

FOR WIRE TRANSMISSION: 8:30 A.M. EDT, MONDAY, AUGUST 28, 2000

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Recorded message: 606-5303

BEA 00-25

PERSONAL INCOME AND OUTLAYS: JULY 2000

Personal income increased \$21.1 billion, or 0.3 percent, and disposable personal income (DPI) increased \$19.9 billion, or 0.3 percent, in July, according to the Commerce Department's Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$38.7 billion, or 0.6 percent. In June, personal income increased \$33.9 billion, or 0.4 percent, DPI increased \$21.0 billion, or 0.3 percent, and PCE increased \$29.3 billion, or 0.4 percent, based on revised estimates.

	Mar.	Apr. (Percent change	2000 May from preceding month)	June	July
Personal income, current dollars	0.8	0.6	0.3	0.4	0.3
Disposable personal income:					
Current dollars	.8	.5	.3	.3	.3
Chained (1996) dollars	.3	.4	.3	.0	.1
Personal consumption expenditures:					
Current dollars	.5	.2	.3	.4	.6
Chained (1996) dollars	.1	.2	.2	.2	.4

Wages and salaries

Private wage and salary disbursements increased \$22.4 billion in July, compared with an increase of \$33.4 billion in June. Goods-producing industries' payrolls increased \$9.2 billion, compared with an increase of \$6.4 billion; manufacturing payrolls increased \$4.5 billion, compared with an increase of \$5.7 billion. Distributive industries' payrolls increased \$6.7 billion, compared with an increase of \$12.9 billion. Service industries' payrolls increased \$6.5 billion, compared with an increase of \$14.0 billion.

Government wage and salary disbursements increased \$2.1 billion in July, in contrast to a decrease of \$3.5 billion in June. The decline in the number of temporary workers for Census 2000 subtracted \$1.9 billion at an annual rate from federal civilian payrolls in July and subtracted \$2.7 billion at an annual rate in June.

Other personal income

Proprietors' income decreased \$8.7 billion in July, in contrast to an increase of \$11.0 billion in June. Farm proprietors' income decreased \$8.4 billion, in contrast to an increase of \$6.9 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 July, \$5.3 billion at an annual rate in June, and \$0.5 billion at an annual rate in May. Nonfarm proprietors' income decreased \$0.3 billion in July, in contrast to an increase of \$4.0 billion in June.

Transfer payments increased \$1.6 billion in July, in contrast to a decrease of \$10.0 billion in June. The changes in June and July reflect benefit payments of \$19.2 billion at an annual rate in May and \$8.5 billion at an annual rate in June resulting from new legislation under the Senior Citizens' Freedom to Work Act of 2000. This act 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 \$2.2 billion in July, compared with an increase of \$2.0 billion in June. Personal dividend income increased \$2.4 billion in July, the same increase as in June. Rental income of persons decreased \$1.7 billion in July, compared with a decrease of \$1.2 billion in June.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$1.6 billion in July, compared with an increase of \$2.1 billion in June.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$1.2 billion in July, compared with an increase of

\$12.9 billion in June. The change in July reflected a \$7.6 billion (at an annual rate) tax rebate in Minnesota in July; the rebate is classified as a personal tax refund in the national income and product accounts.

Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$19.9 billion, or 0.3 percent, in July, compared with an increase of \$21.0 billion, or 0.3 percent, in June.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$40.7 billion in July, compared with an increase of \$30.9 billion in June. PCE increased \$38.7 billion, compared with an increase of \$29.3 billion.

Personal saving -- DPI less personal outlays -- was a negative \$10.9 billion in July, in contrast to a positive \$9.8 billion in June. Saving from current income may be near zero or negative when outlays are financed by borrowing -- including through credit cards or home equity loans -- selling investments or other assets, or by using savings from previous periods. Personal saving as a percentage of disposable personal income was a negative 0.2 percent in July, in contrast to a positive 0.1 percent in June.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 0.1 percent in July, compared with an increase of less than 0.1 percent in June.

Real PCE -- PCE adjusted to remove price changes -- increased 0.4 percent in July, compared with an increase of 0.2 percent in June. Purchases of durable goods increased 0.9 percent, compared with an increase of 0.3 percent. Purchases of nondurable goods increased 0.3 percent, compared with an increase of 0.1 percent. Purchases of services increased 0.3 percent, compared with an increase of 0.2 percent.

Revisions

Estimates have been revised for April through June. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for May and June -- revised and as published in last month's release -- are shown below. Revisions for April were small.

	Change from preceding month							
	May				June			
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)		(Percent)		(Dollars)		(Percent)	
Personal Income:								
Current dollars	27.1	23.4	0.3	0.3	32.8	33.9	0.4	0.4
Disposable personal income:								
Current dollars	22.2	19.6	.3	.3	20.8	21.0	.3	.3
Chained (1996) dollars	19.9	17.3	.3	.3	2.0	2.2	.0	.0
Personal consumption expenditures:								
Current dollars	18.7	17.4	.3	.3	32.5	29.3	.5	.4
Chained (1996) dollars	16.6	15.4	.3	.2	13.6	10.6	.2	.2

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Next release -- Personal Income and Outlays for August will be released on
September 29, 2000, at 8:30 A.M. EDT.

Table 1.-Personal Income
[Billions of dollars; seasonally adjusted at annual rates]

	1998	1999	Feb 00	Mar 00	Apr 00/r/	May 00/r/	Jun 00/r/	Jul 00/p/
Personal income.....	7,391.0	7,789.6	8,099.6	8,161.6	8,206.7	8,230.1	8,264.0	8,285.1
Wage and salary disbursements.....	4,190.7	4,470.0	4,657.8	4,685.9	4,724.4	4,725.0	4,754.8	4,779.4
Private industries.....	3,498.0	3,745.6	3,908.5	3,932.3	3,967.4	3,961.6	3,995.0	4,017.4
Goods-producing industries....	1,038.6	1,089.2	1,128.8	1,138.0	1,147.3	1,140.4	1,146.8	1,156.0
Manufacturing.....	756.6	782.4	802.9	804.8	812.6	808.1	813.8	818.3
Distributive industries.....	949.1	1,020.3	1,070.7	1,076.2	1,089.9	1,087.1	1,100.0	1,106.7
Service industries.....	1,510.3	1,636.0	1,708.9	1,718.0	1,730.2	1,734.2	1,748.2	1,754.7
Government.....	692.7	724.4	749.2	753.6	757.0	763.4	759.9	762.0
Other labor income.....	485.5	501.0	514.1	516.2	518.4	520.5	522.4	525.0
Proprietors' income with inventory valuation and capital consumption adjustments.....	620.7	663.5	690.0	706.6	707.0	703.7	714.7	706.0
Farm.....	25.4	25.3	18.4	21.7	23.1	17.6	24.5	16.1
Nonfarm.....	595.2	638.2	671.7	684.9	683.9	686.2	690.2	689.9
Rental income of persons with capital consumption adjustment...	135.4	143.4	145.3	147.0	144.8	141.0	139.8	138.1
Personal dividend income.....	351.1	370.3	387.0	388.9	390.6	392.4	394.8	397.2
Personal interest income.....	940.8	963.7	1,011.4	1,021.2	1,025.3	1,027.9	1,029.9	1,032.1
Transfer payments to persons.....	983.0	1,016.2	1,047.3	1,050.9	1,053.8	1,077.3	1,067.3	1,068.9
Old-age, survivors, disability, and health insurance benefits..	578.0	588.0	607.7	611.1	613.4	634.4	625.0	623.6
Government unemployment insurance benefits.....	19.5	20.3	20.5	19.7	19.4	19.3	19.5	19.9
Other.....	385.4	407.9	419.1	420.1	421.0	423.5	422.8	425.4
Less: Personal contributions for social insurance.....	316.2	338.5	353.2	355.2	357.7	357.8	359.9	361.5

p Preliminary.

r Revised.

IVA Inventory valuation adjustment.

CCAdj Capital consumption adjustment.

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 2.-The Disposition of Personal Income
[Billions of dollars; seasonally adjusted at annual rates]

	1998	1999	Feb 00	Mar 00	Apr 00/r/	May 00/r/	Jun 00/r/	Jul 00/p/
Personal income.....	7,391.0	7,789.6	8,099.6	8,161.6	8,206.7	8,230.1	8,264.0	8,285.1
Less: Personal tax and nontax payments.....	1,070.9	1,152.0	1,241.1	1,251.2	1,264.7	1,268.5	1,281.4	1,282.6
Equals: Disposable personal income..	6,320.0	6,637.7	6,858.5	6,910.4	6,942.0	6,961.6	6,982.6	7,002.5
Less: Personal outlays.....	6,054.7	6,490.1	6,868.7	6,906.2	6,922.5	6,941.8	6,972.7	7,013.4
Personal consumption expenditures.	5,850.9	6,268.7	6,635.0	6,671.3	6,685.8	6,703.2	6,732.5	6,771.2
Interest paid by persons.....	179.8	194.8	205.2	206.4	208.1	210.0	211.6	213.5

Personal transfer payments to the rest of the world (net).....	24.0	26.6	28.5	28.5	28.7	28.7	28.7	28.7
Equals: Personal saving.....	265.4	147.6	-10.3	4.2	19.5	19.8	9.8	-10.9
Addenda:								
Disposable personal income:								
Total, billions of chained (1996) dollars\2\.....	6,134.1	6,331.0	6,434.9	6,455.9	6,483.8	6,501.1	6,503.3	6,508.8
Per capita:								
Current dollars.....	23,359	24,314	24,985	25,159	25,257	25,310	25,367	25,418
Chained (1996) dollars.....	22,672	23,191	23,442	23,504	23,589	23,636	23,626	23,626
Population (mid-period, millions).....	270,560	272,996	274,503	274,674	274,859	275,054	275,264	275,496
Personal saving as a percentage of disposable personal income....	4.2	2.2	-.1	.1	.3	.3	.1	-.2

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; seasonally adjusted at annual rates]

	1998	1999	Feb 00	Mar 00	Apr 00/r/	May 00/r/	Jun 00/r/	Jul 00/p/
Personal income.....	454.0	398.6	43.2	62.0	45.1	23.4	33.9	21.1
Wage and salary disbursements....	301.8	279.3	20.4	28.1	38.5	.6	29.8	24.6
Private industries.....	273.3	247.6	17.9	23.8	35.1	-5.8	33.4	22.4
Goods-producing industries....	63.5	50.6	2.9	9.2	9.3	-6.9	6.4	9.2
Manufacturing.....	38.2	25.8	2.2	1.9	7.8	-4.5	5.7	4.5
Distributive industries.....	69.5	71.2	4.8	5.5	13.7	-2.8	12.9	6.7
Service industries.....	140.4	125.7	10.1	9.1	12.2	4.0	14.0	6.5
Government.....	28.4	31.7	2.3	4.4	3.4	6.4	-3.5	2.1
Other labor income.....	10.1	15.5	2.3	2.1	2.2	2.1	1.9	2.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	39.5	42.8	4.9	16.6	.4	-3.3	11.0	-8.7
Farm.....	-4.3	-.1	1.1	3.3	1.4	-5.5	6.9	-8.4
Nonfarm.....	43.7	43.0	3.8	13.2	-1.0	2.3	4.0	-.3
Rental income of persons with capital consumption adjustment...	7.1	8.0	.9	1.7	-2.2	-3.8	-1.2	-1.7
Personal dividend income.....	16.2	19.2	2.3	1.9	1.7	1.8	2.4	2.4
Personal interest income.....	76.8	22.9	9.3	9.8	4.1	2.6	2.0	2.2
Transfer payments to persons.....	20.8	33.2	4.8	3.6	2.9	23.5	-10.0	1.6
Old-age, survivors, disability, and health insurance benefits..	12.2	10.0	2.7	3.4	2.3	21.0	-9.4	-1.4
Government unemployment insurance benefits.....	-.4	.8	.3	-.8	-.3	-.1	.2	.4
Other.....	8.9	22.5	1.8	1.0	.9	2.5	-.7	2.6
Less: Personal contributions for social insurance.....	18.3	22.3	1.4	2.0	2.5	.1	2.1	1.6
Less: Personal tax and nontax payments.....	102.1	81.1	15.4	10.1	13.5	3.8	12.9	1.2
Equals: Disposable personal income..	351.8	317.7	27.9	51.9	31.6	19.6	21.0	19.9
Less: Personal outlays.....	339.4	435.4	77.0	37.5	16.3	19.3	30.9	40.7
Personal consumption expenditures.	321.6	417.8	76.1	36.3	14.5	17.4	29.3	38.7
Interest paid by persons.....	15.0	15.0	.9	1.2	1.7	1.9	1.6	1.9
Personal transfer payments to the rest of the world (net).....	2.8	2.6	.0	.0	.2	.0	.0	.0
Equals: Personal saving.....	12.5	-117.8	-49.2	14.5	15.3	.3	-10.0	-20.7
Addenda:								
Disposable personal income: chained (1996) dollars.....	279.6	196.9	-3.8	21.0	27.9	17.3	2.2	5.5

p Preliminary.

r Revised.

IVA Inventory valuation adjustment.

CCAdj Capital consumption adjustment.

Table 4--Personal Consumption Expenditures by Major Type of Product
[Billions of dollars; seasonally adjusted at annual rates]

	1998	1999	Feb 00	Mar 00	Apr 00/r/	May 00/r/	Jun 00/r/	Jul 00/p/
Billions of current dollars								
Personal consumption expenditures...	5,850.9	6,268.7	6,635.0	6,671.3	6,685.8	6,703.2	6,732.5	6,771.2
Durable goods.....	693.9	761.3	834.2	824.3	819.3	812.3	811.6	817.8
Nondurable goods.....	1,707.6	1,845.5	1,965.4	1,989.2	1,989.2	1,994.6	2,007.7	2,017.3
Services.....	3,449.3	3,661.9	3,835.4	3,857.7	3,877.3	3,896.3	3,913.2	3,936.0
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,678.7	5,978.8	6,225.2	6,232.5	6,244.4	6,259.8	6,270.4	6,293.8
Durable goods.....	727.3	817.8	907.3	896.9	891.6	883.0	885.6	893.4
Nondurable goods.....	1,684.8	1,779.4	1,847.6	1,850.1	1,853.7	1,863.4	1,864.4	1,870.5
Services.....	3,269.4	3,390.8	3,488.3	3,501.5	3,514.2	3,526.7	3,533.9	3,544.2
Chain-type price indexes (Index numbers, 1996=100)								
Personal consumption expenditures...	103.03	104.85	106.59	107.05	107.08	107.09	107.38	107.60
Durable goods.....	95.42	93.09	91.93	91.89	91.88	91.97	91.63	91.53
Nondurable goods.....	101.35	103.71	106.40	107.54	107.33	107.06	107.71	107.87
Services.....	105.50	107.99	109.96	110.18	110.34	110.49	110.74	111.06
Addendum:								
Personal consumption expenditures less food and energy.....	103.45	105.11	106.27	106.50	106.67	106.72	106.71	106.89
Change from Preceding period								
Billions of current dollars								
Personal consumption expenditures...	321.6	417.8	76.1	36.3	14.5	17.4	29.3	38.7
Durable goods.....	51.4	67.4	14.0	-9.9	-5.0	-7.0	-7	6.2
Nondurable goods.....	66.0	137.9	28.3	23.8	.0	5.4	13.1	9.6
Services.....	204.1	212.6	33.8	22.3	19.6	19.0	16.9	22.8
Billions of chained (1996) dollars								
Personal consumption expenditures...	254.8	300.1	42.6	7.3	11.9	15.4	10.6	23.4
Durable goods.....	70.0	90.5	16.9	-10.4	-5.3	-8.6	2.6	7.8
Nondurable goods.....	64.9	94.6	11.0	2.5	3.6	9.7	1.0	6.1
Services.....	122.4	121.4	16.6	13.2	12.7	12.5	7.2	10.3

Table 5.--Percent Change From Preceding Period in Selected Series

	1998	1999	Feb 00	Mar 00	Apr 00/r/	May 00/r/	Jun 00/r/	Jul 00/p/
Based on current dollars								
Personal income.....	6.5	5.4	.5	.8	.6	.3	.4	.3
Disposable personal income.....	5.9	5.0	.4	.8	.5	.3	.3	.3
Personal consumption expenditures...	5.8	7.1	1.2	.5	.2	.3	.4	.6
Durable goods.....	8.0	9.7	1.7	-1.2	-.6	-.9	-.1	.8
Nondurable goods.....	4.0	8.1	1.5	1.2	.0	.3	.7	.5
Services.....	6.3	6.2	.9	.6	.5	.5	.4	.6
Based on chained (1996) dollars								
Disposable personal income.....	4.8	3.2	-.1	.3	.4	.3	.0	.1
Personal consumption expenditures...	4.7	5.3	.7	.1	.2	.2	.2	.4
Durable goods.....	10.6	12.4	1.9	-1.1	-.6	-1.0	.3	.9
Nondurable goods.....	4.0	5.6	.6	.1	.2	.5	.1	.3
Services.....	3.9	3.7	.5	.4	.4	.4	.2	.3

p Preliminary.

r Revised.

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