



# Government Purchases vs. Transfers

Included

Excluded

Purchase

Government receives a new good or a service

Transfer

Government receive nothing in exchange



The Government  
pays



**\$15,000**

Receives a new motorcycle



\$65,000

Lab Services of Police Officer

The Government  
pays

# Unemployment Compensation

Farmer Subsidies



Included

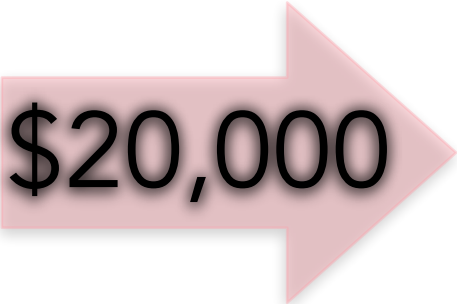
Included



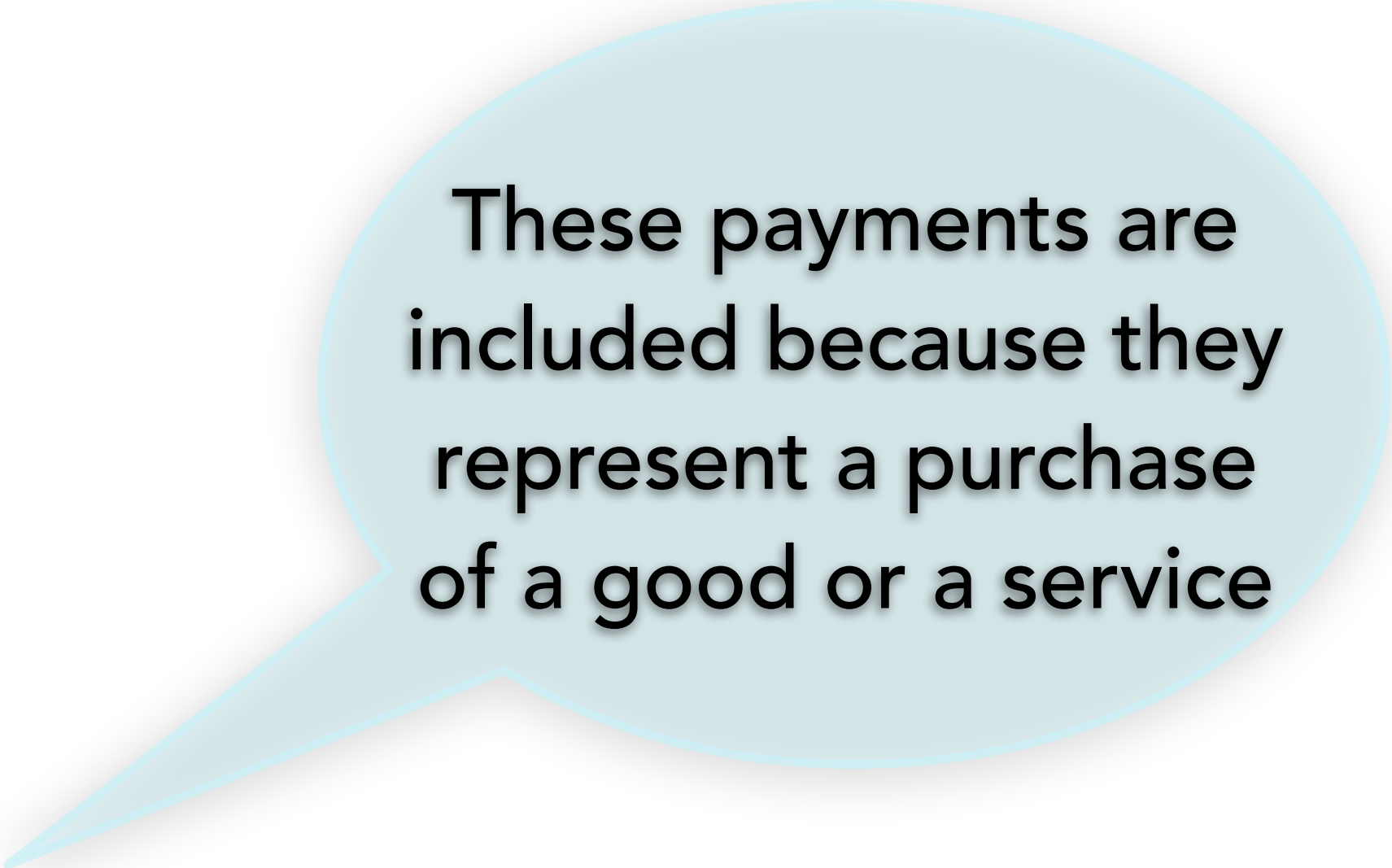
**\$15,000**

Excluded

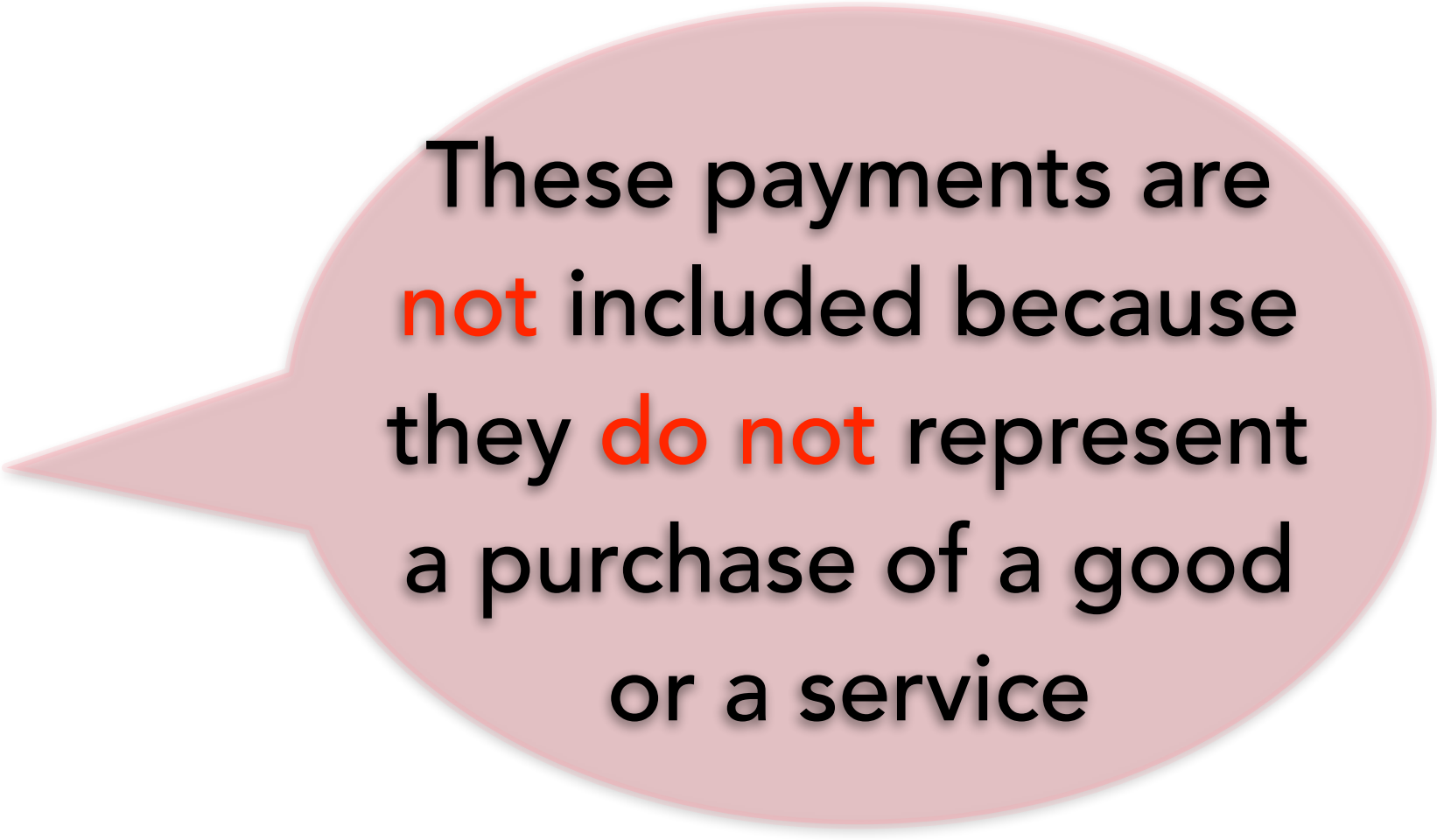
Excluded



**\$20,000**



**These payments are  
included because they  
represent a purchase  
of a good or a service**



These payments are  
**not** included because  
they **do not** represent  
a purchase of a good  
or a service



# **Included** Government Purchases vs. **Excluded** Transfers

**Purchase** Government receives a new good or a service

The Government  
pays

\$65,000 Labor Services of Police Officer

\$15,000 Receives a new motorcycle

**Included**

**Included**

These payments are included because they represent a purchase of a good or a service

**Transfer** Government receive nothing in exchange

The Government  
pays

\$15,000 Unemployment Compensation

\$20,000 Farmer Subsidies

**Excluded**

**Excluded**

These payments are **not** included because they **do not** represent a purchase of a good or a service

Purchases made by federal, state and local governments