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

\$20,000

Unemployment Compensation

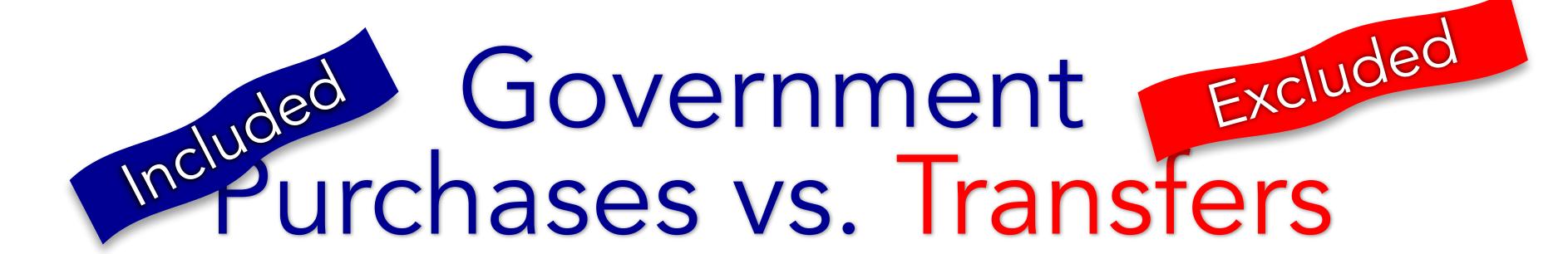
Farmer Subsidies











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