sum of lines 17-22
17		Adjustment for coverage of different time period	Same as line 4
18		Nonresident institutions	Same as line 5
19		Government hospitals and schools	Same as line 6
20		Out-of-scope of institutions	Same as line 7
21		Transfers from other nonprofit institutions	Same as line 8
22	<b>Portion of NPISH outlays not included in IRS nonprofit revenue (reported)</b>		Sum of lines 33-34
23		Religious organizations	Same as line 10
24		Other organizations	Same as line 11
25	<b>IRS-derived NPISH expenses</b>		Line 15 - line 16 + line 23
26	BEA-derived NPISH expenses		Table 2, line 49
27	<b>NPISH expenses gap</b>		Line 27- line 26

Note that the SOI Sample Files used in this project have been supplemented with National Taxonomy of Exempt Entities and IRS activity codes from the Return Transaction and Core files available through the National Center for Charitable Statistics.