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Recorded message: 606-5303

PERSONAL INCOME AND OUTLAYS: MAY 2000

Personal income increased \$31.3 billion, or 0.4 percent, and disposable personal income (DPI) increased \$26.5 billion, or 0.4 percent, in May, according to the Commerce Department's Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$16.3 billion, or 0.2 percent. In April, personal income increased \$47.7 billion, or 0.6 percent, DPI increased \$33.3 billion, or 0.5 percent, and PCE increased \$14.2 billion, or 0.2 percent, based on revised estimates.

	2000				
	Jan.	Feb.	Mar.	Apr.	May
	(Percent change from preceding month)				
Personal income, current dollars	0.7	0.5	0.7	0.6	0.4
Disposable personal income:					
Current dollars	.4	.4	.7	.5	.4
Chained (1996) dollars	.2	.0	.3	.4	.4
Personal consumption expenditures:					
Current dollars	.7	1.2	.7	.2	.2
Chained (1996) dollars	.5	.8	.2	.2	.2

Wages and salaries

Private wage and salary disbursements decreased \$4.5 billion in May, in contrast to an increase of \$33.6 billion in April. Goods-producing industries' payrolls decreased \$6.2 billion, in contrast to an increase of \$8.6 billion; manufacturing payrolls decreased \$3.8 billion, in contrast to an increase of \$7.9 billion. Distributive industries' payrolls decreased \$2.5 billion, in contrast to an increase of \$8.6 billion. Service industries' payrolls increased \$4.2 billion, compared with an increase of \$16.4 billion.

Government wage and salary disbursements increased \$6.5 billion in May, compared with an increase of \$3.4 billion in April. The hiring of additional temporary workers for Census 2000 added \$5.2 billion at an annual rate to federal civilian payrolls in May and \$0.4 billion at an annual rate in April.

Other personal income

Proprietors' income increased \$0.6 billion in May, compared with an increase of \$3.1 billion in April. Farm proprietors' income decreased \$3.3 billion, in contrast to an increase of \$2.6 billion.

The changes in farm proprietors' income reflected the pattern of specially authorized federal farm subsidy payments, which were \$0.5 billion at an annual rate in May, \$7.5 billion at an annual rate in April, and \$7.2 billion at an annual rate in March. Nonfarm proprietors' income increased \$4.0 billion in May, compared with an increase of \$0.4 billion in April.

Transfer payments increased \$22.5 billion in May, compared with an increase of \$2.0 billion in April. The May increase included benefit payments of \$19.2 billion at an annual rate, resulting from new legislation the Senior Citizens' Freedom to Work Act of 2000 that eliminated the "retirement earnings test" and allowed social security beneficiaries aged 65 and older to receive full benefits regardless of their earnings. Prior to enactment, these beneficiaries had their benefits reduced by \$1 for every \$3 earned over the annual earning limit, which is \$17,000 for calendar year 2000.

Personal interest income increased \$5.0 billion in May, compared with an increase of \$6.2 billion in April. Personal dividend income increased \$1.8 billion, compared with an increase of \$1.7 billion. Rental income of persons decreased \$3.9 billion, compared with a decrease of \$2.4 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- decreased \$0.2 billion in May, in contrast to an increase of \$2.1 billion in April.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$4.8 billion in May, compared with an increase of \$14.3 billion in April. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$26.5 billion, or 0.4 percent, in May, compared with an increase of \$33.3 billion, or 0.5 percent, in April.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$17.7 billion in May, compared with an increase of \$15.9 billion in April. PCE increased \$16.3 billion, compared with an increase of \$14.2 billion.

Personal saving -- DPI less personal outlays -- was \$38.4 billion in May, compared with \$29.6 billion in April. Personal saving as a percentage of disposable personal income was 0.6 percent in May, compared with 0.4 percent in April.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 0.4 percent in May, the same increase as in April.

Real PCE -- PCE adjusted to remove price changes -- increased 0.2 percent in May, compared with an increase of 0.2 percent in April. Purchases of durable goods decreased 1.1 percent, compared with a decrease of 0.7 percent. Purchases of motor vehicles and parts more than accounted for the May decrease. Purchases of nondurable goods increased 0.4 percent in May, compared with an increase of less than 0.1 percent in April. Purchases of services increased 0.4 percent, the same increase as in April.

Revisions

Estimates have been revised for January through April. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for March and April -- revised and as published in last month's release -- are shown below. A downward revision for January to DPI was primarily accounted for by an upward revision to personal tax and nontax payments.

	Change from preceding month							
	March				April			
	Previous (Dollars)	Revised	Previous (Percent)	Revised	Previous (Dollars)	Revised	Previous (Percent)	Revised
Personal Income:								
Current dollars..	54.2	59.9	0.7	0.7	57.1	47.7	0.7	0.6
Disposable personal income:								
Current dollars..	46.8	51.1	.7	.7	45.0	33.3	.7	.5
Chained (1996) dollars..	14.1	17.9	.2	.3	39.8	28.0	.6	.4
Personal consumption expenditures:								
Current dollars..	38.9	43.7	.6	.7	24.1	14.2	.4	.2
Chained (1996) dollars..	7.9	12.1	.1	.2	20.2	10.2	.3	.2

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Summary BEA estimates are available on recorded messages at the time of public release at the following telephone numbers:

- (202) 606-5306 Gross domestic product
- 606-5303 Personal income and outlays
- 606-5362 U.S. international transactions

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Annual Revision of the National Income and Product Accounts

As part of the annual revision of the national income and product accounts, revised estimates of personal income and outlays for January 1997 through May 2000 will be released along with preliminary estimates for June 2000 on August 1. Information about the revision will be available in the August 1 news release and in an article describing the revision, which will appear in the August 2000 issue of the Survey of Current Business.

Next release -- August 1, 2000 at 8:30 A.M. EDT for:
Annual revision (1997 through May 2000) and
June estimates of personal income and outlays.

Table 1. -- Personal Income
[Billions of dollars]

	1998	1999	1999 Dec.	Seasonally adjusted at annual rates 2000				
				Jan./r/	Feb./r/	Mar./r/	Apr./r/	May/p/
Personal income	7,358.9	7,791.8	7,998.6	8,051.7	8,094.9	8,154.8	8,202.5	8,233.8
Wage and salary disbursements	4,186.0	4,472.3	4,600.5	4,634.5	4,655.8	4,683.3	4,720.4	4,722.3
Private industries	3,493.2	3,745.8	3,859.0	3,883.2	3,902.2	3,925.2	3,958.8	3,954.3
Goods-producing industries	1,038.7	1,082.4	1,102.5	1,114.3	1,116.8	1,125.8	1,134.4	1,128.2
Manufacturing	757.5	779.7	789.0	795.0	797.2	799.5	807.4	803.6
Distributive industries	944.6	1,005.8	1,037.4	1,039.6	1,043.3	1,045.4	1,054.0	1,051.5
Service industries	1,509.9	1,657.6	1,719.1	1,729.3	1,742.1	1,754.0	1,770.4	1,774.6
Government	692.8	726.5	741.5	751.2	753.6	758.1	761.5	768.0
Other labor income	515.7	535.8	545.4	548.2	550.2	552.5	554.7	557.8
Proprietors' income with IVA and CCAdj	606.1	658.5	675.9	677.9	683.0	700.5	703.6	704.2
Farm	25.1	31.3	21.8	22.1	22.6	27.1	29.7	26.4
Nonfarm	581.0	627.3	654.1	655.8	660.4	673.4	673.8	677.8
Rental income of persons with CCAdj	137.4	145.9	144.4	144.8	145.8	147.6	145.2	141.3
Personal dividend income	348.3	364.3	375.2	377.5	379.7	381.6	383.3	385.1
Personal interest income	897.8	931.3	964.6	972.1	979.3	986.9	993.1	998.1
Transfer payments to persons	983.6	1,018.2	1,034.4	1,042.8	1,048.3	1,051.2	1,053.2	1,075.7
Old-age, survivors, disability, and health insurance benefits	578.1	596.4	607.4	615.1	618.5	620.9	623.2	643.8
Government unemployment insurance benefits	19.8	20.3	20.4	20.1	20.5	19.9	19.6	19.4
Other	385.7	401.5	406.6	407.7	409.3	410.4	410.4	412.5
Less: Personal contributions for social insurance	315.9	334.6	341.8	346.1	347.3	348.9	351.0	350.8

p Preliminary.
r Revised.
IVA Inventory valuation adjustment.
CCAdj Capital consumption adjustment.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 2. -- The Disposition of Personal Income
[Billions of dollars]

	1998	1999	1999 Dec.	Seasonally adjusted at annual rates				
				2000 Jan./r/	2000 Feb./r/	2000 Mar./r/	2000 Apr./r/	2000 May/p/
Personal income	7,358.9	7,791.8	7,998.6	8,051.7	8,094.9	8,154.8	8,202.5	8,233.8
Less: Personal tax and nontax payments	1,072.6	1,152.1	1,192.9	1,215.7	1,229.1	1,238.0	1,252.3	1,257.1
Equals: Disposable personal income	6,286.2	6,639.7	6,805.7	6,836.0	6,865.8	6,916.9	6,950.2	6,976.7
Less: Personal outlays	6,056.6	6,483.3	6,732.7	6,783.4	6,860.1	6,904.7	6,920.6	6,938.3
Personal consumption expenditures	5,848.6	6,257.3	6,498.3	6,546.8	6,622.7	6,666.4	6,680.6	6,696.9
Interest paid by persons	185.7	201.7	209.7	210.8	211.6	212.5	214.2	215.6
Personal transfer payments to the rest of the world (net)	22.3	24.3	24.7	25.8	25.8	25.8	25.8	25.8
Equals: Personal saving	229.7	156.3	73.0	52.6	5.7	12.1	29.6	38.4
Addenda:								
Disposable personal income:								
Chained (1996) dollars /1/	6,107.1	6,349.4	6,444.8	6,455.6	6,458.1	6,476.0	6,504.0	6,527.8
Per capita:								
Current dollars	23,231	24,307	24,802	24,898	24,994	25,164	25,268	25,346
Chained (1996) dollars	22,569	23,244	23,487	23,512	23,509	23,560	23,646	23,716
Population (thousands)	270,595	273,161	274,399	274,562	274,704	274,875	275,060	275,255
Personal saving as a percentage of disposable personal income	3.7	2.4	1.1	0.8	0.1	0.2	0.4	0.6

p Preliminary.
r Revised.
1. Disposable personal income in chained (1996) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 3. -- Personal Income and Its Disposition, Change From Preceding Period
[Billions of dollars]

	1998	1999	1999 Dec.	Seasonally adjusted at annual rates 2000				
				Jan./r/	Feb./r/	Mar./r/	Apr./r/	May/p/
Personal income	407.8	432.9	21.8	53.1	43.2	59.9	47.7	31.3
Wage and salary disbursements	297.1	286.3	31.0	34.0	21.3	27.5	37.1	1.9
Private industries	268.8	252.6	27.7	24.2	19.0	23.0	33.6	-4.5
Goods-producing industries	63.2	43.7	2.2	11.8	2.5	9.0	8.6	-6.2
Manufacturing	38.7	22.2	-0.3	6.0	2.2	2.3	7.9	-3.8
Distributive industries	65.5	61.2	16.3	2.2	3.7	2.1	8.6	-2.5
Service industries	140.1	147.7	9.2	10.2	12.8	11.9	16.4	4.2
Government	28.4	33.7	3.2	9.7	2.4	4.5	3.4	6.5
Other labor income	14.8	20.1	1.7	2.8	2.0	2.3	2.2	3.1
Proprietors' income with IVA and CCAdj	27.5	52.4	-18.9	2.0	5.1	17.5	3.1	0.6
Farm	-4.4	6.2	-24.3	0.3	0.5	4.5	2.6	-3.3
Nonfarm	31.9	46.3	5.4	1.7	4.6	13.0	0.4	4.0
Rental income of persons with CCAdj	7.2	8.5	-4.8	0.4	1.0	1.8	-2.4	-3.9
Personal dividend income	14.9	16.0	2.1	2.3	2.2	1.9	1.7	1.8
Personal interest income	42.9	33.5	6.0	7.5	7.2	7.6	6.2	5.0
Transfer payments to persons	21.2	34.6	6.6	8.4	5.5	2.9	2.0	22.5
Old-age, survivors, disability, and health insurance benefits	12.3	18.3	5.0	7.7	3.4	2.4	2.3	20.6
Government unemployment insurance benefits	-0.2	0.5	0.1	-0.3	0.4	-0.6	-0.3	-0.2
Other	9.1	15.8	1.5	1.1	1.6	1.1	0.0	2.1
Less: Personal contributions for social insurance	17.8	18.7	1.9	4.3	1.2	1.6	2.1	-0.2
Less: Personal tax and nontax payments	104.3	79.5	10.9	22.8	13.4	8.9	14.3	4.8
Equals: Disposable personal income	303.4	353.5	10.9	30.3	29.8	51.1	33.3	26.5
Less: Personal outlays	344.9	426.7	73.4	50.7	76.7	44.6	15.9	17.7
Personal consumption expenditures	324.2	408.7	71.0	48.5	75.9	43.7	14.2	16.3
Interest paid by persons	19.0	16.0	2.4	1.1	0.8	0.9	1.7	1.4
Personal transfer payments to the rest of the world (net)	1.7	2.0	0.0	1.1	0.0	0.0	0.0	0.0
Equals: Personal saving	-41.4	-73.4	-62.5	-20.4	-46.9	6.4	17.5	8.8

Addendum:
 Disposable personal income,
 chained (1996) dollars 240.4 242.3 -2.4 10.8 2.5 17.9 28.0 23.8

p Preliminary.
r Revised.
IVA Inventory valuation adjustment.
CCAdj Capital consumption adjustment.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4. -- Personal Consumption Expenditures by Major Type of Product

	Seasonally adjusted at annual rates							
	1998	1999	1999	2000				
			Dec.	Jan./r/	Feb./r/	Mar./r/	Apr./r/	May/p/
Billions of current dollars								
Personal consumption expenditures	5,848.6	6,257.3	6,498.3	6,546.8	6,622.7	6,666.4	6,680.6	6,696.9
Durable goods	698.2	758.6	794.4	811.8	832.2	821.4	815.8	808.0
Nondurable goods	1,708.9	1,843.1	1,938.0	1,933.2	1,960.0	1,982.0	1,978.9	1,982.1
Services	3,441.5	3,655.6	3,765.9	3,801.8	3,830.5	3,863.1	3,886.0	3,906.8
Billions of chained (1996) dollars								
Personal consumption expenditures	5,681.8	5,983.6	6,153.7	6,182.5	6,229.4	6,241.5	6,251.7	6,266.0
Durable goods	731.5	815.7	862.0	881.9	905.8	894.5	888.6	879.1
Nondurable goods	1,685.3	1,776.1	1,837.8	1,831.2	1,840.6	1,842.0	1,842.5	1,850.2
Services	3,268.0	3,400.1	3,466.0	3,483.7	3,500.0	3,519.9	3,534.2	3,548.5
Implicit price deflators (Index numbers, 1996 = 100)								
Personal consumption expenditures	102.93	104.58	105.60	105.89	106.31	106.81	106.86	106.88
Durable goods	95.45	93.00	92.15	92.04	91.87	91.83	91.81	91.90
Nondurable goods	101.40	103.77	105.45	105.57	106.49	107.60	107.40	107.13
Services	105.31	107.52	108.65	109.13	109.44	109.75	109.95	110.10
Change From Preceding Period								
Billions of current dollars								
Personal consumption expenditures	324.2	408.7	71.0	48.5	75.9	43.7	14.2	16.3
Durable goods	55.3	60.4	9.5	17.4	20.4	-10.8	-5.6	-7.8
Nondurable goods	67.2	134.3	42.1	-4.8	26.8	22.0	-3.1	3.2
Services	201.7	214.1	19.4	35.9	28.7	32.6	22.9	20.8
Billions of chained (1996) dollars								
Personal consumption expenditures	264.6	301.8	55.2	28.8	46.9	12.1	10.2	14.3
Durable goods	74.1	84.2	12.7	19.9	23.9	-11.3	-5.9	-9.5

Nondurable goods	65.4	90.8	32.0	-6.6	9.4	1.4	0.5	7.7
Services	127.7	132.1	11.7	17.7	16.3	19.9	14.3	14.3

Table 5.-- Percent Change From Preceding Period in Selected Series
Based on current dollars

Personal income	5.9	5.9	0.3	0.7	0.5	0.7	0.6	0.4
Disposable personal income	5.1	5.6	0.2	0.4	0.4	0.7	0.5	0.4
Personal consumption expenditures	5.9	7.0	1.1	0.7	1.2	0.7	0.2	0.2
Durable goods	8.6	8.7	1.2	2.2	2.5	-1.3	-0.7	-1.0
Nondurable goods	4.1	7.9	2.2	-0.2	1.4	1.1	-0.2	0.2
Services	6.2	6.2	0.5	1.0	0.8	0.8	0.6	0.5

Based on chained (1996) dollars

Disposable personal income	4.1	4.0	0.0	0.2	0.0	0.3	0.4	0.4
Personal consumption expenditures	4.9	5.3	0.9	0.5	0.8	0.2	0.2	0.2
Durable goods	11.3	11.5	1.5	2.3	2.7	-1.3	-0.7	-1.1
Nondurable goods	4.0	5.4	1.8	-0.4	0.5	0.1	0.0	0.4
Services	4.1	4.0	0.3	0.5	0.5	0.6	0.4	0.4

p Preliminary.
r Revised.

Source: U.S. Department of Commerce, Bureau of Economic Analysis.