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Capital Flows in the U.S. Economy, 1997

The Bureau of Economic Analysis (BEA) today releases the capital flow data for 1997, which show which industries purchase what types of equipment, software and structures. This table is the latest in a series of tables that provide detailed information on the flows of investment in the U.S. economy. The capital flow table is an important supplemental table to the 1997 benchmark input-output (I-O) accounts.

The capital flow table is used by academic, business and government economists in a variety of analytical and statistical contexts. Examples of its use include:

- Providing information on the markets for new capital goods, such as machine tools, tractors or trucks.
- Tracking the effects of investment tax incentives on industry output and productivity growth.
- Examining the effects of high-tech investment on industry productivity growth.
- Deriving measures of capital stock by industry.
- Forming measures of capital services for the studies of multifactor productivity.
- Tracing the effects of R&D in capital goods to using industries.

The 1997 capital flow table is the first to use the North American Industry Classification System (NAICS). More detail is now available in the service sectors and in the information sector. These sectors have dramatically increased in importance as users of capital, especially high-tech and information technology capital. The 1997 capital flow table also is the first to include software as an investment category.

Like the other parts of the benchmark I-O accounts, capital flow tables are prepared at 5-year intervals and are based on detailed data from quinquennial economic censuses conducted by the Bureau of the Census. The capital flow table also makes use of data from the Annual Capital Expenditures Survey (ACES) and distributions of employment by occupation from the Bureau of Labor Statistics.

The 1997 capital flow table is available on the BEA Web site:

www.bea.gov

Additional information about the 1997 capital flow table will appear in the November 2003 issue of the *Survey of Current Business*, BEA's monthly journal. The *Survey*, which contains BEA's major national, international, regional, and industry estimates, is available without charge on the BEA Web site.

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