

# Annual Capital Expenditures

# 1997

Issued March 1999

ACE/97



## U S C E N S U S B U R E A U

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U.S. Department of Commerce  
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# Introduction

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## DESCRIPTION OF SURVEY

The Annual Capital Expenditures Survey (ACES) is part of a comprehensive program designed to provide more detailed and timely information on capital investment in structures and equipment by nonfarm businesses. The data are used to improve the quality of current economic indicators of business investments, as well as the quarterly estimates of gross domestic product. The data also provide facts about trends in capital expenditures useful for identifying business opportunities, product development, and business planning.

## BACKGROUND

Funding for the survey was first provided by Congress in fiscal year 1991. At that time, the U.S. Census Bureau developed and conducted a feasibility survey to collect 1991 data from a sample of approximately 4,400 nonfarm companies. The purpose was to test the clarity of questions and instructions and determine the ability of companies to report the requested data.

The results of that survey were incorporated into a small test survey to collect 1992 data from a sample of 11,200 nonfarm companies. The purpose here was to further evaluate the survey content, refine the survey forms and instructions, and test the sufficiency of the sample. Selected results of this survey were published in May 1994.

After evaluating the 1992 survey results, it was determined that the annual collection of detailed expenditures on the types of structures and equipment purchased was overly burdensome for respondents. Consequently, a 5-year survey plan was developed beginning with the data collection for the 1993 ACES. The 5-year cycle included conducting annually a basic survey that collects total capital expenditures for new and used structures and equipment from companies with five employees or more and biannually a survey of businesses with fewer than five employees including those with no employees. Detailed information on types of structures and equipment would be collected once during the 5-year cycle with structures information collected in 1994 and equipment in 1996.

A proposal to further revise this plan was approved by the Office of Management and Budget beginning with the 1996 survey. The new plan includes a mail sample of all small businesses annually which provides an improved time series estimate on total and new capital expenditures

by all companies. Detailed information on types of structures and equipment will be collected for 1998 from employer companies and every 5 years thereafter or as determined by the 1998 survey results.

The estimates presented in this report are based on 1997 data collected from a sample of approximately 32,000 companies with one or more employees and 14,000 non-employer businesses. For those companies with one or more employees, capital expenditures data are published for 97 industries. In addition, total capital expenditures, with no industry detail, are shown for the nonemployer businesses.

## COMPOSITION OF INDUSTRY CATEGORY CODES

The industry categories used in the survey were comprised of two- and selected three-digit industries from the *Standard Industrial Classification (SIC) Manual: 1987*<sup>1</sup>. Industry combinations were developed through an analysis of test survey results. This analysis consisted of reviewing the frequency and value of industries reported. Also, consideration was given to related industries for which respondents were unable to separately report. In addition, a category was provided for structures and equipment expenditures serving multiple industries; for example, headquarters, regional offices, and central research laboratories.

## INFORMATION REQUESTED

Two survey forms were used for the 1997 ACES. The ACE-1 survey form was mailed to a sample of approximately 32,000 companies with one employee or more. Recipients of this survey form were requested to provide capital expenditures data for each industry in which they had activity and to classify these expenditures as new and used structures and equipment.

New structures and equipment include expenditures for new buildings and other structures, structures that have been previously owned but neither used nor occupied, new machinery and equipment, and other new fixed assets. Used structures and equipment include expenditures for

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<sup>1</sup>*Standard Industrial Classification Manual: 1987*. For sale by Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402, Stock No. 041-001-00314-2.

buildings and other structures which have been previously owned and occupied, secondhand machinery and equipment, and other used fixed assets.

Respondents were also asked to report new structures and equipment acquired under capital lease arrangements entered into during the survey year, and capitalized interest incurred to produce or construct new fixed assets during the survey year.

The ACE-2 survey form was mailed to a sample of 14,000 nonemployer businesses. Capital expenditures data were requested separately for new and used structures and equipment. (Examples of the ACE-1 and ACE-2 survey forms are in Appendix D.)

## SUMMARY OF FINDINGS

U.S. businesses invested \$870.2 billion in capital goods in 1997, an increase of 7.8 percent from 1996. The 1996 estimate of \$807.1 billion includes an upward revision of \$45 billion, most of which is for equipment acquired then

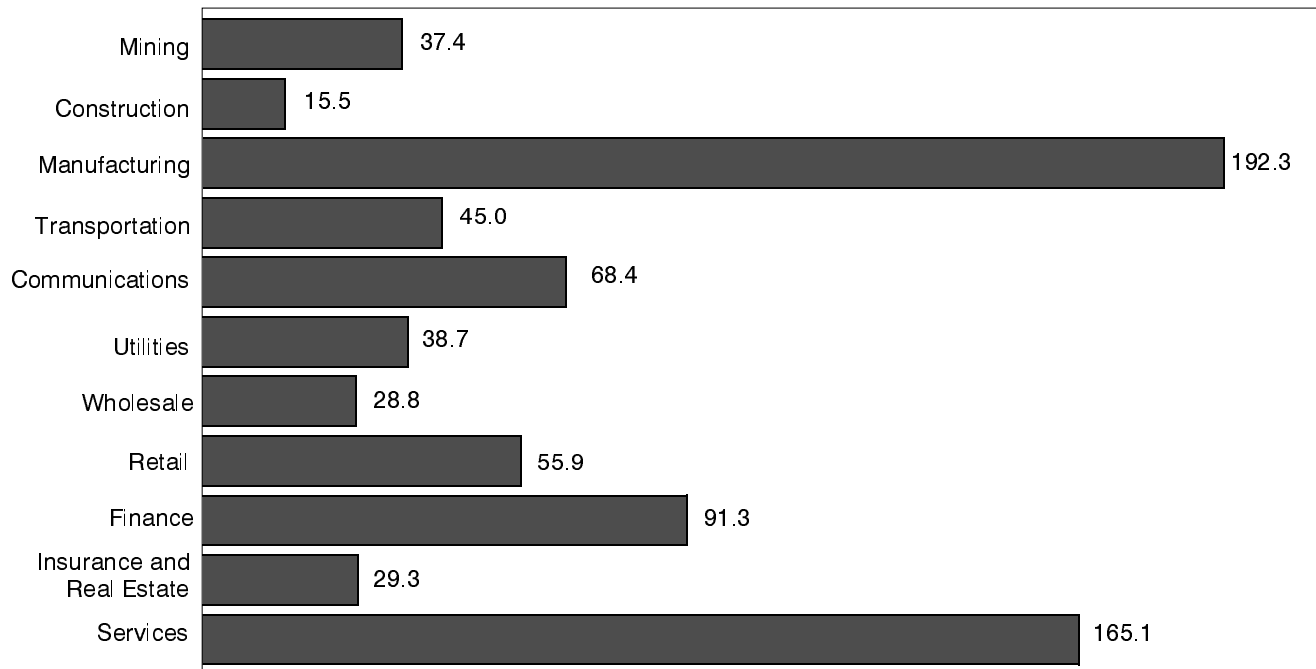
leased to others under operating leases, not previously reported. Spending on buildings and other structures in 1997 totaled \$272.7 billion, while spending for equipment was \$597.6 billion.

The approximately 6 million businesses with one or more employees accounted for 89 percent of 1997 investment spending at \$770.8 billion. Investment in structures and equipment was up about 15 and 6 percent, respectively, from 1996. Investment in structures amounted to \$235.5 billion and for equipment \$535.3 billion. While spending increases were widespread across industries, the manufacturing sector, which accounts for about a quarter of all investment, was virtually unchanged from 1996.

Spending in 1997 by the approximately 16 million non-employer businesses was \$99.4 billion, about the same as in 1996. Nonemployer firms spent proportionately more for used structures and equipment, about 24 percent of their total spending, compared to employer businesses which invested only about 4 percent in used capital goods. Spending by industry is not available for nonemployer firms.

Figure 1.  
**Capital Expenditures for Structures and Equipment by Selected Business Sectors for Companies With One Employee or More: 1997**

(Billion dollars)



Note: Data presented in this chart are subject to sampling variability and nonsampling error.

Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997



## HIGHLIGHTS OF CAPITAL EXPENDITURES BY BUSINESS SECTOR FOR BUSINESSES WITH ONE OR MORE EMPLOYEES

**Manufacturing.** This sector led in expenditures for capital goods by spending \$192.3 billion, or 24.9 percent of total expenditures by all businesses with one or more employees. Of this amount, \$38.4 billion was for structures and \$153.9 billion was for equipment.

Durable goods manufacturers spent \$108.3 billion, or 56.3 percent of the manufacturing total. While there was no significant change at the total durables level from 1996, specific industries showed offsetting increases and decreases. About a fourth of the spending in durable goods was by communications and electronic components manufacturers at \$27.7 billion. The second largest spender, motor vehicles and parts manufacturers, accounted for \$18.3 billion, with industrial and commercial machinery manufacturers third at \$13.4 billion.

Nondurable goods manufacturers spent \$83.9 billion on capital goods. Chemical products (excluding drugs) at \$19.9 billion and food products (excluding beverages) at \$14.3 billion, together accounted for more than 40 percent of total 1997 nondurable capital expenditures. In the nondurable goods sector, the largest percentage increases in spending from 1996 were leather and leather products (45.9 percent), printing and publishing (except commercial) (31.9 percent), textile mill products (22.6 percent), and beverages (18.1 percent).

**Services.** This sector accounted for \$165.1 billion or 21.4 percent of total capital expenditures by businesses with one or more employees. Of the \$62.5 billion spent on structures, the hospitals, membership organizations, educational services, hotels, and amusement and recreation services industries accounted for two-thirds of spending. Of the \$102.6 billion going for equipment, automotive and truck rental and leasing, hospitals, equipment rental and leasing, computer programming services, and engineering and accounting services accounted for two-thirds of this sector's spending. Industries with the largest percentage

increases in expenditures from 1996 were social services (82.6 percent); membership and religious organizations (63.1 percent); personal services (33.8 percent); amusement and recreation services (30.0 percent); and motion pictures, movie theaters, and video tape rentals (27.2 percent). Investment spending in business services increased 25.7 percent.

**Finance.** This sector had \$91.3 billion in capital expenditures in 1997. This was an increase in expenditures of 4.8 percent from 1996. The 1996 estimate was significantly revised upward to correct for underreporting of investment in vehicles for lease. Nondepository credit institutions and commercial banks accounted for 86.5 percent of 1997 spending in this sector. Expenditures by most of the industries in the finance sector were up from 1996.

**Communications.** The communications sector invested \$68.4 billion in capital goods. Telephone and other communications services accounted for 83.3 percent of the total, spending \$57.0 billion. Radio and television broadcasting stations spent \$11.5 billion, about half for structures and half for equipment. Both industries were up approximately 20 percent from 1996.

**Retail.** The retail trade sector accounted for \$55.9 billion or 7.2 percent of total expenditures for capital goods. Apparel and accessory stores including shoe stores showed an increase of 24.8 percent in capital expenditures over 1996 although their share of 1997 retail spending is only 7.1 percent. The other major industries, general merchandise stores, food stores, and other retail dealers, showed no statistically significant change in capital spending over 1996.

**Transportation.** The transportation sector spent \$45.0 billion for capital goods, an increase of 22.7 percent over 1996. Water transportation increased spending by 57.7 percent to \$4.0 billion in 1997. Air transportation invested \$13.6 billion for capital goods, up 26.6 percent from 1996.

### Capital Expenditures by Business Sector for Businesses With One or More Employees

Business sector	1997 capital expenditures (billion dollars)	1996 capital expenditures (billion dollars)	Percent change from 1996 to 1997
Manufacturing .....	192.3	191.8	NS
Services .....	165.1	145.9	13.2
Finance .....	91.3	87.1	4.8
Communications .....	68.4	57.1	19.7
Retail Trade .....	55.9	55.8	NS
Transportation .....	45.0	36.7	22.7
Utilities .....	38.7	36.7	5.4
Mining .....	37.4	30.2	24.1
Insurance and Real Estate .....	29.3	23.4	25.0
Wholesale Trade .....	28.8	26.0	10.8
Construction .....	15.5	13.8	12.5

NS Not statistically significant.

**Utilities.** Utility companies spent \$38.7 billion for capital goods in 1997 which was an increase of 5.4 percent from 1996. Electric and gas services contributed \$26.5 billion or 68.4 percent of the sector's spending in 1997. Gas, water, and other utilities accounted for the remaining \$12.2 billion.

**Mining.** The mining sector spent \$37.4 billion on capital goods in 1997. The crude petroleum, natural gas, and natural gas liquids industry spent \$26.2 billion, over two-thirds of the sector total. Spending in the mining sector increased 24.1 percent over 1996.

**Insurance and Real Estate.** This sector spent \$29.3 billion for capital goods in 1997. Real estate offices spent \$16.4 billion for structures. This was 81.2 percent of spending on structures in this sector.

**Wholesale.** This sector spent \$28.8 billion for capital goods in 1997, an increase of 10.8 percent over 1996. Of this amount, \$17.2 billion was for durable goods wholesalers, including motor vehicles, and \$11.7 billion for nondurable goods wholesalers, including groceries and petroleum.

**Construction.** The construction sector spent \$15.5 billion for capital goods in 1997, an increase of 12.5 percent over 1996. Spending by special trade contractors accounted for 44.1 percent of this total.

**Note:** *Revised 1996 Annual Capital Expenditures Survey data and associated relative standard error tables are included in this publication. Please see the Contents page in the front of this publication to locate these revisions.*

The data in this report are subject to sampling variability, as well as nonsampling error. Sources of nonsampling error include errors of response, nonreporting, and coverage. Further details concerning survey design, methodology, and data limitations are contained in the appendixes of this publication.

## ABBREVIATIONS AND SYMBOLS

The following abbreviations and symbols are used in this publication:

- Represents zero.
- (D) Withheld to avoid disclosing data for individual companies; data are included in higher level totals.
- (NA) Not available.
- (X) Not applicable.
- (Z) Less than half of unit shown.

## ELECTRONIC ACCESS OF DATA

The 1997 Annual Capital Expenditures Survey data are available electronically on the Internet at this address: (<http://www.census.gov/csd/ace/>). For further information regarding electronic releases, call 301-457-1242.

## PRINTED PUBLICATIONS

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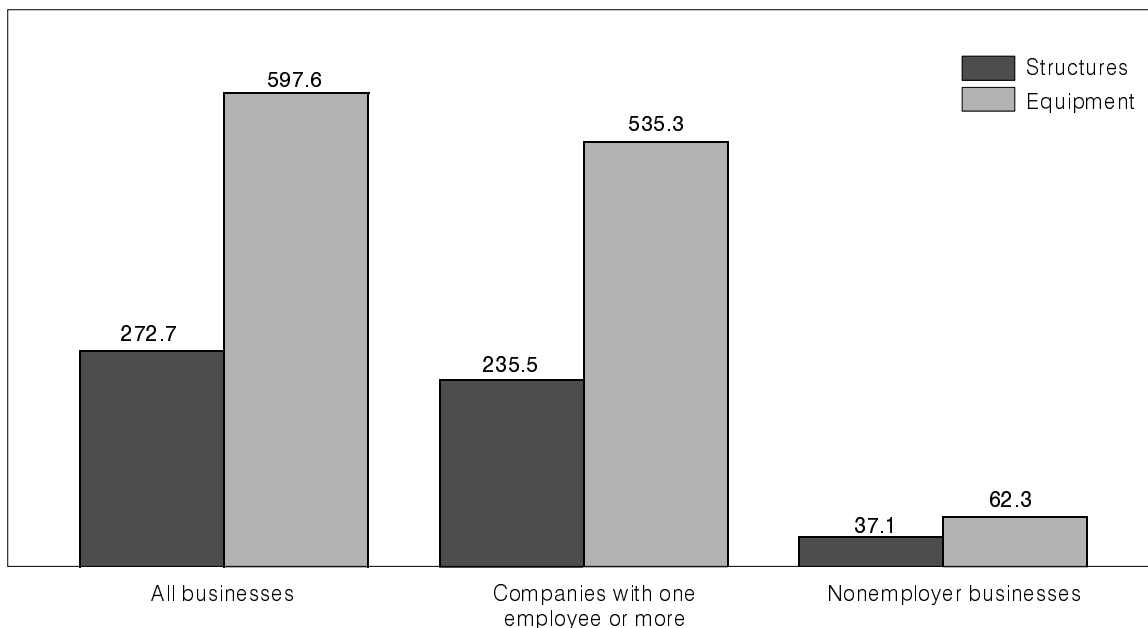
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## DATA CONTACTS

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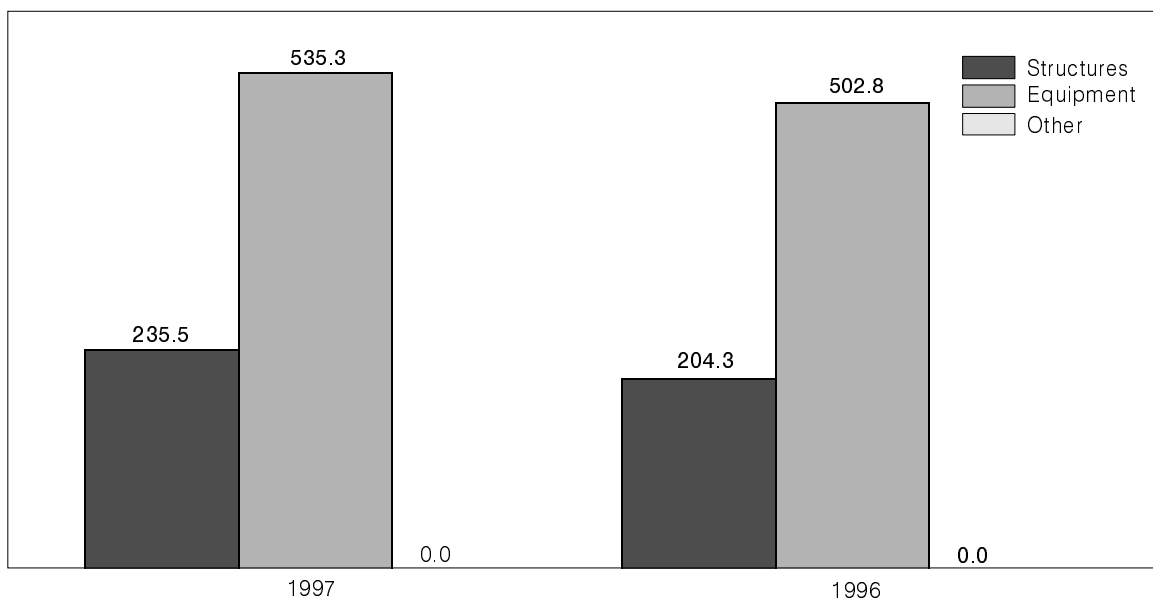
U.S. Census Bureau  
Company Statistics Division  
Business Investment Branch  
FB 3 Room 1285  
Washington, DC 20233-6400

Figure 2.  
**Capital Expenditures for Structures and Equipment by Business Size: 1997**  
 (Billion dollars)



Note: Data presented in this chart are subject to sampling variability and nonsampling error.  
 Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997

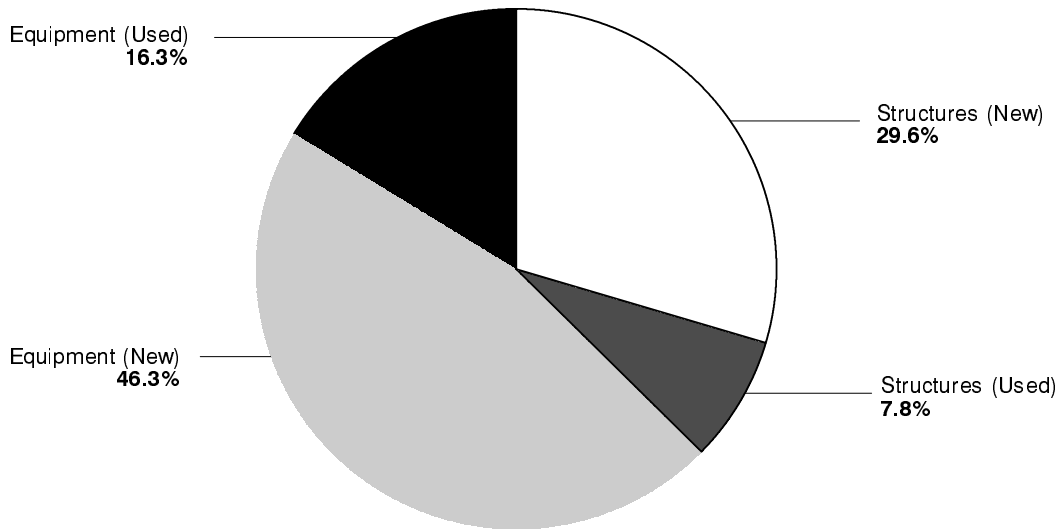
Figure 3.  
**Capital Expenditures for Structures and Equipment for Companies With One Employee or More: 1997 and 1996**  
 (Billion dollars)



Note: Data presented in this chart are subject to sampling variability and nonsampling error.  
 Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997

Figure 4.  
**Capital Expenditures for New and Used Structures and Equipment for Nonemployer Businesses: 1997**

(Percent)

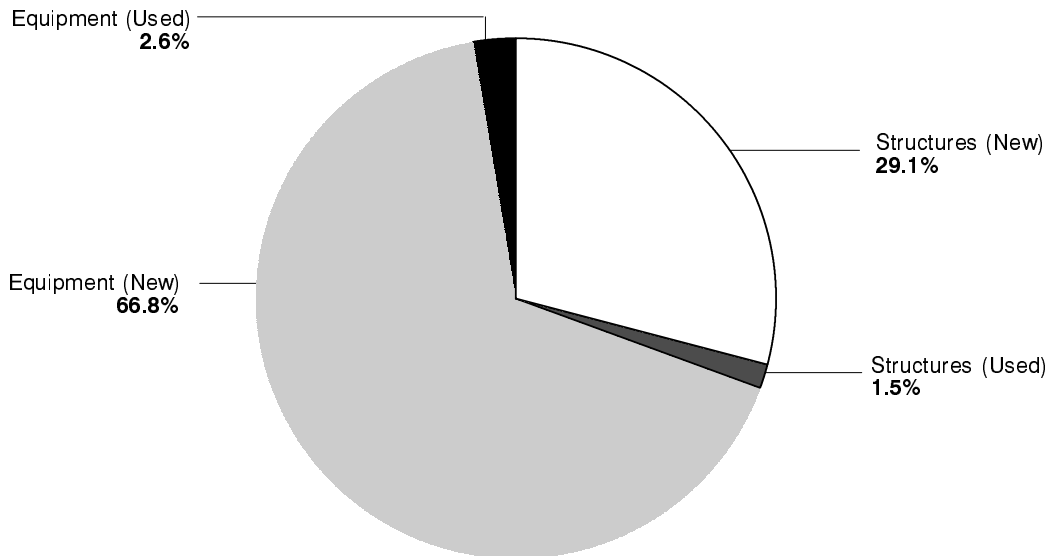


Note: Data presented in this chart are subject to sampling variability and nonsampling error. Percentages may not add to 100 percent because of rounding.

Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997

Figure 5.  
**Capital Expenditures for New and Used Structures and Equipment for Companies With One Employee or More: 1997**

(Percent)

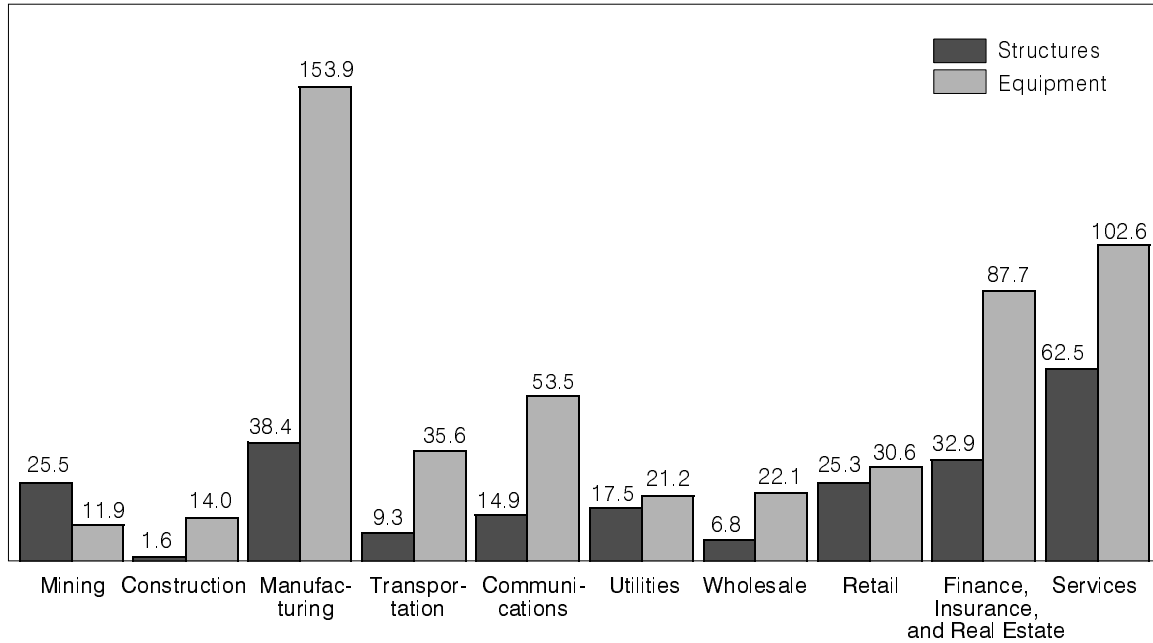


Note: Data presented in this chart are subject to sampling variability and nonsampling error. Percentages may not add to 100 percent because of rounding.

Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997

Figure 6.  
**Capital Expenditures by Business Sector for Companies With One Employee or More: 1997**

(Billion dollars)

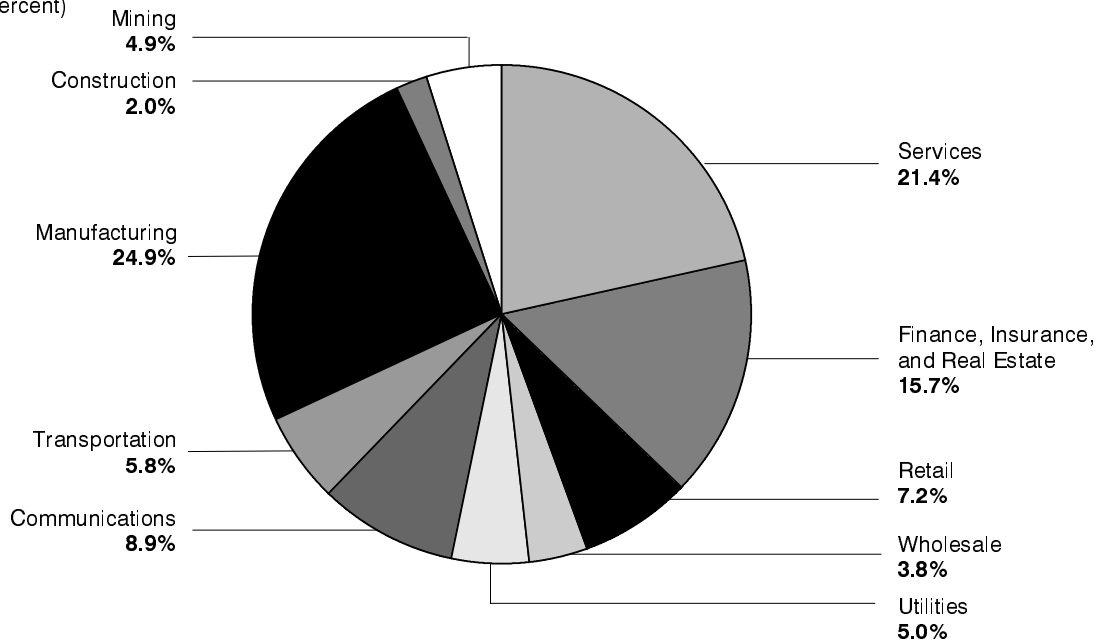


Note: Data presented in this chart are subject to sampling variability and nonsampling error.

Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997

Figure 7.  
**Percentage of Capital Expenditures Distribution by Business Sector for Companies With One Employee or More: 1997**

(Percent)



Note: Data presented in this chart are subject to sampling variability and nonsampling error. Percentages may not add to 100 percent because of rounding.

Source: U.S. Census Bureau, Department of Commerce, Annual Capital Expenditures Survey: 1997

**Table 1a. Capital Expenditures for Structures and Equipment: 1997**

[Millions of current dollars. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

Capital expenditures	Capital expenditures for all companies and businesses	Capital expenditures for companies with 1 employee or more	Capital expenditures for nonemployer businesses
<b>Total</b> .....	<b>870 221</b>	<b>770 799</b>	<b>99 422</b>
<b>Structures</b> .....	<b>272 669</b>	<b>235 537</b>	<b>37 132</b>
New .....	253 822	224 478	29 344
Used .....	18 849	11 060	7 789
<b>Equipment</b> .....	<b>597 550</b>	<b>535 261</b>	<b>62 289</b>
New .....	561 103	515 049	46 054
Used .....	36 447	20 212	16 235
<b>Not distributed as structures or equipment</b> .....	-	-	-
<b>Capital Lease and Capitalized Interest Expenses<sup>1</sup></b>			
Capital leases .....	16 066	14 549	1 517
Capitalized interest .....	(NA)	7 241	(NA)

<sup>1</sup>Included in data shown above.

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

**Table 1b. Capital Expenditures for Structures and Equipment: 1996 Revised**

[Millions of current dollars. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

Capital expenditures	Capital expenditures for all companies and businesses	Capital expenditures for companies with 1 employee or more	Capital expenditures for nonemployer businesses
<b>Total</b> .....	<b>807 070</b>	<b>707 110</b>	<b>99 960</b>
<b>Structures</b> .....	<b>243 427</b>	<b>204 345</b>	<b>39 082</b>
New .....	223 588	191 867	31 721
Used .....	19 839	12 478	7 361
<b>Equipment</b> .....	<b>563 641</b>	<b>502 762</b>	<b>60 878</b>
New .....	526 016	481 785	44 231
Used .....	37 625	20 977	16 648
<b>Not distributed as structures or equipment</b> .....	<b>2</b>	<b>2</b>	<b>-</b>
<b>Capital Lease and Capitalized Interest Expenses<sup>1</sup></b>			
Capital leases .....	15 675	13 023	2 652
Capitalized interest .....	(NA)	6 827	(NA)

<sup>1</sup>Included in data shown above.

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

**Table 2. Capital Expenditures and Percent Change for Companies With One Employee or More by Major Industry Sector: 1997 and 1996 Revised**

[Millions of current dollars. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	1997 capital expenditures	Percent change (1997-1996)	1996 capital expenditures
	<b>Total expenditures</b> .....	<b>770 799</b>	<b>9.0</b>	<b>707 110</b>
	<b>By industry</b> .....	<b>770 799</b>	<b>9.0</b>	<b>707 110</b>
10-14	Mining .....	37 412	24.1	30 155
15-17	Construction .....	15 531	12.5	13 806
20-39	Manufacturing .....	192 271	0.3	191 762
24, 25, 32-39	Durable goods industries .....	108 331	-1.4	109 898
20-23, 26-31	Nondurable goods industries .....	83 940	2.5	81 864
40-42, 44-47	Transportation .....	45 045	22.7	36 698
48	Communications .....	68 403	19.7	57 133
49	Utilities .....	38 719	5.4	36 744
491, 493	Electric and gas services .....	26 503	3.8	25 531
492, 494-497	Gas, water, and other utilities .....	12 216	9.0	11 212
50, 51	Wholesale trade .....	28 847	10.8	26 026
52-59	Retail trade .....	55 868	0.1	55 831
60-62, 67	Finance .....	91 328	4.8	87 144
63-65	Insurance and real estate .....	29 270	25.0	23 410
07-09, 70-89	Services .....	165 113	13.2	145 896
07-09, 70, 72, 73, 75, 76, 78, 79	Rental and business services .....	86 749	11.1	78 064
80	Health services .....	37 015	8.3	34 176
81-84, 86, 87, 89	Membership organizations, educational, and miscellaneous services .....	41 349	22.9	33 657
	Structures and equipment expenditures serving multiple industry categories .....	2 992	19.5	2 503

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



**Table 3. Capital Expenditures for Structures and Equipment for Companies With One Employee or More by Major Industry Sector: 1997 and 1996 Revised**

[Millions of current dollars. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	Total expenditures	Expenditures for structures			Expenditures for equipment			Not distributed as structures or equipment
			Total	New	Used	Total	New	Used	
	<b>Total expenditures</b> .....	1997.. 770 799 1996.. 707 110	235 537 204 345	224 478 191 867	11 060 12 478	535 261 502 762	515 049 481 785	20 212 20 977	- 2
	<b>By industry</b> .....	1997.. 770 799 1996.. 707 110	235 537 204 345	224 478 191 867	11 060 12 478	535 261 502 762	515 049 481 785	20 212 20 977	- 2
10-14	Mining .....	1997.. 37 412 1996.. 30 155	25 508 19 413	24 831 18 696	677 717	11 904 10 743	10 491 9 370	1 414 1 372	- -
15-17	Construction .....	1997.. 15 531 1996.. 13 806	1 557 1 126	1 426 826	131 299	13 974 12 681	11 477 10 166	2 497 2 515	- -
20-39	Manufacturing .....	1997.. 192 271 1996.. 191 762	38 367 37 444	37 310 35 636	1 056 1 807	153 904 154 318	149 547 147 944	4 357 6 375	- -
24, 25, 32-39	Durable goods industries .....	1997.. 108 331 1996.. 109 898	19 510 19 540	18 894 18 698	616 842	88 821 90 358	86 137 86 759	2 684 3 599	- -
20-23, 26-31	Nondurable goods industries .....	1997.. 83 940 1996.. 81 864	14 857 17 904	18 417 16 938	440 966	65 083 63 960	63 411 61 185	1 672 2 776	- -
40-42, 44-47	Transportation .....	1997.. 45 045 1996.. 36 698	9 373 7 738	9 000 7 035	374 703	35 672 28 960	32 165 25 048	3 506 3 913	- -
48	Communications .....	1997.. 68 403 1996.. 57 133	14 949 12 831	14 572 12 568	377 264	53 454 44 302	52 776 43 917	677 385	- -
49	Utilities .....	1997.. 38 719 1996.. 36 744	17 533 16 270	16 907 15 687	626 583	21 185 20 473	20 472 19 901	713 573	- -
491, 493	Electric and gas services .....	1997.. 26 503 1996.. 25 531	10 609 10 019	10 280 9 901	329 118	15 894 15 512	15 752 15 265	142 248	- -
492, 494-497	Gas, water, and other utilities .....	1997.. 12 216 1996.. 11 212	6 925 6 251	6 628 5 786	297 465	5 291 4 961	4 721 4 636	571 325	- -
50, 51	Wholesale trade .....	1997.. 28 847 1996.. 26 026	6 777 5 780	6 346 5 329	431 452	22 070 20 246	21 218 19 197	851 1 049	- (Z)
52-59	Retail trade .....	1997.. 55 868 1996.. 55 831	25 252 24 892	24 182 23 883	1 070 1 009	30 616 30 939	28 903 29 426	1 714 1 512	- -
60-62, 67	Finance .....	1997.. 91 328 1996.. 87 144	12 749 9 810	11 414 8 724	1 335 1 085	78 579 77 334	77 959 76 895	620 439	- -
63-65	Insurance and real estate .....	1997.. 29 270 1996.. 23 410	20 156 14 766	18 846 13 313	1 310 1 453	9 114 8 644	8 791 8 350	323 294	- -
07-09, 70-89	Services .....	1997.. 165 113 1996.. 145 896	62 538 53 541	58 874 49 470	3 664 4 071	102 575 92 353	99 099 89 831	3 476 2 522	- 2
07-09, 70, 72, 73, 75, 76, 78, 79	Rental and business services .....	1997.. 86 749 1996.. 78 064	19 488 16 849	18 675 15 345	813 1 504	67 261 61 215	65 042 59 332	2 220 1 882	- (Z)
80	Health services .....	1997.. 37 015 1996.. 34 176	18 928 17 409	17 396 16 362	1 532 1 047	18 086 16 767	17 356 16 386	730 381	- -
81-84, 86, 87, 89	Membership organizations, educational, and miscellaneous services .....	1997.. 41 349 1996.. 33 657	24 123 19 283	22 803 17 763	1 320 1 519	17 227 14 372	16 701 14 113	525 259	- 2
	Structures and equipment expenditures serving multiple industry categories .....	1997.. 2 992 1996.. 2 503	778 735	769 701	9 34	2 215 1 768	2 150 1 741	65 27	- -

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



**Table 4a. Capital Expenditures for Structures and Equipment for Companies With One Employee or More by Industry: 1997—Con.**

[Millions of current dollars. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	Total expenditures	Total new expenditures	Expenditures for structures			Expenditures for equipment			Not distributed as structures or equipment
				Total	New	Used	Total	New	Used	
<b>52-59</b>	<b>Retail trade</b> .....	<b>55 868</b>	<b>53 084</b>	<b>25 252</b>	<b>24 182</b>	<b>1 070</b>	<b>30 616</b>	<b>28 903</b>	<b>1 714</b>	—
53	General merchandise stores .....	9 302	9 200	4 371	4 292	79	4 931	4 908	23	—
54	Food stores .....	10 885	10 507	5 096	4 861	234	5 789	5 646	143	—
56	Apparel and accessory stores; shoe stores ..	3 978	3 966	1 916	1 909	7	2 061	2 057	4	—
52, 55, 57-59	Other retail dealers .....	31 703	29 411	13 869	13 119	750	17 835	16 292	1 543	—
<b>60-65, 67</b>	<b>Finance, insurance, and real estate</b> .....	<b>120 599</b>	<b>117 011</b>	<b>32 905</b>	<b>30 261</b>	<b>2 645</b>	<b>87 693</b>	<b>86 750</b>	<b>943</b>	—
<b>60-62, 67</b>	<b>Finance</b> .....	<b>91 328</b>	<b>89 374</b>	<b>12 749</b>	<b>11 414</b>	<b>1 335</b>	<b>78 579</b>	<b>77 959</b>	<b>620</b>	—
601	Central reserve depository institutions .....	242	241	94	94	—	148	(D)	(D)	—
602	Commercial banks .....	14 278	13 850	6 343	6 078	265	7 935	7 772	163	—
603	Savings institutions (including savings and loans) .....	2 650	1 938	1 310	803	507	1 340	1 136	204	—
606	Credit unions .....	1 367	1 328	664	636	28	703	(D)	(D)	—
608, 609	Other depository institutions .....	743	742	319	319	(Z)	424	424	(Z)	—
61	Nondepository credit institutions .....	64 682	64 032	981	548	434	63 700	63 484	216	—
62	Securities and commodity brokers and services .....	4 466	4 421	1 510	1 467	43	2 957	2 955	2	—
67	Holding, charitable trusts and other investments .....	2 901	2 822	1 529	1 471	58	1 372	1 351	21	—
<b>63-65</b>	<b>Insurance and real estate</b> .....	<b>29 270</b>	<b>27 637</b>	<b>20 156</b>	<b>18 846</b>	<b>1 310</b>	<b>9 114</b>	<b>8 791</b>	<b>323</b>	—
631	Life insurance carriers .....	2 664	2 296	1 719	1 367	352	945	929	16	—
632-639	Insurance carriers (except life) .....	5 979	5 837	1 359	1 235	124	4 621	4 602	19	—
64	Insurance agents, brokers, and services .....	1 864	1 860	704	701	3	1 160	1 159	1	—
65	Real estate offices .....	18 763	17 645	16 375	15 544	831	2 388	2 101	287	—
<b>07-09, 70-89</b>	<b>Services</b> .....	<b>165 113</b>	<b>157 973</b>	<b>62 538</b>	<b>58 874</b>	<b>3 664</b>	<b>102 575</b>	<b>99 099</b>	<b>3 476</b>	—
<b>07-09, 70, 72, 73, 75, 76, 78, 79</b>	<b>Rental and business services</b> .....	<b>86 749</b>	<b>83 716</b>	<b>19 488</b>	<b>18 675</b>	<b>813</b>	<b>67 261</b>	<b>65 042</b>	<b>2 220</b>	—
70	Hotels and other lodging places .....	10 385	10 199	7 089	6 931	158	3 296	3 268	28	—
72	Personal services .....	2 353	2 331	822	816	7	1 530	1 515	15	—
735	Equipment rental and leasing .....	8 794	7 822	188	182	6	8 606	7 640	966	—
737	Computer programming and data processing services .....	10 590	10 420	2 079	2 034	46	8 511	8 387	124	—
731-734, 736, 738	Business services .....	7 076	6 530	1 241	898	343	5 835	5 632	203	—
751	Automotive and truck rental and leasing .....	30 041	29 812	368	366	3	29 673	29 446	227	—
752-754	Automotive parking, repair, and services .....	1 787	1 554	526	487	39	1 261	1 068	194	—
76	Miscellaneous repair services .....	1 386	1 283	235	215	20	1 151	1 067	83	—
78	Motion pictures, movie theaters, and video tape rentals .....	3 878	3 749	1 498	1 465	33	2 380	2 285	96	—
79	Amusement and recreation services .....	8 466	8 132	5 125	4 973	152	3 341	3 159	182	—
07-09	Agricultural services, forestry and fishing .....	1 992	1 884	315	310	6	1 677	1 574	103	—
<b>80</b>	<b>Health services</b> .....	<b>37 015</b>	<b>34 752</b>	<b>18 928</b>	<b>17 396</b>	<b>1 532</b>	<b>18 086</b>	<b>17 356</b>	<b>730</b>	—
801, 803	Offices and clinics of doctors of medicine and osteopathy .....	4 412	3 956	1 630	1 462	168	2 782	2 494	288	—
802	Offices and clinics of dentists .....	1 893	1 577	564	312	252	1 329	1 265	64	—
804	Offices and clinics of other health practitioners .....	286	239	17	17	(Z)	269	222	47	—
805	Nursing and personal care facilities .....	4 692	4 129	3 314	2 828	485	1 379	1 300	78	—
806	Hospitals .....	22 891	22 068	12 330	11 721	609	10 561	10 347	214	—
808	Home health care services .....	391	385	128	126	1	263	259	4	—
807, 809	Other health care and allied services .....	2 450	2 397	945	929	16	1 505	1 469	37	—
<b>81-84, 86, 87, 89</b>	<b>Membership organizations, educational, and miscellaneous services</b> .....	<b>41 349</b>	<b>39 504</b>	<b>24 123</b>	<b>22 803</b>	<b>1 320</b>	<b>17 227</b>	<b>16 701</b>	<b>525</b>	—
81	Legal services .....	2 199	2 105	364	316	48	1 835	1 789	46	—
82	Educational services and libraries .....	10 711	10 312	7 116	6 917	199	3 595	3 395	200	—
83	Social services .....	3 869	3 569	2 704	2 438	266	1 165	1 131	34	—
84	Museums, art galleries, botanical gardens and zoos .....	859	833	727	712	15	131	121	10	—
86	Membership and religious organizations .....	12 924	12 308	10 566	10 058	509	2 358	2 250	108	—
87	Engineering, accounting, and other services ..	10 113	9 712	2 431	2 154	277	7 682	7 558	125	—
89	Miscellaneous services .....	675	666	214	208	6	460	458	3	—
	<b>Structures and equipment expenditures serving multiple industries</b> .....	<b>2 992</b>	<b>2 919</b>	<b>778</b>	<b>769</b>	<b>9</b>	<b>2 215</b>	<b>2 150</b>	<b>65</b>	—

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



Table 4b. **Capital Expenditures for Structures and Equipment for Companies With One Employee or More by Industry: 1996 Revised—Con.**

[Millions of current dollars. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	Total expenditures	Total new expenditures	Expenditures for structures			Expenditures for equipment			Not distributed as structures or equipment
				Total	New	Used	Total	New	Used	
<b>52-59</b>	<b>Retail trade (R) .....</b>	<b>55 831</b>	<b>53 309</b>	<b>24 892</b>	<b>23 883</b>	<b>1 009</b>	<b>30 939</b>	<b>29 426</b>	<b>1 512</b>	—
53	General merchandise stores .....	9 898	9 590	5 089	4 800	289	4 809	4 790	19	—
54	Food stores .....	10 803	10 272	4 278	4 124	154	6 525	6 147	378	—
56	Apparel and accessory stores; shoe stores ..	3 187	3 062	1 230	1 166	64	1 957	1 896	61	—
52, 55, 57-59	Other retail dealers (R) .....	31 943	30 386	14 296	13 793	502	17 648	16 593	1 055	—
<b>60-65, 67</b>	<b>Finance, insurance, and real estate (R) .....</b>	<b>110 554</b>	<b>107 282</b>	<b>24 575</b>	<b>22 037</b>	<b>2 539</b>	<b>85 978</b>	<b>85 245</b>	<b>733</b>	—
<b>60-62, 67</b>	<b>Finance (R) .....</b>	<b>87 144</b>	<b>85 620</b>	<b>9 810</b>	<b>8 724</b>	<b>1 085</b>	<b>77 334</b>	<b>76 895</b>	<b>439</b>	—
601	Central reserve depository institutions .....	320	320	134	(D)	(D)	186	(D)	(D)	—
602	Commercial banks .....	12 160	11 533	5 140	4 615	526	7 020	6 919	101	—
603	Savings institutions (including savings and loans) .....	2 199	1 801	1 165	(D)	(D)	1 034	(D)	(D)	—
606	Credit unions .....	1 061	1 023	393	361	32	669	662	6	—
608,609	Other depository institutions .....	747	704	328	(D)	(D)	418	(D)	(D)	—
61	Nondepository credit institutions (R) .....	63 901	63 691	456	(D)	(D)	63 446	(D)	(D)	—
62	Securities and commodity brokers and services .....	3 892	3 814	981	909	73	2 910	2 906	5	—
67	Holding, charitable trusts and other investments .....	2 864	2 735	1 212	1 105	107	1 652	1 629	23	—
<b>63-65</b>	<b>Insurance and real estate (R) .....</b>	<b>23 410</b>	<b>21 662</b>	<b>14 766</b>	<b>13 313</b>	<b>1 453</b>	<b>8 644</b>	<b>8 350</b>	<b>294</b>	—
631	Life insurance carriers .....	2 594	2 241	1 500	1 183	317	1 094	1 058	37	—
632-639	Insurance carriers (except life) .....	5 132	(D)	1 259	(D)	(D)	3 873	3 738	134	—
64	Insurance agents, brokers, and services .....	1 533	(D)	246	(D)	(D)	1 287	1 246	40	—
65	Real estate offices (R) .....	14 151	13 117	11 761	10 810	951	2 391	2 308	83	—
<b>07-09, 70-89</b>	<b>Services (R) .....</b>	<b>145 896</b>	<b>139 303</b>	<b>53 541</b>	<b>49 470</b>	<b>4 071</b>	<b>92 353</b>	<b>89 831</b>	<b>2 522</b>	<b>2</b>
<b>07-09, 70, 72, 73, 75, 76, 78, 79</b>	<b>Rental and business services (R) .....</b>	<b>78 064</b>	<b>74 678</b>	<b>16 849</b>	<b>15 345</b>	<b>1 504</b>	<b>61 215</b>	<b>59 332</b>	<b>1 882</b>	<b>(Z)</b>
70	Hotels and lodging places .....	11 027	9 970	7 106	6 236	870	3 920	3 733	187	—
72	Personal services .....	1 759	1 570	646	502	143	1 113	1 067	46	—
735	Equipment rental and leasing (R) .....	8 337	7 687	136	122	14	8 200	7 565	636	—
737	Computer programming and data processing services .....	9 556	9 326	1 071	1 035	36	8 485	8 291	194	—
731-734, 736, 738	Business services .....	5 631	5 427	710	584	126	4 921	4 843	78	(Z)
751	Automotive and truck rental and leasing (R) .	26 056	25 945	319	312	7	25 737	25 633	104	—
752-754	Automotive parking, repair, and services .....	2 046	1 789	640	510	130	1 406	1 279	127	—
76	Miscellaneous repair services .....	1 292	1 198	219	215	3	1 073	982	90	—
78	Motion pictures, movie theaters, video tape rentals (R) .....	3 049	2 930	1 188	1 161	27	1 861	1 769	92	—
79	Amusement and recreation services .....	6 512	6 175	3 533	3 398	135	2 978	2 778	201	—
07-09	Agricultural services, forestry and fishing .....	2 801	2 662	1 282	1 270	12	1 519	1 392	127	—
<b>80</b>	<b>Health services .....</b>	<b>34 176</b>	<b>32 748</b>	<b>17 409</b>	<b>16 362</b>	<b>1 047</b>	<b>16 767</b>	<b>16 386</b>	<b>381</b>	—
801-804	Offices and clinics of doctors of medicine and osteopathy .....	5 587	5 295	2 104	1 942	162	3 483	3 353	130	—
805	Nursing and personal care facilities .....	4 020	3 758	2 831	2 589	242	1 189	1 168	20	—
806	Hospitals .....	22 082	21 315	11 737	11 142	595	10 344	10 173	171	—
807, 809	Other health care and allied services .....	2 487	2 380	737	688	49	1 750	1 692	59	—
<b>81-84, 86, 87, 89</b>	<b>Membership organizations, educational and miscellaneous services (R) .....</b>	<b>33 657</b>	<b>31 878</b>	<b>19 283</b>	<b>17 763</b>	<b>1 519</b>	<b>14 372</b>	<b>14 113</b>	<b>259</b>	<b>2</b>
81	Legal services .....	1 992	1 862	360	270	90	1 631	1 591	40	1
82	Educational services and libraries .....	10 535	10 047	7 850	7 385	465	2 685	2 661	23	1
83	Social services .....	2 119	2 015	1 223	1 152	71	896	862	33	(Z)
84	Museums, art galleries, botanical gardens and zoos .....	925	(D)	754	(D)	(D)	171	168	3	—
86	Membership and religious organizations .....	7 924	7 141	6 093	5 365	728	1 831	1 776	55	(Z)
87	Engineering, accounting, and other services (R) .....	9 678	9 463	2 898	2 779	119	6 780	6 684	96	1
89	Miscellaneous services .....	483	(D)	105	(D)	(D)	378	369	9	—
	<b>Structures and equipment expenditures serving multiple industries .....</b>	<b>2 503</b>	<b>2 442</b>	<b>735</b>	<b>701</b>	<b>34</b>	<b>1 768</b>	<b>1 741</b>	<b>27</b>	—

(R) Represents revisions to industry level data.

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

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# Appendix A.

## Definition of Terms

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### **CAPITAL EXPENDITURES**

Capital expenditures include all capitalized costs during the year for both new and used structures and equipment chargeable to fixed asset accounts for which depreciation or amortization accounts are ordinarily maintained. For projects lasting longer than 1 year, this definition includes gross additions to construction-in-progress accounts even if the asset was not in use and not yet depreciated. For capital leases, the company using the asset (lessee) is asked to include the cost or present value of the leased assets in the year in which the lease was entered. Also included in capital expenditures are capitalized leasehold improvements and capitalized interest charges on loans used to finance capital projects.

### **STRUCTURES**

Capital expenditures for structures consist of the capitalized costs of buildings and other structures and all necessary expenditures to acquire, construct, and prepare the structure for its intended use. The costs of any machinery and equipment which are an integral or built-in feature of the structure are classified as structures. Also included are major additions and alterations to existing structures and capitalized repairs and improvements to buildings.

New structures include new buildings and other structures not previously owned, as well as buildings and other structures that have been previously owned but not used or occupied. Used structures are buildings and other structures which have been previously owned and occupied.

### **EQUIPMENT**

Capital expenditures for equipment include machinery, furniture and fixtures, computers, and vehicles used in the production and distribution of goods and services. Expenditures for machinery and equipment which are housed in

structures and can be removed or replaced without significantly altering the structure are classified as machinery and equipment.

New equipment consists of machinery and equipment purchased new and equipment produced in the company for use by the company. Used equipment is secondhand machinery and equipment.

### **OTHER CAPITAL EXPENDITURES**

“Other” capital expenditures refers to depreciable and amortizable fixed assets which companies could not classify as structures or equipment because of recordkeeping practices or difficulties interpreting the definitions of structures and equipment.

### **CAPITAL LEASES**

Capital leases consist of new fixed assets acquired under capital lease arrangements entered into during the year. Capital leases are defined by the criteria in the Financial Accounting Standards (FASB) Number 13.

### **CAPITALIZED INTEREST**

Capitalized interest consists of interest charges on loans used to finance capital projects, if consistent with the criteria in the Statement of Financial Accounting Standards (FASB) Number 34. Capitalization occurs only during the period of time to get structures and equipment ready for their intended use (such as long term construction of a factory or equipment).

Note: For a more detailed definition of terms, please refer to the instruction manual in appendix D.

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## Appendix B.

# Comparisons With Other Estimates of Capital Expenditures

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Investment estimates, from the ACES, that appear in this report, are not directly comparable with investment data from other sources. Variations in survey concepts, coverage, definitions, data collection techniques, estimation methodology, and sample designs may contribute to differences among estimates. The following are examples of investment surveys and possible factors contributing to differences between estimates. Data users are cautioned to review technical information from each data source before making comparisons of the estimates.

### **ECONOMIC CENSUS**

The Economic Census is conducted every 5 years for years ending in 2 and 7, and covers nearly all of the U.S. economy in its basic collection of establishment statistics. Total capital expenditures and depreciable assets data are collected for mining, construction, and manufacturing establishments. In addition, capital expenditures for new and used structures and new and used equipment are collected for manufacturing establishments. Differences in the reporting units of the Census and ACES may result in differences in each survey's estimates.

### **BUSINESS EXPENDITURES SURVEY (BES)**

This survey, formerly the Assets and Expenditures Survey (A&E), is conducted as part of the 5-year Economic

Censuses. Data collected include the value capital expenditures, and operating costs in wholesale, retail, and selected service industries. A sample of companies in those industries report in the BES Survey. Estimates, which are subject to sampling variability, are adjusted based on comparisons of common variables reported in the Economic Censuses of these industries. Sampling methodology differences, including the observation unit, independent processing and editing, variability in respondents completing the forms, and timing of the data collection contribute to variations from the estimates of capital expenditures in ACES.

### **VALUE OF NEW CONSTRUCTION PUT IN PLACE (VPIIP)**

Estimates of the value of new construction put in place are compiled from several sources. Estimates for some sectors are based on sample surveys of construction project activity. In addition to sampling variability and coverage, differences in reporting units and respondent interpretation contribute to variations in level and distribution of investment data. Estimates for other sectors depend on data supplied to Federal agencies to meet regulatory reporting requirements. Differences in the objectives of the regulatory requirements and the ACES may contribute to differences in estimates.

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## Appendix C.

# Sampling and Estimation Methodologies

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The estimates in this report are based on two stratified simple random samples. The ACE-1 sample consists of approximately 32,000 companies with at least one paid employee on March 12. The ACE-2 sample consists of approximately 14,000 nonemployer businesses. The two sample populations received different survey forms (see Appendix D for an example of each survey form).

The scope of the survey was defined to include all private, nonfarm, domestic companies. Major exclusions from the frame were government-owned operations (including the U.S. Postal Service), foreign-owned operations of domestic companies, establishments located in U.S. Territories, establishments engaged in agricultural production (not agricultural services), and private households.

The 1997 Standard Statistical Establishment List (SSEL) was used to develop the 1997 ACE-1 sample frame. The SSEL is the U.S. Census Bureau's establishment-based database. The database contains records for each physical business entity with payroll located in the United States, including company ownership information and prior-year administrative data. In creating the ACE-1 frame, establishment data in the SSEL file were consolidated to create company-level records. Employment and payroll information was maintained for each four-digit Standard Industrial Classification<sup>1</sup> (SIC) industry in which the company had activity. Next, payroll data for each company-level record were run through an algorithm to assign the company, first to an industry division (i.e., manufacturing, construction, etc.), then to a major group (two-digit SIC), and finally to an ACES industry code based on that major group. The resulting sample frame contained slightly more than 4.7 million companies.

The 1997 ACE-1 sampling frame consists of a certainty portion and a noncertainty portion. The 15,000 companies with 500 or more employees were selected with certainty. The remaining companies with 1 to 499 employees were then grouped into 97 industry categories. Each industry was then further divided into four strata. Since capital expenditures data were not available on the sampling frame, prior-year payroll was used as the stratification variable. The stratification methodology resulted in minimizing the sample size subject to a desired level of

reliability for each industry. The expected relative standard errors (RSEs) ranged from 1 to 3 percent.

The ACE-2 sample frame was selected from five categories of small businesses.

- Companies with payroll but no employees on March 12 in the prior year.
- Companies with no payroll and no employees on March 12 in the prior year, but with characteristics indicating possible employment during the survey period.
- Companies which had received an Employer Identification (EI) number within the last 2 years, but for which no payroll, employment, or receipts data have yet been received.
- Nonemployer corporations and partnerships.
- Nonemployer sole proprietorships with sales or receipts of \$1,000 or more.

Each of these five categories was treated as a separate stratum. The source of the first three categories of businesses was the 1997 SSEL; the source of the second two categories was the 1997 Nonemployer Database. Companies within each stratum were selected using a simple random sample. Approximately 14,000 businesses were selected from a universe of about 16.9 million businesses.

## ESTIMATION

Each company selected for the survey has a sample weight which is the inverse of its probability of selection. All sampled companies within the same stratum and industry grouping have the same weight. Weights were increased to adjust for nonresponse. The coverage rates were 93.5 percent for ACE-1 companies and 67.9 percent for ACE-2 companies. The coverage rate is calculated by multiplying 100 by the ratio of the capital expenditures of all reporting companies weighted by the original sample weights, to the capital expenditures of all reporting companies weighted by the adjusted-for-nonresponse sample weights. Weight adjustment, publication estimation, and (RSE) estimation are described in the following subsections.

## Weight Adjustment

For estimation purposes, each company was placed into 1 of 4 response-related categories:

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<sup>1</sup>*Standard Industrial Classification Manual: 1987.* For sale by Superintendent of Documents, U.S. Government Printing Office, Washington, DC. Stock No. 041-001-00314-2.



1. Respondents.
2. Nonrespondents.
3. Not in business.
4. Known duplicates.

A company was considered a respondent or nonrespondent based on whether the company provided sufficient data in items 1 or 2 of the ACE-1 survey form for the ACE-1 segment or item 1 of the ACE-2 survey form for the ACE-2 segment. Companies that went out of business prior to 1997 and duplicates were dropped from the survey. Companies that went out of business during the survey year were kept in the sample and efforts were made to collect data for the period the company was active.

**ACE-1 segment.** The following discussion assumes 485 strata (strata designation  $h = 1, 2, \dots, 485$ ) which are based on 97 industries, each containing five strata (including the certainty stratum).

The original stratum weights ( $W_h$ ) were adjusted to compensate for nonresponse. The adjusted weight is computed as follows:

$$W_{h(\text{adj})} = W_h * \frac{(P_{hr} + P_{hn})}{(P_{hr})}$$

where,

$W_{h(\text{adj})}$	is the adjusted stratum weight of the $h^{\text{th}}$ stratum
$W_h = \frac{N_h}{n_h}$	is the original stratum weight of the $h^{\text{th}}$ stratum
$N_h$	is the population size of the $h^{\text{th}}$ stratum
$n_h$	is the sample size of the $h^{\text{th}}$ stratum
$P_{hr}$	is the sum of total company payroll for respondent companies in stratum $h$
$P_{hn}$	is the sum of total company payroll for nonrespondent companies in stratum $h$

**ACE-2 segment.** The ACE-2 segment initially was stratified into five strata based on the five small business categories mentioned above. The stratum consisting of “companies with no payroll and no employees on March 12 in the prior year, but with characteristics indicating possible employment during the survey period” was poststratified into three strata. The stratum “companies which had received an Employer Identification (EI) number within the last 2 years, but for which no payroll, employment, or receipts data have yet been received” was also poststratified into three strata. In both instances, the poststratification was based on updated administrative-record data that were not available at the time the sample frames were created. This method resulted in nine strata (strata designation  $h = 1, 2, \dots, 9$ ). The stratum population sizes, sample sizes, response counts, and stratum weights for

the six strata resulting from the poststratification were modified accordingly. For these six strata, the following formulas use these modified sizes and weights; for the remaining three strata, the formulas use the original stratum sizes and weights.

The stratum weights ( $W_h$ ) were adjusted to compensate for nonresponse. The adjusted weight is computed as follows:

$$W_{h(\text{adj})} = W_h \left( \frac{n_h}{r_h} \right) = \frac{N_h}{r_h}$$

where,

$W_{h(\text{adj})}$	is the adjusted stratum weight of the $h^{\text{th}}$ stratum
$W_h = \frac{N_h}{n_h}$	is the stratum weight of the $h^{\text{th}}$ stratum
$N_h$	is the population size of the $h^{\text{th}}$ stratum
$n_h$	is the sample size of the $h^{\text{th}}$ stratum
$r_h$	is the number of respondents in the $h^{\text{th}}$ stratum

Note: A statistical procedure was used in reweighting extreme outliers to minimize the mean square error of the estimates. Mean square error accounts for both sampling variability and bias. This procedure affected fewer than ten cases.

## Publication Estimation

Publication cell estimates were computed by obtaining a weighted sum of reported values for companies treated as respondents. For those strata undergoing nonresponse adjustment, the estimates for  $X_j$  are biased, since this method assumes that nonresponse is not a purely random event. No attempt was made to estimate the magnitude of this bias.

**ACE-1 segment.** The ACE-1 estimates were derived as follows. Each estimated cell total,  $\hat{X}_j$ , is of the form

$$\hat{X}_j = \sum_{h=1}^{485} \sum_{i \in h} = (W_{h(\text{adj})}) * X_{(j),i,h}$$

where,

$W_{h(\text{adj})}$	is the adjusted weight of the $h^{\text{th}}$ stratum
$X_{(j),i,h}$	is the value attributed to the $i^{\text{th}}$ company of stratum $h$ , where $j$ is the publication cell of interest.

Note: Although a company was assigned to and sampled in one ACES industry, it could report expenditures in multiple ACES industries. When this occurred, the reported data for all industries were inflated by the weight in the sample industry.

**ACE-2 segment.** The ACE-2 estimates were derived as follows:

$$\hat{X}_j = \sum_{h=1}^9 \sum_{i \in h} (W_{h(\text{adj})} * X_{(j),i,h})$$

where,

$W_{h(\text{adj})}$  is the adjusted weight of the  $h^{\text{th}}$  stratum

$X_{(j),i,h}$  is the value attributed to the  $i^{\text{th}}$  company in stratum  $h$ , where  $j$  is the publication cell of interest (note, since no industry level estimates are derived for ACE-2 companies, this  $j$  will always represent a national-level cell estimate).

### Relative Standard Error Estimation

The Relative Standard Error (RSE) is the Standard Error (SE, and denoted by  $\hat{\sigma}$  in the formulas) divided by the estimate. It provides a measure of the variation of the data relative to the estimate being made.

The SE is the square root of the variance of the estimated cell total. To estimate the variance, it is necessary to estimate the variance contribution of each of the individual noncertainty strata. For the ACE-1 estimates, there are  $h=388$  individual noncertainty strata; for the ACE-2 estimates, there are  $h=10$  individual strata. For the combined ACE-1 and ACE-2 national-level estimates presented in table C-1a, the variance is estimated by summing the corresponding ACE-1 and ACE-2 variance estimates. The variance is estimated by:

$$\hat{\sigma}^2(\hat{X}_j) = \sum_h (N_h * (W_{h(\text{adj})} - 1) * s_{(j),h}^2)$$

where,  $N_h$  and  $W_{h(\text{adj})}$  are as defined above, and

$$s_{(j),h}^2 = \left( \sum_{i \in h} \frac{X_{(j),i,h}^2}{(r_h - 1)} \right) - \left( \frac{(\sum_{i \in h} X_{(j),i,h})^2}{r_h * (r_h - 1)} \right)$$

where,

$X_{(j),i,h}$  is as defined above

$r_h$  is the number of respondents in stratum  $h$

Finally, the relative standard error of the estimated total,  $\hat{X}_j$ , the value appearing in the tables (presented as percentages) is computed as

$$RSE(\hat{X}_j) = \left( \frac{\hat{\sigma}(\hat{X}_j)}{\hat{X}_j} \right) * 100$$

### RELIABILITY OF THE ESTIMATES

The data shown in this report are estimated from a sample and will differ from the data which would have been obtained from a complete census. Two types of possible

errors are associated with estimates based on data from sample surveys: sampling errors and nonsampling errors. The accuracy of a survey result depends not only on the sampling errors and nonsampling errors measured but also on the nonsampling errors not explicitly measured. For particular estimates, the total error may considerably exceed the measured errors.

### Sampling Variability

The sample used in this survey is one of many possible samples that could have been selected using the sampling methodology described earlier. Each of these possible samples would likely yield different results. The RSE is a measure of the variability among the estimates from these possible samples. The RSE accounts for sampling variability but does not account for nonsampling error or systematic biases in the data. Bias is the difference, averaged over all possible samples of the same design and size, between the estimate and the true value being estimated.

The RSE's presented in the tables can be used to derive the SE of the estimate. The SE can be used to derive interval estimates with prescribed levels of confidence that the interval includes the average results of all samples:

- intervals defined by one SE above and below the sample estimate will contain the true value about 68 percent of the time,
- intervals defined by 1.6 SE above and below the sample estimate will contain the true value about 90 percent of the time,
- intervals defined by two SE's above and below the sample estimate will contain the true value about 95 percent of the time.

The SE of the estimate can be calculated by multiplying the RSE presented in the tables by the corresponding estimate. Note that RSEs in this publication are in percentage form. They must be divided by 100 before being multiplied by the corresponding estimate. For example, using data from tables 4a and C-4a, the SE for total nondurable manufacturing capital expenditures would be calculated as follows:

$$\hat{\sigma}(\hat{X}_j) = \left[ \frac{RSE(\hat{X}_j)}{100} \right] * X_j = \left( \frac{1.4}{100} \right) * \$83,940 \text{ million} = \$1,175$$

The 90-percent confidence interval can be constructed by multiplying 1.6 by the SE, adding this value to the estimate to create the upper bound, and subtracting it from the estimate to create the lower bound.

$$\hat{X}_j \pm [1.6 * \hat{\sigma}(\hat{X}_j)]$$

Using data from table 4a, for nondurable manufacturing capital expenditures, a 90% confidence interval would be calculated as:

$$\$83,940 \text{ million} \pm 1.6(\$1,175) = \$83,940 \pm \$1,880 \text{ million}$$

## **Nonsampling Error**

All surveys and censuses are subject to nonsampling errors. Nonsampling errors can be attributed to many sources: inability to obtain information about all companies in the sample; inability or unwillingness on the part of respondents to provide correct information; response errors; definition difficulties; differences in the interpretation of questions; mistakes in recording or coding the data; and other errors of collection, response, coverage, and estimation for nonresponse.

Explicit measures of the effects of these nonsampling errors are not available. However, to minimize nonsampling error, all reports were reviewed for reasonableness and consistency, and every effort was made to achieve accurate response from all survey participants.

Coverage errors may have a significant effect on the accuracy of estimates for this survey. The SSEL, which forms the basis of our survey universe frame, may not contain all businesses. Also, businesses that are contained in the SSEL may have their payroll misreported.

Table C-1a. **Relative Standard Errors for Capital Expenditures for Structures and Equipment: 1997**

[Percent. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

Capital expenditures	Capital expenditures for all companies and businesses	Capital expenditures for companies with 1 employee or more	Capital expenditures for nonemployer businesses
<b>Total</b> .....	<b>1.1</b>	<b>0.9</b>	<b>7.1</b>
<b>Structures</b> .....	<b>3.0</b>	<b>2.3</b>	<b>16.9</b>
New .....	3.1	2.3	20.3
Used .....	9.4	6.2	21.1
<b>Equipment</b> .....	<b>0.9</b>	<b>0.8</b>	<b>4.8</b>
New .....	0.9	0.8	5.4
Used .....	4.8	5.1	9.5
<b>Not distributed as structures or equipment</b> .....	<b>(Z)</b>	<b>(Z)</b>	<b>(Z)</b>
<b>Capital Lease and Capitalized Interest Expenses</b>			
Capital leases .....	5.6	5.1	32.7
Capitalized interest .....	(NA)	2.2	(NA)

Table C-1b. **Relative Standard Errors for Capital Expenditures for Structures and Equipment: 1996 Revised**

[Percent. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

Capital expenditures	Capital expenditures for all companies and businesses	Capital expenditures for companies with 1 employee or more	Capital expenditures for nonemployer businesses
<b>Total</b> .....	<b>1.6</b>	<b>1.4</b>	<b>8.5</b>
<b>Structures</b> .....	<b>2.7</b>	<b>1.9</b>	<b>13.2</b>
New .....	2.7	2.0	14.7
Used .....	9.2	6.5	22.3
<b>Equipment</b> .....	<b>2.0</b>	<b>1.6</b>	<b>12.5</b>
New .....	1.8	1.7	11.5
Used .....	7.7	3.9	16.8
<b>Not distributed as structures or equipment</b> .....	<b>23.1</b>	<b>23.1</b>	<b>(Z)</b>
<b>Capital Lease and Capitalized Interest Expenses</b>			
Capital leases .....	6.1	5.4	23.4
Capitalized interest .....	(NA)	4.3	(NA)

Table C-2. **Relative Standard Errors for Capital Expenditures and Percent Change for Companies With One Employee or More by Major Industry Sector: 1997 and 1996 Revised**

[Percent. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	1997 capital expenditures	Percent change (1997-1996)	1996 capital expenditures
	<b>Total expenditures</b> .....	<b>0.9</b>	<b>0.1</b>	<b>1.4</b>
	<b>By industry</b> .....	<b>0.9</b>	<b>0.1</b>	<b>1.4</b>
10-14	Mining .....	5.5	0.3	4.7
15-17	Construction .....	6.1	0.5	5.9
20-39	Manufacturing .....	1.0	14.8	4.3
24, 25, 32-39	Durable goods industries .....	1.5	4.7	7.5
20-23, 26-31	Nondurable goods industries .....	1.4	0.6	1.4
40-42, 44-47	Transportation .....	6.1	0.3	2.6
48	Communications .....	3.0	0.2	1.8
49	Utilities .....	1.4	0.3	1.7
491, 493	Electric and gas services .....	1.5	0.4	1.4
492, 494-497	Gas, water, and other utilities .....	3.1	0.5	4.8
50, 51	Wholesale trade .....	4.2	0.4	4.5
52-59	Retail trade .....	1.9	38.6	3.0
60-62, 67	Finance .....	0.9	0.2	1.0
63-65	Insurance and real estate .....	12.4	0.6	10.7
07-09, 70-89	Services .....	2.1	0.2	1.9
07-09, 70, 72, 73, 75, 76, 78, 79	Rental and business services .....	1.8	0.2	1.8
80	Health services .....	2.0	0.3	1.9
81-84, 86, 87, 89	Membership organizations, educational, and miscellaneous services .....	7.1	0.4	6.9
	Structures and equipment expenditures serving multiple industry categories .....	0.3	0.0	0.3

Table C-3. **Relative Standard Errors for Capital Expenditures for Structures and Equipment for Companies With One Employee or More by Major Industry Sector: 1997 and 1996 Revised**

[Percent. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	Total expenditures	Expenditures for structures			Expenditures for equipment			Not distributed as structures or equipment
			Total	New	Used	Total	New	Used	
	<b>Total expenditures</b> .....	1997.. 0.9 1996.. 1.4	2.3 1.9	2.3 2.0	6.2 6.5	0.8 1.6	0.8 1.7	5.1 3.9	(Z) 23.1
	<b>By industry</b> .....	1997.. 0.9 1996.. 1.4	2.3 1.9	2.3 2.0	6.2 6.5	0.8 1.6	0.8 1.7	5.1 3.9	(Z) 23.1
10-14	Mining .....	1997.. 5.5 1996.. 4.7	7.8 6.1	8.0 6.3	1.9 25.6	5.0 5.1	3.7 3.8	32.4 29.8	(Z) (Z)
15-17	Construction .....	1997.. 6.1 1996.. 5.9	22.3 20.2	24.1 19.3	34.9 54.3	6.0 5.8	6.6 6.2	13.7 12.4	(Z) (Z)
20-39	Manufacturing .....	1997.. 1.0 1996.. 4.3	2.2 2.5	2.3 2.6	10.9 10.8	1.1 4.9	1.0 5.1	6.5 6.8	(Z) (Z)
24, 25, 32-39	Durable goods industries .....	1997.. 1.5 1996.. 7.5	3.6 4.6	3.7 4.7	9.4 22.9	1.5 8.3	1.4 8.7	8.5 11.0	(Z) (Z)
20-23, 26-31	Nondurable goods industries .....	1997.. 1.4 1996.. 1.4	2.7 1.6	2.7 1.7	22.7 3.4	1.5 1.6	1.5 1.6	9.8 6.4	(Z) (Z)
40-42, 44-47	Transportation .....	1997.. 6.1 1996.. 2.6	10.5 1.9	10.9 2.1	12.9 1.4	7.3 3.2	7.9 3.6	12.7 7.3	(Z) (Z)
48	Communications .....	1997.. 3.0 1996.. 1.8	2.8 4.3	2.9 4.4	11.8 11.5	3.6 1.8	3.6 1.9	17.3 6.2	(Z) (Z)
49	Utilities .....	1997.. 1.4 1996.. 1.7	2.3 2.2	2.4 2.3	21.7 0.9	1.8 2.3	1.9 2.3	3.9 4.0	(Z) (Z)
491, 493	Electric and gas services .....	1997.. 1.5 1996.. 1.4	2.0 3.2	1.9 3.2	41.3 .7	2.2 1.3	2.2 1.3	11.0 4.7	(Z) (Z)
492, 494-497	Gas, water, and other utilities .....	1997.. 3.1 1996.. 4.8	5.1 2.8	5.3 3.0	0.2 1.2	2.8 8.8	3.1 9.5	4.0 6.2	(Z) (Z)
50, 51	Wholesale trade .....	1997.. 4.2 1996.. 4.5	9.8 9.1	10.3 9.5	29.0 33.6	3.8 4.6	3.8 4.7	15.1 14.2	(Z) (Z)
52-59	Retail trade .....	1997.. 1.9 1996.. 3.0	2.0 3.9	1.8 4.1	23.6 9.4	2.8 3.7	2.4 3.7	28.7 15.2	(Z) (Z)
60-62, 67	Finance .....	1997.. 0.9 1996.. 1.0	4.9 5.5	4.5 5.9	24.5 20.6	0.4 0.7	0.4 0.7	7.3 3.6	(Z) (Z)
63-65	Insurance and real estate .....	1997.. 12.4 1996.. 10.7	17.8 15.4	18.6 17.0	14.5 12.3	4.7 5.7	3.8 5.8	50.0 16.8	(Z) (Z)
07-09, 70-89	Services .....	1997.. 2.1 1996.. 1.9	4.7 4.4	4.9 4.6	12.7 16.2	1.3 1.3	1.3 1.3	11.7 10.1	(Z) 23.6
07-09, 70, 72, 73, 75, 76, 78, 79	Rental and business services .....	1997.. 1.8 1996.. 1.8	5.4 5.7	5.4 5.8	34.6 20.3	1.5 1.6	1.5 1.6	12.7 13.2	(Z) (Z)
80	Health services .....	1997.. 2.0 1996.. 1.9	2.3 3.0	2.0 3.2	16.1 5.4	2.6 1.8	2.3 1.8	32.3 10.0	(Z) (Z)
81-84, 86, 87, 89	Membership organizations, educational, and miscellaneous services .....	1997.. 7.1 1996.. 6.9	11.3 10.8	11.9 11.2	21.0 38.3	4.2 3.9	4.2 3.9	32.1 16.8	(Z) 24.0
	Structures and equipment expenditures serving multiple industry categories .....	1997.. 0.3 1996.. 0.3	0.8 0.1	0.8 (Z)	(Z) 3.0	0.3 0.5	0.3 0.4	(Z) 4.5	(Z) (Z)





Table C-4a. **Relative Standard Errors for Capital Expenditures for Structures and Equipment for Companies With One Employee or More by Industry: 1997—Con.**

[Percent. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	Total expenditures	Total new expenditures	Expenditures for structures			Expenditures for equipment			Not distributed as structures or equipment
				Total	New	Used	Total	New	Used	
<b>60-65, 67</b>	<b>Finance, insurance, and real estate</b> .....	<b>3.1</b>	<b>3.1</b>	<b>11.1</b>	<b>11.7</b>	<b>14.3</b>	<b>0.6</b>	<b>0.5</b>	<b>17.8</b>	<b>(Z)</b>
<b>60-62, 67</b>	<b>Finance</b> .....	<b>0.9</b>	<b>0.8</b>	<b>4.9</b>	<b>4.5</b>	<b>24.5</b>	<b>0.4</b>	<b>0.4</b>	<b>7.3</b>	<b>(Z)</b>
601	Central reserve depository institutions .....	0.4	0.4	0.3	0.3	(Z)	0.6	(D)	(D)	(Z)
602	Commercial banks .....	3.5	3.6	5.3	5.5	12.2	2.5	2.5	8.8	(Z)
603	Savings institutions (including savings and loans) .....	8.6	11.5	11.1	17.4	9.2	10.3	12.2	1.0	(Z)
606	Credit unions .....	9.0	9.3	14.3	14.9	30.1	6.4	(D)	(D)	(Z)
608, 609	Other depository institutions .....	13.3	13.3	19.9	19.9	(Z)	17.2	17.3	81.0	(Z)
61	Nondepository credit institutions .....	0.6	0.3	35.4	11.4	74.2	0.3	0.2	19.2	(Z)
62	Securities and commodity brokers and services .....	6.6	6.7	19.6	20.1	(Z)	1.6	1.6	6.6	(Z)
67	Holding, charitable trusts and other investments .....	7.2	7.3	11.8	12.2	0.8	6.8	6.9	42.0	(Z)
<b>63-65</b>	<b>Insurance and real estate</b> .....	<b>12.4</b>	<b>12.8</b>	<b>17.8</b>	<b>18.6</b>	<b>14.5</b>	<b>4.7</b>	<b>3.8</b>	<b>50.0</b>	<b>(Z)</b>
631	Life insurance carriers .....	0.6	0.7	0.2	0.3	0.2	1.5	1.6	1.7	(Z)
632-639	Insurance carriers (except life) .....	1.9	1.9	1.7	1.3	14.5	2.3	2.3	5.3	(Z)
64	Insurance agents, brokers, and services .....	17.3	17.3	34.3	34.5	7.2	11.9	11.9	27.9	(Z)
65	Real estate offices .....	19.2	19.9	21.8	22.5	22.8	16.4	13.5	56.2	(Z)
<b>07-09, 70-89</b>	<b>Services</b> .....	<b>2.1</b>	<b>2.1</b>	<b>4.7</b>	<b>4.9</b>	<b>12.7</b>	<b>1.3</b>	<b>1.3</b>	<b>11.7</b>	<b>(Z)</b>
<b>07-09, 70, 72, 73, 75, 76, 78, 79</b>	<b>Rental and business services</b> .....	<b>1.8</b>	<b>1.8</b>	<b>5.4</b>	<b>5.4</b>	<b>34.6</b>	<b>1.5</b>	<b>1.5</b>	<b>12.7</b>	<b>(Z)</b>
70	Hotels and other lodging places .....	7.3	7.4	9.8	10.0	(Z)	5.7	5.7	22.7	(Z)
72	Personal services .....	18.2	18.4	46.4	46.8	81.7	11.5	11.6	29.8	(Z)
735	Equipment rental and leasing .....	3.2	2.1	9.2	9.4	33.0	3.2	2.1	23.9	(Z)
737	Computer programming and data processing services .....	6.7	6.7	12.3	12.6	16.1	6.7	6.7	25.4	(Z)
731-734, 736, 738	Business services .....	7.7	7.0	26.6	20.3	81.0	7.1	7.3	37.9	(Z)
751	Automotive and truck rental and leasing .....	1.2	1.2	16.9	17.0	38.6	1.2	1.1	38.0	(Z)
752-754	Automotive parking, repair, and services .....	16.0	15.9	28.1	29.6	69.7	14.9	14.5	45.9	(Z)
76	Miscellaneous repair services .....	18.4	19.6	34.3	36.8	76.9	17.4	18.5	49.5	(Z)
78	Motion pictures, movie theaters, and video tape rentals .....	7.2	7.4	2.9	2.5	44.2	11.3	11.8	18.3	(Z)
79	Amusement and recreation services .....	7.7	8.0	9.4	9.7	12.5	7.4	7.8	12.1	(Z)
07-09	Agricultural services, forestry and fishing .....	14.0	14.8	43.7	44.5	19.2	14.7	15.6	39.5	(Z)
<b>80</b>	<b>Health services</b> .....	<b>2.0</b>	<b>1.7</b>	<b>2.3</b>	<b>2.0</b>	<b>16.1</b>	<b>2.6</b>	<b>2.3</b>	<b>32.3</b>	<b>(Z)</b>
801, 803	Offices and clinics of doctors of medicine and osteopathy .....	7.5	5.9	8.5	8.4	34.8	10.1	6.8	79.4	(Z)
802	Offices and clinics of dentists .....	29.8	27.2	54.1	48.5	91.9	24.5	25.4	62.7	(Z)
804	Offices and clinics of other health practitioners .....	45.4	44.3	26.2	26.4	42.1	48.2	47.6	72.4	(Z)
805	Nursing and personal care facilities .....	5.9	6.5	6.6	7.5	12.6	6.0	6.2	23.9	(Z)
806	Hospitals .....	0.8	0.8	1.2	1.3	2.6	0.6	0.6	1.1	(Z)
808	Home health care services .....	14.6	14.8	40.7	41.1	(Z)	10.0	10.2	38.9	(Z)
807, 809	Other health care and allied services .....	5.1	5.1	9.3	9.5	14.5	5.3	5.2	57.2	(Z)
<b>81-84, 86, 87, 89</b>	<b>Membership organizations, educational, and miscellaneous services</b> .....	<b>7.1</b>	<b>7.3</b>	<b>11.3</b>	<b>11.9</b>	<b>21.0</b>	<b>4.2</b>	<b>4.2</b>	<b>32.1</b>	<b>(Z)</b>
81	Legal services .....	8.4	8.5	14.2	12.1	73.1	8.7	8.9	40.2	(Z)
82	Educational services and libraries .....	6.2	6.2	6.4	6.5	0.1	11.4	11.1	73.9	(Z)
83	Social services .....	16.8	17.6	22.2	23.6	63.3	12.5	12.8	36.3	(Z)
84	Museums, art galleries, botanical gardens and zoos .....	9.4	9.6	10.8	11.0	46.2	10.4	10.5	52.7	(Z)
86	Membership and religious organizations .....	20.9	21.9	24.7	25.9	41.3	10.7	10.8	62.9	(Z)
87	Engineering, accounting, and other services .....	5.5	5.7	6.2	6.1	19.2	6.5	6.6	30.7	(Z)
89	Miscellaneous services .....	8.9	9.0	11.3	11.2	85.6	11.8	11.9	43.7	(Z)
	<b>Structures and equipment expenditures serving multiple industries</b> .....	<b>0.3</b>	<b>0.3</b>	<b>0.8</b>	<b>0.8</b>	<b>(Z)</b>	<b>0.3</b>	<b>0.3</b>	<b>(Z)</b>	<b>(Z)</b>



Table C-4b. **Relative Standard Errors for Capital Expenditures for Structures and Equipment for Companies With One Employee or More by Industry: 1996 Revised—Con.**

[Percent. See Appendix A for definition of terms. For meaning of abbreviations and symbols, see introductory text]

SIC code	Industry	Total expenditures	Total new expenditures	Expenditures for structures			Expenditures for equipment			Not distributed as structures or equipment
				Total	New	Used	Total	New	Used	
<b>60-65, 67</b>	<b>Finance, insurance, and real estate (R)</b> .....	<b>2.4</b>	<b>2.4</b>	<b>9.5</b>	<b>10.5</b>	<b>11.3</b>	<b>.8</b>	<b>.8</b>	<b>7.1</b>	<b>(Z)</b>
<b>60-62, 67</b>	<b>Finance (R)</b> .....	<b>1.0</b>	<b>1.0</b>	<b>5.5</b>	<b>5.9</b>	<b>20.6</b>	<b>.7</b>	<b>.7</b>	<b>3.6</b>	<b>(Z)</b>
601	Central reserve depository institutions .....	.2	.2	.2	(D)	(D)	.3	(D)	(D)	(Z)
602	Commercial banks .....	5.2	5.3	9.4	9.9	38.8	3.3	3.3	1.0	(Z)
603	Savings institutions (including savings and loans) .....	7.9	9.3	11.9	(D)	(D)	6.0	(D)	(D)	(Z)
606	Credit unions .....	14.1	14.6	10.7	11.4	33.9	21.1	21.3	40.3	(Z)
608, 609	Other depository institutions .....	5.8	5.5	8.7	(D)	(D)	7.2	(D)	(D)	(Z)
61	Nondepository credit institutions (R) .....	.1	.1	1.7	(D)	(D)	.1	(D)	(D)	(Z)
62	Securities and commodity brokers and services .....	7.5	7.7	8.5	9.2	(Z)	9.0	9.0	.4	(Z)
67	Holding, charitable trusts and other investments .....	17.0	14.8	14.7	13.2	83.6	22.1	22.4	35.6	(Z)
<b>63-65</b>	<b>Insurance and real estate (R)</b> .....	<b>10.7</b>	<b>11.5</b>	<b>15.4</b>	<b>17.0</b>	<b>12.3</b>	<b>5.7</b>	<b>5.8</b>	<b>16.8</b>	<b>(Z)</b>
631	Life insurance carriers .....	2.5	2.2	3.5	3.5	10.2	1.7	1.6	22.6	(Z)
632, 639	Insurance carriers (except life) .....	1.8	(D)	1.6	(D)	(D)	2.3	2.3	2.5	(Z)
64	Insurance agents, brokers, and services .....	10.9	(D)	31.8	(D)	(D)	10.5	10.6	45.6	(Z)
65	Real estate offices (R) .....	17.6	18.9	19.3	20.9	17.2	19.3	19.7	54.2	(Z)
<b>07-09, 70-89</b>	<b>Services (R)</b> .....	<b>1.9</b>	<b>1.9</b>	<b>4.4</b>	<b>4.6</b>	<b>16.2</b>	<b>1.3</b>	<b>1.3</b>	<b>10.1</b>	<b>23.6</b>
<b>07-09, 70, 72, 73, 75, 76, 78, 79</b>	<b>Rental and business services (R)</b> .....	<b>1.8</b>	<b>1.8</b>	<b>5.7</b>	<b>5.8</b>	<b>20.3</b>	<b>1.6</b>	<b>1.6</b>	<b>13.2</b>	<b>(Z)</b>
70	Hotels and lodging places .....	6.3	6.0	8.9	8.9	29.1	5.7	5.7	32.0	(Z)
72	Personal services .....	10.9	10.0	23.0	22.8	66.6	7.9	8.1	33.8	(Z)
735	Equipment rental and leasing (R) .....	3.7	2.1	9.6	9.6	40.2	3.8	2.1	35.3	(Z)
737	Computer programming and data processing services .....	4.9	5.0	2.6	2.7	(Z)	5.5	5.6	12.2	(Z)
731-734, 736, 738	Business services .....	10.2	10.5	11.1	6.6	55.1	11.5	11.7	20.6	(Z)
751	Automotive and truck rental and leasing (R) .....	1.6	1.6	2.1	2.1	(Z)	1.6	1.6	24.3	(Z)
752-754	Automotive parking, repair, and services .....	13.5	14.3	31.8	35.5	73.0	12.6	13.2	39.3	(Z)
76	Miscellaneous repair services .....	15.1	16.2	32.0	32.5	9.4	16.4	17.8	25.7	(Z)
78	Motion pictures, movie theaters, video tape rentals (R) .....	5.3	5.4	5.8	6.1	1.3	6.2	6.4	19.7	(Z)
79	Amusement and recreation services .....	4.9	5.1	7.7	7.9	27.5	4.7	4.8	19.4	(Z)
07-09	Agricultural services, forestry and fishing .....	21.6	22.7	42.5	42.8	28.1	10.8	11.5	25.6	(Z)
<b>80</b>	<b>Health services</b> .....	<b>1.9</b>	<b>2.0</b>	<b>3.0</b>	<b>3.2</b>	<b>5.4</b>	<b>1.8</b>	<b>1.8</b>	<b>10.0</b>	<b>(Z)</b>
801, 804	Offices and clinics of doctors of medicine and osteopathy .....	8.1	8.5	16.2	17.4	28.2	6.7	6.9	27.0	(Z)
805	Nursing and personal care facilities .....	9.8	10.5	12.1	13.2	1.5	5.5	5.6	10.2	(Z)
806	Hospitals .....	.6	.6	1.1	1.2	.9	.6	.6	.2	(Z)
807, 809	Other health care and allied services .....	9.1	9.3	17.2	17.5	66.0	9.0	9.3	24.4	(Z)
<b>81-84, 86, 87, 89</b>	<b>Membership organizations, educational and miscellaneous services (R)</b> .....	<b>6.9</b>	<b>7.1</b>	<b>10.8</b>	<b>11.2</b>	<b>38.3</b>	<b>3.9</b>	<b>3.9</b>	<b>16.8</b>	<b>24.0</b>
81	Legal services .....	8.4	6.7	26.7	14.9	97.2	6.7	6.8	47.1	95.0
82	Educational services and libraries .....	14.3	14.9	18.0	19.0	38.6	4.6	4.6	28.9	(Z)
83	Social services .....	10.5	10.8	16.0	16.8	37.7	9.0	9.2	41.9	(Z)
84	Museums, art galleries, botanical gardens and zoos .....	12.1	(D)	14.2	(D)	(D)	13.3	13.5	15.0	(Z)
86	Membership and religious organizations .....	16.6	16.9	20.0	20.4	74.2	9.0	9.2	27.5	(Z)
87	Engineering, accounting, and other services (R) .....	12.2	12.4	31.0	31.8	34.0	7.3	7.4	33.0	(Z)
89	Miscellaneous services .....	3.7	(D)	2.4	(D)	(D)	4.6	4.0	76.4	(Z)
	<b>Structures and equipment expenditures serving multiple industries</b> .....	<b>.3</b>	<b>.3</b>	<b>.1</b>	<b>(Z)</b>	<b>3.0</b>	<b>.5</b>	<b>.4</b>	<b>4.5</b>	<b>(Z)</b>

(R) Represents revisions to industry level data.

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## Appendix D. Survey Form and Instructions

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1997 Annual Capital Expenditures Survey (ACE-1) .....	D-2
1997 Instructions, Definitions, and Codes List (ACE-1).....	D-10
1997 Annual Capital Expenditures Survey (ACE-2) .....	D-18
1997 Instructions and Definitions (ACE-2) .....	D-20

FORM **ACE-1**  
(2-20-98)

# 1997 ANNUAL CAPITAL EXPENDITURES SURVEY

Industry Category Codes:

**Printed above are the industries in which we believe your company operates. If necessary, correct the above industry category code(s) to reflect your company's operations.**

**Refer to the list of industry codes and descriptions beginning on page 6 of the Instructions, Definitions, and Codes List manual.**

*(Please correct any errors in name, address, and ZIP Code.)*

**NOTICE** – Response to this inquiry is **required by law (Title 13, U.S. Code)**. By section 9 of the same law, your report to the Census Bureau is confidential. It may be seen only by sworn Census employees and may be used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.

Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears at the top of this page.

**PLEASE TURN THIS FORM BOOKLET OVER AND BEGIN THE SURVEY ON PAGE 1.**

FROM THE ACTING DIRECTOR  
BUREAU OF THE CENSUS

We are conducting the Annual Capital Expenditures Survey, and we'd like you to help by completing the enclosed survey form.

The Census Bureau's Annual Capital Expenditures Survey is a key source of information about our country's economic performance. Your company may find the facts about trends in capital expenditures useful for identifying business opportunities, product development, and business planning.

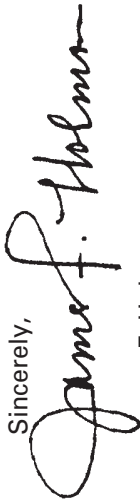
Title 13 of the United States Code requires you to answer this survey, and it also requires us to keep your response confidential.

We realize that completing this survey is a burden for you. We hope, however, that you appreciate the importance of your response in providing accurate data about our Nation's economic performance. We have limited the survey sample to the fewest possible number of representative firms, and we accept estimates if book figures are not available.

**Please review the instructions, complete the form, and return it within 30 days.** The instructions can assist you on how to report for each item. Returning your form promptly helps us keep follow-up costs down. If you have any questions or comments, please call us toll-free at **1-800-528-3049**.

Thank you in advance for your cooperation.

Sincerely,



James F. Holmes

Enclosure

**DEFINITIONS AND GENERAL INSTRUCTIONS**

**PLEASE REFER TO THE ENCLOSED INSTRUCTIONS, DEFINITIONS, AND CODES LIST MANUAL BEFORE COMPLETING THE SURVEY.**

- SURVEY SCOPE – This survey collects capital expenditures data for nonfarm companies, organizations, and associations operating within the United States. This includes churches and other non-profit organizations, government owned but privately operated organizations, and agricultural services. Agricultural production should be excluded.
- SURVEY PERIOD – Report data for calendar year 1997. **Refer to page 1 of the instruction manual if your records are on a fiscal year basis.**
- **If your company ceased operations during the survey year, complete the form for the period of time the company was in operation.**

- Reasonable estimates are acceptable.

- Report dollar values rounded to thousands.

Example: If figure is	Mill	Thou
\$179,125,628.00 report →	179	126

- Please complete and return the form in the envelope provided by the due date shown on the top of page 8. **To request another survey form or an extension of time** for filing, call **1-800-814-8385** or write to the address below (please include your Census File Number (CFN) located on the top line of the mailing address):  
Bureau of the Census  
1201 East Tenth Street  
Jeffersonville, IN 47132-0001
- To return the form by FAX, fax to **1-800-438-8040**.
- **If you have any questions regarding this survey or need help completing it, call 1-800-528-3049.**

## DEFINITIONS AND GENERAL INSTRUCTIONS

### ITEM 1A – DOMESTIC FIXED ASSET DATA

**FIXED ASSETS** – New and used buildings, structures, machinery, and equipment for which depreciation or amortization accounts are ordinarily maintained. The value of land development and improvements, as well as exploration and development of mineral properties, are included.

- Exclude*
- Cost of land and depletable assets such as mineral and timber rights;
  - Current assets such as inventories, cash, and accounts receivable;
  - Assets of foreign operations;
  - Assets leased to others under capital lease arrangements;
  - Intangible assets such as patents, copyrights, trademarks, franchises, and goodwill.

**CAPITAL EXPENDITURES** – All capitalized costs during 1997 for both new and used structures and equipment chargeable to fixed asset accounts, and for which depreciation or amortization accounts are ordinarily maintained.

- Include*
- Expenditures for major additions, alterations, and capitalized repairs to existing structures, whether performed by a contractor or completed in-house;
  - Gross additions during the year to construction-in-progress accounts for projects lasting more than one year, even if the asset was not in use and not yet depreciated;
  - Capitalized cost of assets produced or purchased then leased under operating leases;
  - Capital costs for feasibility studies, architectural, legal, installation, and engineering fees;
  - Estimated cost of assets acquired under capital leases entered into during the survey year;
  - Expenditures for capitalized improvements made to assets leased from others (leasehold improvements);
  - Expenditures for developmental and exploratory drilling activities, including intangible drilling costs;
  - Capitalized interest charges on loans with which capital projects are financed, if consistent with the Statement of Financial Accounting Standards Board (FASB) Number 34;
  - Value of assets expensed as permitted under Section 179 of the U.S. Internal Revenue Code.
  - Expenditures for land development and improvement, including demolition of buildings, land servicing, and site preparation.
- Exclude*
- Expenditures for structures or equipment by subsidiaries and branches located outside the United States;
  - Value of structures built or work performed by your enterprise on contract to others;
  - Items chargeable as current operating expenses such as cost of maintenance, normal repairs, and supplies;
  - Expenditures for intangible assets such as goodwill, patents, or copyrights;
  - Payments to others for structures and equipment acquired under operating leases or rented;
  - Expenditures for property which is leased to others as part of a capital (full-payout or equity) lease arrangement.

**OTHER ADDITIONS AND ACQUISITIONS** – Additions to your fixed asset accounts, including **fixed assets** acquired through mergers and acquisitions, if not considered capital expenditures.

### ITEM 1B – SALES, OPERATING RECEIPTS, AND REVENUES

- Include*
- Sales operating receipts, and revenues from taxable operations as well as total revenues from tax-exempt activities. See page 4 of the instruction manual for additional details regarding this item.

**PLEASE READ THE ABOVE DEFINITIONS AND GENERAL INSTRUCTIONS BEFORE ANSWERING THE FOLLOWING QUESTIONS**

a. Did this enterprise own any fixed assets during 1997?

01  YES – Continue      2  NO – Skip to "Ownership Information" on Page 7.

b. Did this enterprise make any capital expenditures during 1997?

02  YES – Continue      2  NO – Complete Item 1, then skip to Page 7.

**ITEM 1A**

Report capital expenditures for all domestic operations of your enterprise, including subsidiaries and divisions. For this report, the terms enterprise and company are used interchangeably. An enterprise is a business, service, or membership organization consisting of one or more establishments under common ownership or control. It includes all establishments of subsidiary companies, where there is more than 50 percent ownership, as well as establishments of firms which the enterprise has the power to direct or cause the direction of management and policies. **Holding companies should report for the entire corporation, including all subsidiaries under their ownership.** If you cannot report consolidated data for the entire enterprise, call 1-800-528-3049 to arrange for special handling. If your company was bought by another company during 1997, complete the form for the part of the year prior to the sale, and enter the name and address of the new owner in the "Ownership Information" section on page 7.

**Report the following fixed asset data for the entire company. Report in thousands of dollars. Exclude land.**

Row	Description	(1)	
		Mil	Thou
10	Gross value (original cost) of fixed assets at beginning of year		
11	Total capital expenditures [If none, enter "0"; this item should be equal to Item 2, Row 20, Column (1)]		
12	Other additions and acquisitions (Please specify in the "Remarks" section on page 7.)		
13	Gross value of retirements and dispositions	<	>
14	Gross value (original cost) of fixed assets at end of year		
15	Accumulated depreciation and amortization at end of year		

**ITEM 1B** Report total sales, operating receipts and revenue – include value of all products sold, services rendered, or other receipts and revenues. See page 4 of the instruction manual for additional details regarding this item.

Row	Description	Enter industry code	Sales, operating receipts and revenue (1)	
			Mil	Thou
16	Total domestic sales, operating receipts, and revenue for the entire company			
	Report the three industries with the largest sales, operating receipts, and revenue in which this company operates. Use the list of industry category codes on page 6 of instructions to complete column (1).			
17	Largest industry			
18	Second largest industry			
19	Third largest industry			



## DEFINITIONS AND GENERAL INSTRUCTIONS

### ITEM 2 – DOMESTIC CAPITAL EXPENDITURES DATA

Complete Item 2 for the capital expenditures reported in Item 1, Row 11.

**STRUCTURES** – Report the capitalized cost of buildings and structures, and all necessary expenditures to acquire, construct, and prepare the structure for its intended use.

- Include*
- Major additions, alterations, and capitalized repairs to existing structures, whether performed by a contractor or completed in-house
  - Gross additions during the year to construction-in-progress accounts for projects lasting more than one year;
  - Machinery and equipment which are an integral or built-in feature of the structure;
  - Expenditures for land development and improvements such as demolition of buildings, site preparation, and land servicing;
  - Facilities which are built into or fixed to the land such as sidewalks, streets, parking lots, airfields, piers, telephone and power lines, sewers, and petroleum and gas pipelines;
  - Exploration and development of mineral properties such as drilling gas wells, construction of offshore drilling platforms; digging and shoring mines, mine shafts, and mining exploration.
- Exclude*
- Cost of land and depletable assets;
  - Normal maintenance and repairs to existing structures or service facilities.

**EQUIPMENT** – Report the capitalized cost of machinery and equipment used in the production and distribution of goods and services, and in office functions.

- Include*
- Furniture and fixtures;
  - Transportation equipment such as automobiles, trucks, tractors, and aircraft;
  - Office equipment and machines, including computers;
  - Production machinery.

- Exclude*
- Expenditures for items that are expensed such as office supplies;
  - Computer software if considered intangible;
  - Expenditures for machinery or equipment which are housed in structures and **cannot** be removed or replaced without significantly altering the structure. Examples include electrical work, elevators, heating and cooling systems, and overhead hoists and cranes. See Item 2, STRUCTURES on page 3 of the Instruction manual for additional types of equipment to be included as structures.

**OTHER** – Report capital expenditures for assets acquired in 1997 that cannot be classified under structures or equipment. (**Do not** report furniture and fixtures, capitalized computer software, and motor vehicles as OTHER; these are considered equipment for this survey.)

- Exclude*
- Cost of land and depletable assets;
  - Intangible assets (i.e. goodwill, patents, etc.).

**Note: Allocate construction-in-progress, leasehold improvements, and capitalized interest as structures and equipment where applicable. If you cannot allocate these expenditures as structures or equipment, report them as OTHER and provide a description in Item 3.**

**NOTE: Furniture and fixtures, computers, and motor vehicles should not be reported as "Other". These should be reported as equipment for the purposes of this survey.**

**ITEM 2 Report the following domestic capital expenditures data for the entire company. Report in thousands of dollars. Exclude land.**

Row	Capital expenditures from Item 1, Row 11	Total (1)		Structures (2)		Equipment (3)		Other (4)	
		Mil	Thou	Mil	Thou	Mil	Thou	Mil	Thou
20	Total capital expenditures [Total should be equal to Item 1A, Row 11, Column (1)]								
21	New capital expenditures (Include major additions, alterations, and capitalized repairs to existing structures)								
22	Used capital expenditures								

**ITEM 3 List the items included in "Other" capital expenditures (Item 2, Row 20, Column 4) and report their value in thousands of dollars.**

Row	Description (1)	(2)	
		Mil	Thou
30			
31			
32			

**ITEM 4** For new capital expenditures reported in Item 2, Row 21, Column (1), report the estimated cost of assets acquired under capital lease arrangements entered into during the year. Exclude payments for operating leases and capitalized costs of leasehold improvements (see page 5 of the instruction manual for reporting capital leases). Report in thousands of dollars.

41 **TOTAL** \_\_\_\_\_ ↑

**ITEM 5** Report the amount of capitalized interest incurred during the year to produce or construct assets reported as new capital expenditures in Item 2, Row 21, Column (1). Report in thousands of dollars.

51 **TOTAL** \_\_\_\_\_ ↑

**ITEM 6 – CAPITAL EXPENDITURES BY INDUSTRY**

**DEFINITIONS AND GENERAL INSTRUCTIONS**

Complete a separate row in Item 6 for each industry in which your enterprise operated and had capital expenditures in 1997. The sum of expenditures reported in the "Total Capital Expenditures" column should equal the value reported in Item 2, Row 20, Column (1).

**INDUSTRY CATEGORY CODE** – The list of industry category codes printed on page 8 are the industries in which we expected you to have operations in 1997. If the industries are incorrect or incomplete, please refer to the complete list of possible industry codes and descriptions beginning on page 6 of the Instructions, Definitions, and Codes List manual. Correct the list on page 8 of this form and use these updated industry codes to complete Item 6.

**Note: If only one industry code is printed on page 8 and this is the only industry in which you operated in 1997, check the box to the right and skip to page 7.** 6010  Check here

**If you operated in more than one industry or; if you made a correction to any printed industry on page 8,** \_\_\_\_\_ **complete Item 6.**

**ITEM 6 Report in thousands of dollars. Exclude land.**

Row	Enter Industry Category Code	Total Capital Expenditures*		Structures (Include major additions, alterations and capitalized repairs to existing structures as new structures)		Equipment		Other										
		Mil	Thou	Total (1)	New (2)	Used (3)	Total (4)	New (5)	Used (6)	Total (7)	New (8)	Used (9)						
610																		
611																		
612																		
613																		
614																		
615																		
616																		
617																		
618																		
619																		

\*Total of column should equal Item 2, Row 20, Column (1)

**REPORTING PERIOD COVERED**

**a. Do the reported data cover the calendar year 1997?**

95 1  YES

2  NO - Specify period covered → 3

FROM			TO		
Month	Day	Year	Month	Day	Year

4

**OWNERSHIP INFORMATION**

**a. Was this company in operation on December 31, 1997?**

96 1  YES

2  NO - Give date operations ceased → 3

Month	Day	Year

**b. Did the ownership of this company change during the year ending December 31, 1997?**

97 1  YES

Specify date of change AND fill in c. below → 3

Month	Day	Year

**c. Name of new operator/company**

97c

Number and street

City

State

ZIP Code

**REMARKS**

98

Please explain any large or unusual changes to your company's reported domestic capital expenditures.

**CERTIFICATION** - This report is substantially accurate and has been prepared in accordance with instructions.

Name of person to contact regarding this report (Please print or type)  
(1)

Telephone number  
(2)

FAX number  
(3)

99

Signature of authorized official

Area code

Number

Area code

Number

Date

Please be sure to correct any name, address, and ZIP Code errors on the imprinted address on page 8 of this form booklet.

**PLEASE RETURN YOUR COMPLETED FORM TO**

Bureau of the Census  
1201 East 10th Street  
Jeffersonville, IN 47132-0001

OR Fax the form to 1-800-438-8040

**THANK YOU FOR YOUR COOPERATION AND ASSISTANCE IN THIS SURVEY.**

# 1997 ANNUAL CAPITAL EXPENDITURES SURVEY

## INSTRUCTIONS, DEFINITIONS, AND CODES LIST

### INTRODUCTION

This manual provides instructions, definitions, and codes to assist you in completing your Annual Capital Expenditures Survey (ACES) report form.

**Section I** provides general instructions, definitions, and item specific instructions for reporting in the ACE survey. **Section II** contains the INDUSTRY CATEGORY CODES LIST for the appropriate industry codes used in this survey.

### BURDEN HOUR ESTIMATE

Public reporting burden for this collection of information is estimated to range from 2 to 16 hours, averaging 3 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director of Administration/Comptroller, Attn: Paperwork Reduction Project 0607-0782, Room 3104, Federal Building 3, Bureau of the Census, Washington, DC 20233.

### PURPOSE OF THE SURVEY

The purpose of this survey is to collect comprehensive and timely information about the nature and level of capital expenditures in the United States. The level of capital expenditures is an important component in the overall assessment of our Nation's productivity. The information you provide will be used to prepare national measures of capital spending and to formulate fiscal and monetary policy.

### SECTION I

#### PART A - GENERAL INSTRUCTIONS

**Survey Scope** - This survey collects capital expenditures data for nonfarm companies, organizations, and associations operating within the United States. Information for agricultural production operations should be excluded. However, companies performing agricultural services are included.

**Information for churches, nonprofit organizations, and organizations that are government owned but privately operated should be included.**

**Reporting Entity** - Report capital expenditures for all domestic operations of your enterprise, including subsidiaries and divisions. For this report, the terms enterprise and company are used interchangeably. An enterprise is a business, service, or membership organization consisting of one or more establishments under common ownership or control. It includes all establishments of subsidiary

companies, where there is more than 50 percent ownership, as well as establishments of firms which the enterprise has the power to direct or cause the direction of management and policies. **Holding companies should report for the entire corporation, including all subsidiaries under their ownership.** If you are unable to consolidate records for the entire company or have any reporting questions, please call 1-800-528-3049. This report form will be used by companies having activity in one or more industries; therefore, not all items will apply to all companies. For purposes of this survey, exclude data for Puerto Rico, the Virgin Islands, and U.S. Territories.

**Survey Period** - Report data for the calendar year 1997. If calendar year book figures are not available except at considerable cost, reasonable estimates are acceptable. If you cannot provide reasonable estimates on a calendar basis, fiscal year data will be accepted. Indicate on page 7 of the report form the exact dates the data represent if they are not for the calendar year.

If fiscal data are used and your fiscal period ends in January, February, or March, report for the fiscal year ending in 1998. Otherwise, report for the fiscal year ending in 1997.

**Estimates Are Acceptable** - The data requested on this report form may not correspond to your company's accounting records. If you cannot answer a question from your company records, please provide carefully prepared estimates. If your company did not have any capital expenditures for the 1997 reporting period, enter "0" in the appropriate cell(s).

**Mergers and Acquisitions** - Such events occurring during the period covered by this report require special attention.

- (a) If your enterprise merged with or acquired another domestic enterprise during the period, include the domestic capital expenditures made by the merged or acquired enterprise since the date of acquisition; the cost to your enterprise for structures and equipment previously owned by the acquired enterprise at the time of the merger or acquisition should be reported as expenditures, only if treated as capital expenditures by your enterprise. Please furnish the date of the acquisition or merger and the name of the acquired enterprise in the "Remarks" section.
- (b) If your enterprise was acquired by another enterprise during the period covered by this report, please furnish the acquisition date and the name and address of the acquiring enterprise in the "Remarks" section. If your enterprise was acquired during the survey year, complete the form for the period of time the enterprise was in operation prior to the acquisition.

**Additional Forms** – Photocopies of this form are acceptable. If you require additional forms, call 1-800-528-3049 or write to the Bureau of the Census, ACES Processing, 1201 East 10th Street, Jeffersonville, IN 47132-0001. Please include your 11 digit Census File Number (CFN) located on the first line of the mailing address.

**Alternate Reporting Formats** – For information concerning the use of reporting formats other than the report form provided, call 1-800-528-3049.

**Filing the Report Form** – Return your completed report form in the pre-addressed envelope. If you are not using the pre-addressed envelope, return your report form to the Bureau of the Census, 1201 East 10th Street, Jeffersonville, IN 47132-0001 or fax to 1-800-438-8040. Make a copy of the completed report form for your company records.

**Filing Extensions** – If you cannot complete the survey by the due date shown on page 8 of the report form, you may request an extension of time by writing to the address below (include your 11 digit CFN):

Bureau of the Census  
1201 East 10th Street or call: 1-800-814-8385.  
Jeffersonville, IN 47132-0001

**Legal Authority and Confidentiality of Data** – Response to this inquiry is required by law (Title 13, United States Code, Sections 182, 224, and 225). By Section 9 of the same law, your report to the Census Bureau is confidential. It will be seen only by sworn Census Bureau employees and used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.

Direct any **QUESTIONS** regarding this report form to the Bureau of the Census, ATTN: Business Investment Branch, Agriculture and Financial Statistics Division, Washington, DC 20233-6400 or call 1-800-528-3049.

## **PART B – DEFINITIONS**

### **1. CAPITAL EXPENDITURES:**

Capital expenditures include all expenditures during the year for both new and used structures and equipment chargeable to fixed asset accounts for which depreciation or amortization accounts are ordinarily maintained.

#### **Include:**

- capitalized cost of assets produced or purchased, then leased as the lessor under operating leases;
- all capital costs such as feasibility studies, architectural, legal, installation, and engineering fees, as well as, work done by the company's work force;

- **gross additions during the year to construction-in-progress accounts for projects lasting longer than one year (allocate the additions between structures and equipment in Item 2), even if the asset was not in use and not yet depreciated;**
- estimated cost or present value of assets acquired under capital leases entered into during the survey year (**reported by the lessee**). Capital leases presume a sale and purchase of an asset, and are defined by the criteria in the **Statement of Financial Accounting Standards Board (FASB) Number 13;**
- all capitalized **leasehold improvements** made to assets leased from others. In Item 2, allocate leasehold improvements between structures and equipment based on what is being improved;
- **capitalized interest charges** on loans with which capital projects are financed, if consistent with the **Statement of Financial Accounting Standards Board (FASB) Number 34;**
- values of assets expended as permitted under section 179 of the U.S. Internal Revenue code;
- expenditures for structures and equipment (whether acquired on contract or directly by your enterprise), including items purchased abroad, for installation or use within the United States;
- expenditures for major alterations, capitalized repairs, and improvements;
- expenditures for structures or equipment that are, or will be, leased or rented to others;
- expenditures made by your firm for structures which, upon completion, were or are to be sold and leased back to your company;
- expenditures for **both developmental and exploratory drilling activities including intangible drilling costs;**
- expenditures for **land development and improvement**, including demolition of buildings, land servicing, and site preparation;
- cost of construction work performed by your own employees (force-account construction work);
- expenditures that are made jointly for both business and personal use, only that portion allocated to business use.

#### **Exclude:**

- the cost of maintenance and repairs charged as current operating expenses;
- capital expenditures for structures and equipment by foreign operations;
- reductions for retirements, write-downs, sales, subsidies, or other dispositions of existing assets;
- the value of structures built and other work performed by your enterprise on contract to others;

- items chargeable as current operating expenses such as cost of maintenance (including maintenance contracts), normal and ordinary repairs, and supplies;
- expenditures for intangible assets such as goodwill, patents, or copyrights;
- expenditures for geological and geophysical work by oil companies and similarly off-site mining or general exploration which are not capitalized;
- payments to others for structures and equipment acquired under operating leases or rented;
- expenditures made by your firm or organization (as lessor) for property which is leased to others as part of capital (full-payout or equity) lease arrangements;
- expenditures made by owners of property rented or leased to your firm under operating leases.

## 2. STRUCTURES:

Structures include the capitalized cost of buildings and structures, and all necessary expenditures to acquire, construct, and prepare the structure for its intended use.

Major additions and alterations to existing structures and capitalized repairs and improvements to buildings should also be included.

The cost of any machinery and equipment which is an integral or built-in feature of the structure should be reported as part of that structure (e.g., assembly line superstructure in an automotive assembly plant). **Expenditures for land development and improvements**, including demolition of buildings, land servicing, and site preparation should also be reported as structures.

### **Include:**

- mechanical and electrical installations such as plumbing, electrical work, elevators, escalators, power plants, heating and cooling systems, sprinkler systems, environmental controls, intercom systems, and other similar building services;
- **site preparation**, including the demolition of buildings and outside construction of fixed structures or facilities such as sidewalks, highways and streets, parking lots, landscaping, utility connections, outdoor lighting, railroad tracks, airfields, piers, wharves and docks, telephone and telegraph lines, radio and television towers, water supply lines, sewers, water and signal towers, electric power distribution and transmission lines, petroleum and gas pipelines, and similar facilities which are built into or fixed to the land;
- installation of boilers, overhead hoists and cranes, blast furnaces, brick kilns, fractionating towers, overhead traveling cranes, shipways, and similar types of structures;

- fixed, largely site-fabricated equipment not housed in a building, primarily for petroleum refineries and chemical plants, but also including storage tanks and refrigeration systems;
- installation of construction materials placed inside a building and used to support production machinery; for example, concrete platforms, overhead steel girders, and pipes to carry liquids from storage tanks;
- drilling gas wells, including construction of offshore drilling platforms; digging and shoring mines, including constructing buildings at mine sites, and expenditures for constructing mine shafts and mining exploration;
- land improvements; exploration and development of mineral properties.

### **Exclude:**

- land acquisition;
- normal maintenance and repairs to existing structures or service facilities such as painting, roofing repairs, and street and highway patching.

## 3. EQUIPMENT:

**Include machinery, furniture and fixtures, computer software, computers, and motor vehicles** used in the production and distribution of goods and services and in office functions.

Expenditures for machinery and equipment which are housed in structures and can be removed or replaced without significantly altering the structure are considered machinery and equipment **not** expenditures for structures.

### **Include:**

- capitalized office equipment and machines; computers, furniture and fixtures for offices; cafeteria and warehouse equipment;
- computer software only if capitalized as part of a tangible asset; exclude if the purchase is considered intangible (e.g., licensing agreement) or if expensed such as office supplies;
- transportation equipment for highway and off-highway use such as automobiles, trucks, and tractors;
- corporate helicopters and aircraft;
- production machinery;
- computer assisted machines that possess the ability to be programmed for a wide variety of functions including robots, numerically controlled machine tool equipment, and individual computerized machines.

## PART C – INSTRUCTIONS BY ITEM

### ITEM 1 – DOMESTIC FIXED ASSET DATA

Report the value of total domestic fixed assets excluding land and depletable assets. The figure should include structures, equipment, and other fixed assets. **Report values in thousands of dollars. Enter zeroes where applicable.**

#### **Include:**

Value of land development and improvements (such as landscaping, paving, and parking lots) and exploration and development of mineral properties. Expenditures for these items should also be reported as structures in Item 2.

#### **Exclude:**

Cost of land and depletable assets (such as mineral or timber rights); current assets (such as inventories, cash, and accounts receivable); assets of foreign operations; assets leased to others under capital lease arrangements; and intangible assets (such as patents, copyrights, trademarks, franchises, and goodwill).

#### **ROWS:**

#### **10. Gross value (original cost) of fixed assets at beginning of year:**

Report the original cost of fixed assets (excluding land) at the beginning of the year.

#### **11. Total capital expenditures:**

Report capital expenditures for **fixed assets** (excluding land) during the year. (See Part B – DEFINITIONS on page 2 of this booklet.)

#### **12. Other additions and acquisitions:**

Report other fixed assets acquired through additions, acquisitions, and mergers during the year at fair market value, **if these are not considered capital expenditures**. Please explain such additions in the "Remarks" section on page 7 of the report form.

#### **13. Gross value of retirements and dispositions:**

Report the original cost of fixed assets (excluding land) sold, retired, scrapped, or destroyed during the year. Include assets considered sold under capital lease arrangements which, prior to the lease, were subject to depreciation by the lessor.

#### **14. Gross value (original cost) of fixed assets at end of year:**

Report the original cost of fixed assets (excluding land) at the end of the year. The entry in Row 14 should equal beginning of year assets (Row 10) + capital expenditures (Row 11) + other additions (Row 12) – retirements (Row 13). Please explain any discrepancies or imbalances in the "Remarks" section.

#### **15. Accumulated depreciation and amortization at end of year:**

Report year-end accumulated depreciation and amortization charges for fixed assets excluding land. Include charges against fixed assets acquired during the year.

#### **16. Total domestic sales, operating receipts, and revenue:**

Report sales, operating receipts, and revenue at the end of the year for goods produced, distributed, or services provided. Include revenue from investments, rents, and royalties only if it is the principal business activity of the company, for example: finance, insurance, and real estate companies. **(Report in thousands of dollars)**

**Include** all operating receipts from taxable operations, as well as, total revenue from tax-exempt activities (contributions, gifts, grants, etc.). Report revenues from customers outside the company including sales of products and services to other companies, individuals, U.S. Government agencies, and foreign customers. Include transfers to foreign subsidiaries.

**Exclude** domestic intra-enterprise transfers, sales by foreign subsidiaries, freight charges and excise taxes.

#### **17. Industries with the highest domestic sales, operating receipts, and revenue:**

Enter the industry category code(s) in which your company operated. If the company is involved in more than three industry activities, report those industries with the highest sales. See the "Industry Category Codes List" (page 6) for the appropriate 3-digit industry code(s). Central Administrative Office Activity Code 990 should not be used in this item. **(Report in thousands of dollars)**

### ITEM 2 – DOMESTIC CAPITAL EXPENDITURES DATA

#### **COLUMNS:**

##### **1. Total:**

Report the value of total capital expenditures for fixed assets (excluding land) in Column (1). The figure in Column (1) should include structures, equipment, and other fixed assets. The value in Item 2, Row 20, Column (1) should be the same as Item 1, Row 11. **Report values in thousands of dollars. Enter zeroes where applicable.**

##### **2. Structures:**

Report the value of capital expenditures for structures in Column (2). The values in Column (2) should be **included in Column (1)**.

##### **3. Equipment:**

Report the value of capital expenditures for equipment in Column (3). The values in Column (3) should be **included in Column (1)**.

##### **4. Other:**

Report the value of depreciable and amortizable fixed assets that you are unable to categorize as structures or equipment in Column (4). The values in Column (4) should be **included in Column (1)**.

Include expenditures for construction-in-progress, leasehold improvements, and capitalized interest that you are unable to categorize as structures and equipment. Report land improvements as structures. Report furniture and fixtures, capitalized computer software, computers, and automobiles as equipment. This column **excludes** the cost of land and depletable assets. **Do not** report intangible assets.



## ROWS:

### 20. Total capital expenditures:

Report capital expenditures for **fixed assets** during the year by column category.

### 21. New capital expenditures:

Report capital expenditures for new buildings and other structures, structures that have been previously owned but not used or occupied, new machinery and equipment, and other new fixed assets. **Remodeling, renovation, or modernization** of existing facility should be reported as new structures.

### 22. Used capital expenditures:

Report capital expenditures for buildings and other structures which have been previously owned and occupied, machinery and secondhand equipment, and other used fixed assets.

## ITEM 3 – OTHER CAPITAL EXPENDITURES

Describe fixed assets included as "Other" capital expenditures in Item 2, Row 20, Column (4). "Other" capital expenditures refer to depreciable and amortizable fixed assets that you were unable to categorize as structures or equipment.

**Do not** report land, depletable assets, and intangible assets (such as patents, copyrights, trademarks, franchises, and goodwill) as "Other" capital expenditures. Report furniture and fixtures, capitalized computer software, computers, and motor vehicles as equipment. Report additions to construction-in-progress, capitalized interest, and leasehold improvements as structures and equipment where applicable.

## ITEM 4 – CAPITAL LEASE ARRANGEMENTS

If your company leased new structures and/or equipment and the lease is capitalized by your company, report the cost or present value of the structures and equipment acquired in the survey year. Capital leases presume a sale and purchase of an asset, and are defined by the criteria in the **Statement of Financial Accounting Standards Board (FASB) Number 13**. This amount should be reported as capital expenditures in **Item 1, Row 11 and Item 2, Row 21**.

**Exclude** periodic payments under capital and operating leases. Also exclude the cost of capitalized improvements your enterprise made to assets leased from others (**leasehold improvements**) in this item. Leasehold improvements should be **reported as capital expenditures in Item 1, Row 11 and Item 2, Rows 20 and 21**.

## ITEM 5 – CAPITALIZED INTEREST

Report the amount of capitalized interest incurred during the year to produce or construct assets reported as **new** capital expenditures, in Item 1, Row 11 and Item 2, Rows 20 and 21.

Capitalized interest is defined as interest charges on loans with which capital projects are financed, if consistent with the criteria in the **Statement of**

**Financial Accounting Standards Board (FASB) Number 34. Capitalization occurs only during the period of time to get structures and equipment ready for their intended use** (such as long term construction of a factory or equipment). **Do not** include interest paid to purchase a completed fixed asset.

## ITEM 6 – CAPITAL EXPENDITURES BY INDUSTRY

Complete Item 6 for each industry in which the company had operations and made capital expenditures in 1997. Review the list of company activities printed to the left of the company name and address on page 8 of the report form. These are the industries we expected your company to operate in during 1997. If we expected your operations to include more industry activities than are printed on page 8, we listed additional activities on a continuation sheet for item 6. If necessary, add, correct, or delete industry codes on page 8 (and the continuation sheet if applicable) to reflect your company's operations in 1997. Refer to the list of **INDUSTRY CATEGORY CODES** (beginning on page 6 of this booklet) to update the list.

With the exception noted below, all companies should complete Item 6. Using the corrected list of company activities on page 8, report the data requested for each industry in which the company made capital expenditures in 1997. Complete a separate row for each industry.

**Exception:** If only one industry code was printed in the company activities section on page 8 and this is the correct industry in which your company operated during 1997, check the box and skip to page 7.

In the "Industry Category Code" column, enter the industry code(s) in which your company made capital expenditures in 1997. List industries which account for the company's total capital expenditures reported in Item 2, Row 20, Column (1).

Allocate expenditures for assets which serve more than one industry such as: central, regional, or divisional administrative functions, payroll and personnel, and research and development. If capital expenditures for these assets cannot be allocated to specific industry categories, report the amount of these capital expenditures as industry code 990.

### Complete the columns as follows:

In Column (0) enter total capital expenditures (excluding land) for each industry category code listed. Of the capital expenditures reported in Column (0), report the amount of those capital expenditures for total structures in Column (1); new structures in Column (2); used structures in Column (3); total equipment in Column (4); new equipment in Column (5); used equipment in Column (6); total other fixed assets in Column (7); other new fixed assets in Column (8); and other used fixed assets in Column (9). Include the value of assets acquired through capital lease arrangements in Columns (0) through (9).

## SECTION II - ACES INDUSTRY CATEGORY CODES LIST

### INSTRUCTIONS

Use the following industry codes to complete Item 6 as requested on the report form. The Standard Industrial Classification (SIC) codes are listed for reference only.

INDUSTRY CODE	DESCRIPTION	SIC CODE(S)	INDUSTRY CODE	DESCRIPTION	SIC CODE(S)
	<b>AGRICULTURAL SERVICES, FORESTRY, AND FISHING</b>			<b>MANUFACTURING - Continued</b>	
			260	PAPER AND ALLIED PRODUCTS	26
010	AGRICULTURAL PRODUCTION	01, 02	271	PUBLISHING AND PRINTING (excluding commercial printing)	271, 272, 273, 274, 276, 277, 278, 279
090	AGRICULTURAL SERVICES, FORESTRY, FISHING, HUNTING, AND TRAPPING (including animal hospitals)	07, 08, 09	275	COMMERCIAL PRINTING	275
	<b>MINING</b>		283	DRUGS	283
100	METAL MINING	10	289	CHEMICAL PRODUCTS (including industrial and agricultural chemicals, plastics materials, synthetic resins and rubber, paint, soap and toilet preparations)	281, 282, 284, 285, 286, 287, 289
120	COAL MINING	12			
131	CRUDE PETROLEUM, NATURAL GAS, NATURAL GAS LIQUIDS	131, 132	290	PETROLEUM REFINING AND RELATED PRODUCTS (including asphalt)	29
138	OIL AND GAS FIELD SERVICES	138	300	FABRICATED PLASTICS AND RUBBER PRODUCTS	30
140	MINING AND QUARRYING NONMETALLIC MINERALS	14	310	LEATHER AND LEATHER PRODUCTS	31
	<b>CONSTRUCTION</b>		320	STONE, CLAY, GLASS, AND CONCRETE PRODUCTS	32
150	BUILDING CONSTRUCTION CONTRACTORS AND OPERATIVES	15	331	STEEL WORKS, BLAST FURNACES, AND ROLLING MILLS	331
160	HEAVY CONSTRUCTION CONTRACTORS (including street and highway)	16	335	SMELTING, REFINING, ROLLING, DRAWING, AND EXTRUDING NONFERROUS METALS	333, 334, 335
170	SPECIAL TRADE CONTRACTORS	17	339	IRON AND STEEL FOUNDRIES, NONFERROUS FOUNDRIES, AND MISCELLANEOUS PRIMARY METAL PRODUCTS	332, 336, 339
	<b>MANUFACTURING</b>				
208	BEVERAGES	208	340	FABRICATED METAL PRODUCTS (except machinery and transportation equipment)	34
209	FOOD PRODUCTS (excluding beverages)	201, 202, 203, 204, 205, 206, 207, 209	357	COMPUTER AND OFFICE EQUIPMENT	357
210	TOBACCO PRODUCTS	21	359	INDUSTRIAL AND COMMERCIAL MACHINERY (except computer and office equipment)	351, 352, 353, 354, 355, 356, 358, 359
220	TEXTILE MILL PRODUCTS	22	360	COMMUNICATIONS EQUIPMENT AND ELECTRONIC COMPONENTS AND EQUIPMENT	36
230	APPAREL AND FINISHED TEXTILE PRODUCTS	23	371	MOTOR VEHICLES AND EQUIPMENT	371
240	WOOD AND LUMBER PRODUCTS	24	372	AIRCRAFT	372
250	FURNITURE AND FIXTURES	25	376	GUIDED MISSILES, SPACE VEHICLES AND PARTS	376

**SECTION II – ACES INDUSTRY CATEGORY CODES LIST – Continued**

INDUSTRY CODE	DESCRIPTION	SIC CODE(S)	INDUSTRY CODE	DESCRIPTION	SIC CODE(S)
	<b>MANUFACTURING – Continued</b>			<b>WHOLESALE TRADE – Continued</b>	
379	SHIP BUILDING AND REPAIR; RAILROAD EQUIPMENT; MOTORCYCLES; BICYCLES; AND OTHER TRANSPORTATION EQUIPMENT	373, 374, 375, 379	519	NONDURABLE GOODS (except groceries and petroleum products)	511, 512, 513, 515, 516, 518, 519
380	MEASURING, ANALYZING AND CONTROLLING INSTRUMENTS; PHOTOGRAPHIC, MEDICAL AND OPTICAL GOODS; WATCHES AND CLOCKS	38		<b>RETAIL TRADE</b>	
390	MISCELLANEOUS MANUFACTURED PRODUCTS (including jewelry; silverware; plated wire; musical instruments; dolls, toys and games; sporting equipment, fishing tackle, golf and tennis goods; baseball, football, basketball, and boxing equipment; roller skates, gymnasium and playground equipment; pool tables; bowling alleys and equipment; and pens, pencils and crayons and miscellaneous manufactured products, not elsewhere classified)	39	530	GENERAL MERCHANDISE STORES (including department stores)	53
	<b>TRANSPORTATION, COMMUNICATIONS, ELECTRIC, GAS, AND SANITARY SERVICES</b>		540	FOOD STORES	54
400	RAILROAD TRANSPORTATION	40	560	APPAREL AND ACCESSORY STORES; SHOE STORES	56
410	LOCAL, SUBURBAN AND INTERURBAN HIGHWAY PASSENGER TRANSPORTATION	41	599	OTHER RETAIL DEALERS (including building materials; hardware and garden supply; mobile home dealers; motor vehicle dealers; gasoline service stations; auto/home supply stores; home furniture, furnishings, and equipment stores; eating and drinking places; drug stores; nonstore retailers; fuel dealers; florists; tobacco stores; news dealers; optical good stores; and miscellaneous specialized merchandise retail stores, not elsewhere classified)	52, 55, 57-59
420	MOTOR FREIGHT TRANSPORTATION; WAREHOUSING	42		<b>FINANCE, INSURANCE, AND REAL ESTATE</b>	
440	WATER TRANSPORTATION (including boat cleaning and rental)	44	601	CENTRAL RESERVE DEPOSITORY INSTITUTIONS	601
450	AIR TRANSPORTATION (including aircraft cleaning, repair, and air courier services)	45	602	COMMERCIAL BANKS	602
460	PIPELINES (use code 492 for natural gas pipelines)	46	603	SAVINGS INSTITUTIONS (including savings and loans and savings banks)	603
470	TRANSPORTATION SERVICES (including travel agencies)	47	606	CREDIT UNIONS	606
481	TELEPHONE AND OTHER COMMUNICATIONS SERVICES (see code 271 for newspaper publishing and printing)	481, 482, 489	609	OTHER DEPOSITORY INSTITUTIONS	608, 609
483	RADIO AND TELEVISION BROADCASTING STATIONS, CABLE AND OTHER PAY T.V.	483, 484	610	NONDEPOSITORY CREDIT INSTITUTIONS (including financial institutions leasing assets as the lessor under operating leases)	61
491	ELECTRIC POWER GENERATION, TRANSMISSION AND DISTRIBUTION	491	620	SECURITIES AND COMMODITY BROKERS AND SERVICES	62
492	GAS TRANSMISSION, DISTRIBUTION, AND STORAGE (including natural gas pipelines)	492	631	LIFE INSURANCE CARRIERS	631
493	COMBINATION ELECTRIC AND GAS, AND OTHER UTILITY SERVICES	493	639	INSURANCE CARRIERS (except life)	632, 633, 635, 636, 637, 639
499	WATER SUPPLY AND SANITARY SERVICES (including steam and air conditioning supply, and irrigation systems)	494, 495, 496, 497	640	INSURANCE AGENTS, BROKERS, AND SERVICE	64
	<b>WHOLESALE TRADE</b>		650	REAL ESTATE OFFICES	65
501	MOTOR VEHICLES, PARTS, AND SUPPLIES	501	670	HOLDING, CHARITABLE TRUSTS, AND OTHER INVESTMENT OFFICES	67
509	DURABLE GOODS (except motor vehicles)	502, 503, 504, 505, 506, 507, 508, 509		<b>HEALTH SERVICES</b>	
514	GROCERIES	514	801	OFFICES AND CLINICS OF DOCTORS OF MEDICINE AND OSTHEOPATHY	801, 803
517	PETROLEUM PRODUCTS	517	802	OFFICES AND CLINICS OF DENTISTS	802
			804	OFFICES AND CLINICS OF OTHER HEALTH PRACTITIONERS	804
			805	NURSING AND PERSONAL CARE FACILITIES	805

**SECTION II – ACES INDUSTRY CATEGORY CODES LIST – Continued**

INDUSTRY CODE	DESCRIPTION	SIC CODE(S)	INDUSTRY CODE	DESCRIPTION	SIC CODE(S)
	<b>HEALTH SERVICES – Continued</b>			<b>SERVICES (EXCEPT HEALTH SERVICES) – Continued</b>	
806	HOSPITALS	806	810	LEGAL SERVICES	81
808	HOME HEALTH CARE SERVICES	808			
809	OTHER HEALTH CARE AND ALLIED SERVICES (including medical and dental laboratories)	807, 809	820	EDUCATIONAL SERVICES AND LIBRARIES	82
	<b>SERVICES (EXCEPT HEALTH SERVICES)</b>		830	SOCIAL SERVICES (including child day care and residential care)	83
700	HOTELS AND LODGING PLACES (including hotel casinos)	70	840	MUSEUMS, ART GALLERIES, BOTANICAL GARDENS, AND ZOOS	84
720	PERSONAL SERVICES (including laundry, beauty and barber shops; shoe repair; portrait studios; and funeral homes)	72	860	MEMBERSHIP AND RELIGIOUS ORGANIZATIONS (including business, professional, and labor unions)	86
735	EQUIPMENT RENTAL AND LEASING (automotive – use code 751; computer – use code 737; boat – use code 440; and recreation equipment – use code 790)	735	870	ENGINEERING, ACCOUNTING, RESEARCH, AND MANAGEMENT SERVICES	87
737	COMPUTER PROGRAMMING, DATA PROCESSING AND OTHER COMPUTER SERVICES (including computer rental and repair)	737	890	MISCELLANEOUS SERVICES (including advertising writers; radio and t.v. announcers; artists; authors; chemists; geologists; inventors; music arrangers; newspaper columnist; nuclear consultants not associated with laboratories; weather forecasters; and other services, not elsewhere classified)	89
739	BUSINESS SERVICES (including advertising, collection agencies, photographic studios, building maintenance, personnel supply, security, and business services, not elsewhere classified)	731, 732, 733, 734, 736, 738		<b>CENTRAL ADMINISTRATIVE OFFICE ACTIVITY</b>	
751	AUTOMOTIVE AND TRUCK RENTAL AND LEASING (financial institutions leasing assets as the lessor under operating leases – use code 610)	751	990	CENTRAL ADMINISTRATIVE OFFICE ACTIVITY UNALLOCATED TO OTHER INDUSTRY CATEGORIES	N/A
759	OTHER AUTOMOTIVE SERVICES (including repair shops and parking lots)	752, 753, 754			
760	REPAIR SERVICES (automotive – use code 759; aircraft – use code 450; and computer – use code 737)	76			
780	MOTION PICTURES, MOVIE THEATERS, VIDEO TAPE RENTALS	78			
790	AMUSEMENT AND RECREATION SERVICES (including recreation equipment rental)	79			

FORM **ACE-2**  
(1-13-98)

U.S. DEPARTMENT OF COMMERCE  
BUREAU OF THE CENSUS

# 1997 ANNUAL CAPITAL EXPENDITURES SURVEY

**NOTICE** – Response to this inquiry is **required by law (Title 13, U.S. Code)**. By section 9 of the same law, your report to the Census Bureau is confidential. It may be seen only by sworn Census employees and may be used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.

This questionnaire collects capital expenditures information from nonfarm businesses including but not limited to:

- Small employer companies
- Self employed persons
- Independent salespersons (e.g., cosmetic representatives)
- Independent commission workers (e.g., real estate and life insurance salespersons)
- Independent contractors (truckers, private duty nurses, construction contractors)
- Doctors, lawyers, investors, accountants

Even if this questionnaire was mailed to your home address and the business is not located at this address, the form is applicable and must be completed.

*(Please correct any errors in name, address, and ZIP Code.)*

Respondents are not required to respond to any information collection unless it displays a valid approval number from the Office of Management and Budget. This 8-digit number appears at the top of this page.

**PLEASE REFER TO THE ENCLOSED INSTRUCTIONS AND DEFINITIONS PAGE BEFORE COMPLETING THIS SURVEY.**

**ITEM 1 Report the following capital expenditures data for the entire business. Report dollar values rounded to thousands. Exclude land.**

Report capital expenditures your business made during the 1997 reporting period. <b>If your business did not make any capital expenditures enter "0" on the appropriate line(s).</b>	Capital Expenditures for 1997	
	Thousands	Dollars
<b>a.</b> Total Capital Expenditures <i>(The sum of lines b, c, d, and e should equal the value reported in line a.)</i>	201	
<b>b.</b> New Structures (Include major additions, alterations, and capitalized repairs to existing structures)	212	
<b>c.</b> Used Structures	222	
<b>d.</b> New Equipment	213	
<b>e.</b> Used Equipment	223	

**ITEM 2 Report the following capital lease data for the entire business. Report in thousands of dollars.**

Report the estimated cost of assets acquired under capital lease arrangements entered into during the year. Exclude the value of structures and equipment which you rent and periodic payments made for leased structures and equipment. <i>(For additional information see Item 2 on page 2 of the Instructions and Definitions sheet.)</i>	Capital Lease Arrangements for 1997	
	Thousands	Dollars
	411	

**REPORTING PERIOD COVERED**

**a. Do the reported data cover the calendar year 1997?**

95

- 1  YES
- 2  NO – *Specify period covered* →

FROM		
Month	Day	Year

3

TO		
Month	Day	Year

4

**OWNERSHIP INFORMATION**

**a. Was this business in operation on December 31, 1997?**

96

- 1  YES
- 2  NO – *Give date operations ceased* →

3

Month	Day	Year

**b. Did the ownership of this business change during the year ending December 31, 1997?**

97

- 1  YES – *Specify date of change AND fill in c, below* →
- 2  NO

3

Month	Day	Year

**c. Name of new operator/business**

97c

Number and street

City

State

ZIP Code

**REMARKS**

98

**CERTIFICATION** – This report is substantially accurate and has been prepared in accordance with instructions.

Name of person to contact regarding this report  
*(Please print or type)*  
(1)

Telephone number  
(2)

99

Area code

Number

(     )

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Signature of person completing this report

Date

Please be sure to correct any name, address, and ZIP Code errors to the imprinted address on the front of this survey form.

**PLEASE RETURN YOUR COMPLETED FORM TO**

**Bureau of the Census  
1201 East 10th Street  
Jeffersonville, IN 47132-0001**

**OR**

**FAX the form to  
1-800-438-8040**

## ANNUAL CAPITAL EXPENDITURES SURVEY

FROM THE ACTING DIRECTOR  
BUREAU OF THE CENSUS

We are conducting the Annual Capital Expenditures Survey, and we'd like you to help by completing the enclosed survey form.

The Census Bureau's Annual Capital Expenditures Survey is a key source of information about our country's economic performance. Your company may find the facts about trends in capital expenditures useful for identifying business opportunities, product development, and business planning.

Title 13 of the United States Code requires you to answer this survey and it also requires us to keep your response confidential.

In order to provide current and useful statistics for small, cyclical, and changing businesses, we need your information whether or not you made capital expenditures in calendar year 1997.

We realize that completing this survey is a burden for you. We hope, however, that you appreciate the importance of your response in providing accurate data our Nation's economic performance. We have limited the survey sample to the fewest possible number of representative firms, and we accept estimates if book figures are not available.

**Please review the instructions, complete the form, and return it within 30 days.** The instructions can assist you on how to report for each item. Returning your form promptly helps us keep follow-up costs down. If you have any questions or comments, please call us toll-free at **1-800-528-3049**.

Thank you in advance for your cooperation.

Sincerely,



James F. Holmes

Enclosure

## 1997 INSTRUCTIONS AND DEFINITIONS

### BURDEN HOUR ESTIMATE

Public reporting burden for this collection of information is estimated to range from less than 1 hour to about 2 hours, averaging 1 hour per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Associate Director of Administration/Comptroller, Attn: Paperwork Reduction Project 0607-0782, Room 3104, Federal Building 3, Bureau of the Census, Washington, DC 20233.

**SURVEY SCOPE** – This survey collects capital expenditures data for nonfarm businesses, organizations, and associations operating within the United States. This survey also includes self-employed individuals. Report capital expenditures for all of your operations that are located in the 50 States and the District of Columbia. Information for agricultural production operations should be excluded.

**Survey Period** – Report data for the calendar year 1997. If your fiscal year ends between October 31 and February 28, fiscal year figures are acceptable. If calendar year book figures are not available except at considerable cost, reasonable estimates are acceptable. If the data reported are for a period other than the calendar year, indicate the exact period covered on page 2 of the survey form.

**Estimates are Acceptable** – The data requested on this report may not correspond to your accounting records. If you cannot answer a question from your records, please estimate the answer. Report in thousands of dollars. If your business did not make any capital expenditures for the 1997 reporting period, enter "0" on the appropriate line(s).

**Filing the Report** – Return your completed report in the pre-addressed envelope. If you are not using the pre-addressed envelope, return your report form to the Bureau of the Census, 1201 East 10th Street, Jeffersonville, IN 47132-0001 or fax to 1-800-438-8040. Make a copy of the completed report form for your company records.

**Filing Extensions** – If you cannot complete the survey by the date shown on the front of the form, request an extension of time by writing to the Bureau of the Census, 1201 East 10th Street, Jeffersonville, IN 47132-0001 or call 1-800-814-8385. Please reference your Census File Number (CFN) located on the top line of the mailing address.

**Legal Authority and Confidentiality of Data** – Response to this inquiry is required by law (Title 13, United States Code, Sections 182, 224, and 225). By Section 9 of the same law, your report to the Census Bureau is confidential. The data will be seen only by sworn Census Bureau employees and used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.

Direct any **QUESTIONS** regarding this report form to the Bureau of the Census, ATTN: Agriculture and Financial Statistics Division, Business Investment Branch, Washington, DC 20233-6400, or call 1-800-528-3049.

## HOW TO REPORT

Report capital expenditures in dollar values rounded to thousands.

<b>Example: If figure is 125,628.00, report</b>	Thou.	Dol.
	126	

Enter zero if expenditures are less than one thousand dollars after rounding.

### Item 1

**CAPITAL EXPENDITURES** – Report expenditures made during the year to purchase structures and equipment for use in your business. Records are ordinarily maintained for these expenditures since they are required to be depreciated for tax purposes. Include the estimated cost of assets acquired as the lessee under capital lease arrangements entered into during the year. See Item 2 instructions below for additional information on capital leases. Assets which your company expenses as permitted under Section 179 of the U.S. Internal Revenue Code should be reported as capital expenditures for purposes of this survey. The requested information may be available from your tax return, accountant, or tax advisor.

Exclude land and items charged as current operating expenses such as cost of maintenance (including maintenance contracts), normal and ordinary repairs, supplies, and rental payments.

If expenditures are made for both business and personal use, report only those for business use.

**NEW STRUCTURES** – Report capital expenditures for new buildings, offices, and other structures, as well as structures that have been previously owned but not used or occupied.

Include:

- Cost of buildings and all necessary expenditures to acquire, construct, and prepare the structure for its intended use.
- Cost of major additions, alterations, and capitalized repairs to existing structures whether performed by a contractor or completed in-house.
- Cost of any machinery and equipment which is an integral or built-in feature of the structure.

**NEW EQUIPMENT** – Report capital expenditures for new machinery and equipment.

Include:

- Capital expenditures for new equipment such as machinery, furniture and fixtures, cash registers, fax machines, copy machines, computers, and cars and trucks used in the production and distribution of goods and services and in office functions.
- Expenditures for machinery and equipment which are housed in structures and can be removed or replaced without significantly altering the structure.

**USED STRUCTURES AND USED EQUIPMENT** – Report capital expenditures for buildings, offices, and other structures which have been previously owned and occupied, secondhand machinery and equipment, and other used structures and equipment.

If you have any questions about what to report or how to classify specific fixed assets, please call us on 1-800-528-3049.

### Item 2

**CAPITAL LEASES** – Report the estimated cost of new structures and equipment acquired as the lessee under capital lease arrangements entered into during the year. Only the person or business to whom a lease is granted (lessee) from others should report here. This value should also be included as a capital expenditure in Item 1 since the purchase of a structure and/or equipment has essentially taken place.

Exclude the value of structures and equipment which you rent (operating leases); and periodic payments made for leased structures and equipment.

**If you did not have capital expenditures during 1997, enter zeroes in the appropriate lines of ITEM 1 and complete the back of the form. Please sign and return your form in the enclosed envelope or FAX it to us on 1-800-438-8040.**