

Government Purchases vs. Transfers

Included

Excluded

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

A large red arrow pointing to the right, with the text "\$20,000" written inside it in white.

\$20,000

Unemployment Compensation

Farmer Subsidies

Included

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Government

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Purchases made by federal, state and
local governments