

FOR WIRE TRANSMISSION: 8:30 A.M. EDT, FRIDAY, SEPTEMBER 29, 2000

James E. Rankin: (202) 606-5301 (Personal Income)
Greg Key: 606-5302 (Personal Outlays)
Recorded message: 606-5303

BEA 00-30

PERSONAL INCOME AND OUTLAYS: AUGUST 2000

Personal income increased \$34.2 billion, or 0.4 percent, and disposable personal income (DPI) increased \$20.0 billion, or 0.3 percent, in August, according to the Commerce Department's Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$41.4 billion, or 0.6 percent. In July, personal income increased \$24.3 billion, or 0.3 percent, DPI increased \$23.4 billion, or 0.3 percent, and PCE increased \$43.3 billion, or 0.6 percent, based on revised estimates.

| | Apr. | May (Percent change from preceding month) | 2000 June | July | Aug. |
|------------------------------------|------|--|--------------|------|------|
| Personal income, current dollars | 0.6 | 0.3 | 0.5 | 0.3 | 0.4 |
| Disposable personal income: | | | | | |
| Current dollars | .4 | .3 | .4 | .3 | .3 |
| Chained (1996) dollars | .4 | .4 | .1 | .1 | .3 |
| Personal consumption expenditures: | | | | | |
| Current dollars | .2 | .3 | .5 | .6 | .6 |
| Chained (1996) dollars | .2 | .3 | .2 | .4 | .6 |

Wages and salaries

Private wage and salary disbursements increased \$13.4 billion in August, compared with an increase of \$21.6 billion in July. Goods-producing industries' payrolls decreased \$1.9 billion, in contrast to an increase of \$10.4 billion; manufacturing payrolls decreased \$3.0 billion, in contrast to an increase of \$6.1 billion. Distributive industries' payrolls increased \$2.7 billion, compared with an increase of \$6.9 billion. Service industries' payrolls increased \$12.5 billion, compared with an increase of \$4.2 billion.

Government wage and salary disbursements increased \$0.7 billion in August, compared with an increase of \$3.1 billion in July. A decline in the number of temporary workers for Census 2000 subtracted \$2.5 billion at an annual rate from federal civilian payrolls in August, compared with a subtraction of \$1.9 billion at an annual rate in July.

Other personal income

Proprietors' income decreased \$0.2 billion in August, compared with a decrease of \$11.4 billion in July. Farm proprietors' income decreased \$4.9 billion, compared with a decrease of \$7.1 billion. The changes in farm proprietors' income reflect the pattern of specially authorized federal farm subsidy payments, which were \$0.3 billion at an annual rate in August, \$1.2 billion at an annual rate in July, and \$4.6 billion at an annual rate in June. Nonfarm proprietors' income increased \$4.7 billion in August, in contrast to a decrease of \$4.3 billion in July.

Transfer payments increased \$5.5 billion in August, compared with an increase of \$1.5 billion in July. The August increase in transfer payments reflected, in part, retroactive social security benefit payments of \$1.9 billion at an annual rate, resulting from a recalculation of the earnings base underlying the benefits for recent retirees.

Personal interest income increased \$9.2 billion in August, compared with an increase of \$7.7 billion in July. Personal dividend income increased \$5.0 billion, compared with an increase of \$2.4 billion. Rental income of persons decreased \$0.9 billion, compared with a decrease of \$1.4 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$1.0 billion in August, compared with an increase of \$1.6 billion in July.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$14.2 billion in August, compared with an increase of \$1.0 billion in July. The changes in July and August reflect 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 \$20.0 billion, or 0.3 percent, in August, compared with an increase of \$23.4 billion, or 0.3 percent, in July.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$42.6 billion in August, compared with an increase of \$44.8 billion in July. PCE increased \$41.4 billion, compared with an increase of \$43.3 billion.

Personal saving -- DPI less personal outlays -- was a negative \$25.4 billion in August, compared with a negative \$2.8 billion in July. 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 0.4 percent in August, compared with zero percent in July.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 0.3 percent in August, compared with an increase of 0.1 percent in July.

Real PCE -- PCE adjusted to remove price changes -- increased 0.6 percent in August, compared with an increase of 0.4 percent in July. Purchases of durable goods increased 2.0 percent, compared with an increase of 0.8 percent. Purchases of nondurable goods increased 0.6 percent, compared with an increase of 0.6 percent. Purchases of services increased 0.4 percent, compared with an increase of 0.2 percent.

Revisions

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

| | Change from preceding month | | | | | | | |
|------------------------------------|-----------------------------|---------|-----------|---------|-----------|---------|-----------|---------|
| | June | | | | July | | | |
| | Previous | Revised | Previous | Revised | Previous | Revised | Previous | Revised |
| | (Dollars) | | (Percent) | | (Dollars) | | (Percent) | |
| Personal Income: | | | | | | | | |
| Current dollars..... | 33.9 | 41.9 | 0.4 | 0.5 | 21.1 | 24.3 | 0.3 | 0.3 |
| Disposable personal income: | | | | | | | | |
| Current dollars..... | 21.0 | 28.0 | .3 | .4 | 19.9 | 23.4 | .3 | .3 |
| Chained (1996) dollars.. | 2.2 | 8.2 | .0 | .1 | 5.5 | 6.9 | .1 | .1 |
| Personal consumption expenditures: | | | | | | | | |
| Current dollars..... | 29.3 | 31.0 | .4 | .5 | 38.7 | 43.3 | .6 | .6 |
| Chained (1996) dollars... | 10.6 | 11.7 | .2 | .2 | 23.4 | 25.9 | .4 | .4 |

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

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

| | 1998 | 1999 | Mar 00 | Apr 00/r/ | May 00/r/ | Jun 00/r/ | Jul 00/r/ | Aug 00/p/ |
|---|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| Personal income..... | 7,391.0 | 7,789.6 | 8,161.6 | 8,209.3 | 8,237.6 | 8,279.5 | 8,303.8 | 8,338.0 |
| Wage and salary disbursements.... | 4,190.7 | 4,470.0 | 4,685.9 | 4,726.9 | 4,730.0 | 4,763.5 | 4,788.2 | 4,802.3 |
| Private industries..... | 3,498.0 | 3,745.6 | 3,932.3 | 3,969.9 | 3,966.6 | 4,003.4 | 4,025.0 | 4,038.4 |
| Goods-producing industries.... | 1,038.6 | 1,089.2 | 1,138.0 | 1,148.3 | 1,142.2 | 1,150.8 | 1,161.2 | 1,159.3 |
| Manufacturing..... | 756.6 | 782.4 | 804.8 | 813.2 | 809.4 | 816.7 | 822.8 | 819.8 |
| Distributive industries..... | 949.1 | 1,020.3 | 1,076.2 | 1,091.5 | 1,090.2 | 1,105.5 | 1,112.4 | 1,115.1 |
| Service industries..... | 1,510.3 | 1,636.0 | 1,718.0 | 1,730.2 | 1,734.2 | 1,747.2 | 1,751.4 | 1,763.9 |
| Government..... | 692.7 | 724.4 | 753.6 | 757.0 | 763.4 | 760.1 | 763.2 | 763.9 |
| Other labor income..... | 485.5 | 501.0 | 516.2 | 518.4 | 520.5 | 522.5 | 525.0 | 527.5 |
| Proprietors' income with inventory valuation and capital consumption adjustments..... | 620.7 | 663.5 | 706.6 | 707.0 | 704.7 | 716.9 | 705.5 | 705.3 |
| Farm..... | 25.4 | 25.3 | 21.7 | 23.1 | 17.5 | 23.7 | 16.6 | 11.7 |
| Nonfarm..... | 595.2 | 638.2 | 684.9 | 683.9 | 687.1 | 693.2 | 688.9 | 693.6 |
| Rental income of persons with capital consumption adjustment... | 135.4 | 143.4 | 147.0 | 144.3 | 140.0 | 138.1 | 136.7 | 135.8 |
| Personal dividend income..... | 351.1 | 370.3 | 388.9 | 390.6 | 392.4 | 394.8 | 397.2 | 402.2 |
| Personal interest income..... | 940.8 | 963.7 | 1,021.2 | 1,026.1 | 1,030.9 | 1,036.8 | 1,044.5 | 1,053.7 |
| Transfer payments to persons..... | 983.0 | 1,016.2 | 1,050.9 | 1,053.8 | 1,077.3 | 1,067.3 | 1,068.8 | 1,074.3 |
| Old-age, survivors, disability, and health insurance benefits.. | 578.0 | 588.0 | 611.1 | 613.4 | 634.4 | 625.0 | 623.6 | 627.1 |
| Government unemployment insurance benefits..... | 19.5 | 20.3 | 19.7 | 19.4 | 19.3 | 19.4 | 19.7 | 19.6 |
| Other..... | 385.4 | 407.9 | 420.1 | 420.9 | 423.5 | 422.9 | 425.5 | 427.7 |
| Less: Personal contributions for social insurance..... | 316.2 | 338.5 | 355.2 | 357.9 | 358.2 | 360.4 | 362.0 | 363.0 |

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]

| | 1998 | 1999 | Mar 00 | Apr 00/r/ | May 00/r/ | Jun 00/r/ | Jul 00/r/ | Aug 00/p/ |
|---|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| Personal income..... | 7,391.0 | 7,789.6 | 8,161.6 | 8,209.3 | 8,237.6 | 8,279.5 | 8,303.8 | 8,338.0 |
| Less: Personal tax and nontax payments..... | 1,070.9 | 1,152.0 | 1,251.2 | 1,269.6 | 1,274.1 | 1,287.9 | 1,288.9 | 1,303.1 |
| Equals: Disposable personal income.. | 6,320.0 | 6,637.7 | 6,910.4 | 6,939.7 | 6,963.5 | 6,991.5 | 7,014.9 | 7,034.9 |
| Less: Personal outlays..... | 6,054.7 | 6,490.1 | 6,906.2 | 6,920.2 | 6,939.9 | 6,972.9 | 7,017.7 | 7,060.3 |
| Personal consumption expenditures. | 5,850.9 | 6,268.7 | 6,671.3 | 6,683.7 | 6,702.1 | 6,733.1 | 6,776.4 | 6,817.8 |
| Interest paid by persons..... | 179.8 | 194.8 | 206.4 | 208.1 | 209.5 | 211.4 | 213.0 | 214.1 |
| Personal transfer payments to the rest of the world (net)..... | 24.0 | 26.6 | 28.5 | 28.3 | 28.3 | 28.3 | 28.3 | 28.3 |
| Equals: Personal saving..... | 265.4 | 147.6 | 4.2 | 19.5 | 23.6 | 18.7 | -2.8 | -25.4 |
| Addenda: | | | | | | | | |
| Disposable personal income: | | | | | | | | |
| Total, billions of chained (1996) dollars\2\..... | 6,134.1 | 6,331.0 | 6,455.9 | 6,483.2 | 6,507.4 | 6,515.6 | 6,522.5 | 6,541.1 |
| Per capita: | | | | | | | | |
| Current dollars..... | 23,359 | 24,314 | 25,159 | 25,248 | 25,317 | 25,399 | 25,463 | 25,513 |
| Chained (1996) dollars..... | 22,672 | 23,191 | 23,504 | 23,587 | 23,658 | 23,670 | 23,675 | 23,722 |
| Population (mid-period, millions)..... | 270,560 | 272,996 | 274,674 | 274,859 | 275,054 | 275,264 | 275,496 | 275,738 |
| Personal saving as a percentage of disposable personal income... | 4.2 | 2.2 | .1 | .3 | .3 | .3 | .0 | -.4 |

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 Peri
[Billions of dollars]

| | 1998 | 1999 | Mar 00 | Apr 00/r/ | May 00/r/ | Jun 00/r/ | Jul 00/r/ | Aug 00/p/ |
|---|-------|--------|--------|-----------|-----------|-----------|-----------|-----------|
| Personal income..... | 454.0 | 398.6 | 62.0 | 47.7 | 28.3 | 41.9 | 24.3 | 34.2 |
| Wage and salary disbursements..... | 301.8 | 279.3 | 28.1 | 41.0 | 3.1 | 33.5 | 24.7 | 14.1 |
| Private industries..... | 273.3 | 247.6 | 23.8 | 37.6 | -3.3 | 36.8 | 21.6 | 13.4 |
| Goods-producing industries.... | 63.5 | 50.6 | 9.2 | 10.3 | -6.1 | 8.6 | 10.4 | -1.9 |
| Manufacturing..... | 38.2 | 25.8 | 1.9 | 8.4 | -3.8 | 7.3 | 6.1 | -3.0 |
| Distributive industries..... | 69.5 | 71.2 | 5.5 | 15.3 | -1.3 | 15.3 | 6.9 | 2.7 |
| Service industries..... | 140.4 | 125.7 | 9.1 | 12.2 | 4.0 | 13.0 | 4.2 | 12.5 |
| Government..... | 28.4 | 31.7 | 4.4 | 3.4 | 6.4 | -3.3 | 3.1 | .7 |
| Other labor income..... | 10.1 | 15.5 | 2.1 | 2.2 | 2.1 | 2.0 | 2.5 | 2.5 |
| Proprietors' income with inventory valuation and capital consumption adjustments..... | 39.5 | 42.8 | 16.6 | .4 | -2.3 | 12.2 | -11.4 | -.2 |
| Farm..... | -4.3 | -.1 | 3.3 | 1.4 | -5.6 | 6.2 | -7.1 | -4.9 |
| Nonfarm..... | 43.7 | 43.0 | 13.2 | -1.0 | 3.2 | 6.1 | -4.3 | 4.7 |
| Rental income of persons with capital consumption adjustment... | 7.1 | 8.0 | 1.7 | -2.7 | -4.3 | -1.9 | -1.4 | -.9 |
| Personal dividend income..... | 16.2 | 19.2 | 1.9 | 1.7 | 1.8 | 2.4 | 2.4 | 5.0 |
| Personal interest income..... | 76.8 | 22.9 | 9.8 | 4.9 | 4.8 | 5.9 | 7.7 | 9.2 |
| Transfer payments to persons..... | 20.8 | 33.2 | 3.6 | 2.9 | 23.5 | -10.0 | 1.5 | 5.5 |
| Old-age, survivors, disability, and health insurance benefits.. | 12.2 | 10.0 | 3.4 | 2.3 | 21.0 | -9.4 | -1.4 | 3.5 |
| Government unemployment insurance benefits..... | -.4 | .8 | -.8 | -.3 | -.1 | .1 | .3 | -.1 |
| Other..... | 8.9 | 22.5 | 1.0 | .8 | 2.6 | -.6 | 2.6 | 2.2 |
| Less: Personal contributions for social insurance..... | 18.3 | 22.3 | 2.0 | 2.7 | .3 | 2.2 | 1.6 | 1.0 |
| Less: Personal tax and nontax payments..... | 102.1 | 81.1 | 10.1 | 18.4 | 4.5 | 13.8 | 1.0 | 14.2 |
| Equals: Disposable personal income.. | 351.8 | 317.7 | 51.9 | 29.3 | 23.8 | 28.0 | 23.4 | 20.0 |
| Less: Personal outlays..... | 339.4 | 435.4 | 37.5 | 14.0 | 19.7 | 33.0 | 44.8 | 42.6 |
| Personal consumption expenditures. | 321.6 | 417.8 | 36.3 | 12.4 | 18.4 | 31.0 | 43.3 | 41.4 |
| Interest paid by persons..... | 15.0 | 15.0 | 1.2 | 1.7 | 1.4 | 1.9 | 1.6 | 1.1 |
| Personal transfer payments to the rest of the world (net)..... | 2.8 | 2.6 | .0 | -.2 | .0 | .0 | .0 | .0 |
| Equals: Personal saving..... | 12.5 | -117.8 | 14.5 | 15.3 | 4.1 | -4.9 | -21.5 | -22.6 |
| Addenda: | | | | | | | | |
| Disposable personal income: chained (1996) dollars\2\..... | 279.6 | 196.9 | 21.0 | 27.3 | 24.2 | 8.2 | 6.9 | 18.6 |

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; quarters seasonally adjusted at annual rates]

| | 1998 | 1999 | Mar 00 | Apr 00/r/ | May 00/r/ | Jun 00/r/ | Jul 00/r/ | Aug 00/p/ |
|---|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|
| Billions of current dollars | | | | | | | | |
| Personal consumption expenditures... | 5,850.9 | 6,268.7 | 6,671.3 | 6,683.7 | 6,702.1 | 6,733.1 | 6,776.4 | 6,817.8 |
| Durable goods..... | 693.9 | 761.3 | 824.3 | 819.2 | 812.2 | 811.5 | 817.5 | 830.5 |
| Nondurable goods..... | 1,707.6 | 1,845.5 | 1,989.2 | 1,989.2 | 1,994.6 | 2,009.1 | 2,024.0 | 2,028.4 |
| Services..... | 3,449.3 | 3,661.9 | 3,857.7 | 3,875.3 | 3,895.3 | 3,912.5 | 3,934.9 | 3,958.9 |
| Billions of chained (1996) dollars | | | | | | | | |
| Personal consumption expenditures... | 5,678.7 | 5,978.8 | 6,232.5 | 6,244.0 | 6,263.1 | 6,274.8 | 6,300.7 | 6,339.2 |
| Durable goods..... | 727.3 | 817.8 | 896.9 | 891.5 | 883.0 | 885.5 | 893.0 | 910.5 |
| Nondurable goods..... | 1,684.8 | 1,779.4 | 1,850.1 | 1,853.6 | 1,863.8 | 1,866.0 | 1,877.1 | 1,887.8 |
| Services..... | 3,269.4 | 3,390.8 | 3,501.5 | 3,513.9 | 3,529.6 | 3,536.7 | 3,544.8 | 3,557.2 |
| Chain-type price indexes (Index numbers, 1996=100) | | | | | | | | |
| Personal consumption expenditures... | 103.03 | 104.85 | 107.05 | 107.05 | 107.02 | 107.31 | 107.56 | 107.56 |
| Durable goods..... | 95.42 | 93.09 | 91.89 | 91.88 | 91.97 | 91.63 | 91.53 | 91.20 |
| Nondurable goods..... | 101.35 | 103.71 | 107.54 | 107.33 | 107.04 | 107.69 | 107.84 | 107.46 |
| Services..... | 105.50 | 107.99 | 110.18 | 110.30 | 110.37 | 110.64 | 111.01 | 111.30 |
| Addendum: | | | | | | | | |
| Personal consumption expenditures less food and energy..... | 103.45 | 105.11 | 106.50 | 106.63 | 106.64 | 106.64 | 106.86 | 107.01 |
| Change from Preceding period | | | | | | | | |
| Billions of current dollars | | | | | | | | |
| Personal consumption expenditures... | 321.6 | 417.8 | 36.3 | 12.4 | 18.4 | 31.0 | 43.3 | 41.4 |
| Durable goods..... | 51.4 | 67.4 | -9.9 | -5.1 | -7.0 | -7 | 6.0 | 13.0 |
| Nondurable goods..... | 66.0 | 137.9 | 23.8 | .0 | 5.4 | 14.5 | 14.9 | 4.4 |
| Services..... | 204.1 | 212.6 | 22.3 | 17.6 | 20.0 | 17.2 | 22.4 | 24.0 |
| Billions of chained (1996) dollars | | | | | | | | |
| Personal consumption expenditures... | 254.8 | 300.1 | 7.3 | 11.5 | 19.1 | 11.7 | 25.9 | 38.5 |
| Durable goods..... | 70.0 | 90.5 | -10.4 | -5.4 | -8.5 | 2.5 | 7.5 | 17.5 |
| Nondurable goods..... | 64.9 | 94.6 | 2.5 | 3.5 | 10.2 | 2.2 | 11.1 | 10.7 |
| Services..... | 122.4 | 121.4 | 13.2 | 12.4 | 15.7 | 7.1 | 8.1 | 12.4 |

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

| | 1998 | 1999 | Mar 00 | Apr 00 | May 00 | Jun 00 | Jul 00 | Aug 00 |
|--------------------------------------|------|------|--------|--------|--------|--------|--------|--------|
| Based on current dollars | | | | | | | | |
| Personal income..... | 6.5 | 5.4 | .8 | .6 | .3 | .5 | .3 | .4 |
| Disposable personal income..... | 5.9 | 5.0 | .8 | .4 | .3 | .4 | .3 | .3 |
| Personal consumption expenditures... | 5.8 | 7.1 | .5 | .2 | .3 | .5 | .6 | .6 |
| Durable goods..... | 8.0 | 9.7 | -1.2 | -.6 | -.9 | -.1 | .7 | 1.6 |
| Nondurable goods..... | 4.0 | 8.1 | 1.2 | .0 | .3 | .7 | .7 | .2 |
| Services..... | 6.3 | 6.2 | .6 | .5 | .5 | .4 | .6 | .6 |
| Based on chained (1996) dollars | | | | | | | | |
| Disposable personal income..... | 4.8 | 3.2 | .3 | .4 | .4 | .1 | .1 | .3 |
| Personal consumption expenditures... | 4.7 | 5.3 | .1 | .2 | .3 | .2 | .4 | .6 |
| Durable goods..... | 10.6 | 12.4 | -1.1 | -.6 | -1.0 | .3 | .8 | 2.0 |
| Nondurable goods..... | 4.0 | 5.6 | .1 | .2 | .5 | .1 | .6 | .6 |
| Services..... | 3.9 | 3.7 | .4 | .4 | .4 | .2 | .2 | .4 |