## Government Purchases vs. Transfers

# Included



#### Purchase

## Government receives a new good or a service

#### Transfer

## Government receive nothing in exchange

#### Payment

\$15,000

## Receives a new motorcycle

\$65,000

#### Labor Services of Police Officer

#### Payment



## Unemployment Compensation

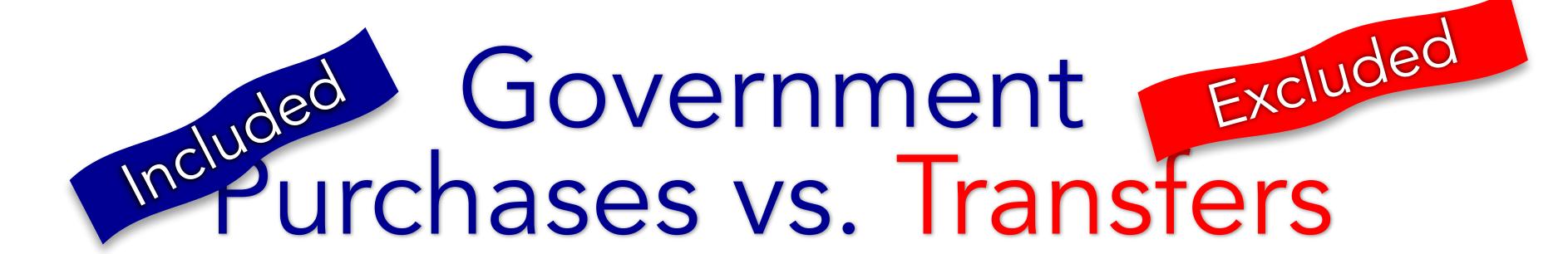
#### Farmer Subsidies











Purchase Government receives a new good or a service

Payment

\$65,000

Labor Services of the Officer

\$15,000

Transfer

Government receive nothing in exchange

Payment

\$20,000

Unemployment Excluded

Farmer Subsidies Excluded

## Purchases made by federal, state and local governments