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Recorded message: 606-5303

PERSONAL INCOME AND OUTLAYS: FEBRUARY 2001

Personal income increased \$34.4 billion, or 0.4 percent, and disposable personal income (DPI) increased \$27.8 billion, or 0.4 percent, in February, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$21.2 billion, or 0.3 percent. In January, personal income increased \$42.5 billion, or 0.5 percent, DPI increased \$29.0 billion, or 0.4 percent, and PCE increased \$71.4 billion, or 1.0 percent, based on revised estimates.

	Oct.	2000 Nov.	Dec.	2001 Jan.	Feb.
	(Percent change from preceding month)				
Personal income, current dollars	-0.2	0.2	0.5	0.5	0.4
Disposable personal income:					
Current dollars	-.4	.1	.4	.4	.4
Chained (1996) dollars	-.5	.0	.3	-.1	.1
Personal consumption expenditures:					
Current dollars	.2	.3	.3	1.0	.3
Chained (1996) dollars	.0	.1	.2	.6	.1

Wages and salaries

Private wage and salary disbursements increased \$19.6 billion in February, compared with an increase of \$23.0 billion in January. Goods-producing industries' payrolls decreased \$0.4 billion, in contrast to an increase of \$11.2 billion. Manufacturing payrolls decreased \$1.6 billion in February; they were unchanged in January. Distributive industries' payrolls increased \$7.4 billion in February, compared with an increase of \$2.8 billion in January. Service industries' payrolls increased \$12.7 billion, compared with an increase of \$8.9 billion.

Government wage and salary disbursements increased \$4.4 billion in February, compared with an increase of \$8.7 billion in January. Pay raises for federal civilian and military personnel added an additional \$1.4 billion to the change in government payrolls in February, compared with an additional \$4.6 billion to the change in January.

Other personal income

Proprietors' income increased \$1.9 billion in February, in contrast to a decrease of \$3.3 billion in January. Farm proprietors' income increased \$2.4 billion, in contrast to a decrease of \$5.5 billion. The changes in farm proprietors' income reflected the pattern of specially authorized federal farm subsidy payments, which were \$4.6 billion (at an annual rate) in February, \$0.8 billion in January, and \$5.5 billion in December. Nonfarm proprietors' income decreased \$0.4 billion in February, in contrast to an increase of \$2.2 billion in January.

Transfer payments increased \$5.5 billion in February, compared with an increase of \$17.7 billion in January. The January change in transfer payments reflected 3.5-percent cost-of-living adjustments to social security benefits and several other federal transfer payment programs, which had added \$16.3 billion to the January change in transfer payments. The January change in transfer payments was reduced by lump-sum social security benefits payments, which had added \$3.3 billion to December transfer payments; these benefit payments resulted from a recalculation of the earnings base underlying the benefits for recent retirees.

Personal interest income decreased \$1.7 billion in February, compared with a decrease of \$2.2 billion in January. Personal dividend income increased \$2.3 billion, compared with an increase of \$2.2 billion. Rental income of persons increased \$2.9 billion, compared with an increase of \$0.9 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$1.7 billion in February, compared with an increase of \$6.3 billion in January. The January increase reflected the effect of an increase in the social security taxable wage base for employees and the self-employed (from \$76,200 to \$80,400), which had added \$2.6 billion to January personal contributions for social insurance. The January increase also reflected the effect of an increase in the monthly premium paid by participants in the supplementary medical insurance program (Medicare B), which had added \$2.0 billion to January personal contributions.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$6.6 billion in February, compared with an increase of \$13.5 billion in January. In January, federal income tax payments had been reduced by \$4.4 billion, reflecting indexation provisions of current tax law.

Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$27.8 billion, or 0.4 percent, in February, compared with an increase of \$29.0 billion, or 0.4 percent, in January.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$23.1 billion in February, compared with an increase of \$73.7 billion in January. PCE increased \$21.2 billion, compared with an increase of \$71.4 billion.

Personal saving -- DPI less personal outlays -- was a negative \$90.9 billion in February, compared with a negative \$95.6 billion in January. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. Personal saving as a percentage of disposable personal income was a negative 1.3 percent in February, the same as in January.

#### Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 0.1 percent in February, in contrast to a decrease of 0.1 percent in January.

Real PCE -- PCE adjusted to remove price changes -- increased 0.1 percent in February, compared with an increase of 0.6 percent in January. Purchases of durable goods increased 2.0 percent, compared with an increase of 3.1 percent. Purchases of motor vehicles and parts more than accounted for the February increase and accounted for about half of the January increase. Purchases of nondurable goods decreased 1.0 percent in February, in contrast to an increase of 1.0 percent in January. Purchases of services increased 0.2 percent, in contrast to a decrease of 0.1 percent.

#### Revisions

Estimates have been revised for October through January. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for December and January -- revised and as published in last month's release -- are shown below. The upward revision to January personal consumption expenditures primarily reflects large upward revisions to the retail sales source data used to derive these estimates. Revisions for October and November were small.

	Change from preceding month							
	December				January			
	Previous (Dollars)	Revised	Previous (Percent)	Revised	Previous (Dollars)	Revised	Previous (Percent)	Revised
Personal Income:								
Current dollars....	35.4	38.9	0.4	0.5	48.8	42.5	0.6	0.5
Disposable personal income:								
Current dollars....	28.1	30.6	.4	.4	34.2	29.0	.5	.4
Chained (1996) dollars...	14.2	19.4	.2	.3	0.2	-3.7	.0	-.1
Personal consumption expenditures:								
Current dollars...	26.4	21.8	.4	.3	46.9	71.4	.7	1.0
Chained (1996) dollars...	12.9	11.4	.2	.2	12.7	36.2	.2	.6

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Next release -- Personal Income and Outlays for March will be released on April 30, at 8:30 A.M. EDT.

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

	1999	2000/r/	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/r/	Jan 01/r/	Feb 01/p/
Personal income.....	7,789.6	8,281.7	8,420.6	8,406.0	8,422.1	8,461.0	8,503.5	8,537.9
Wage and salary disbursements....	4,470.0	4,769.4	4,827.8	4,858.7	4,872.7	4,884.7	4,916.3	4,940.4
Private industries.....	3,745.6	4,008.5	4,060.8	4,091.0	4,105.3	4,115.3	4,138.3	4,157.9
Goods-producing industries....	1,089.2	1,153.2	1,163.2	1,173.4	1,177.0	1,169.4	1,180.6	1,180.2
Manufacturing.....	782.4	815.9	820.3	827.8	829.3	822.3	822.3	820.7
Distributive industries.....	1,020.3	1,107.3	1,129.0	1,136.5	1,144.5	1,152.3	1,155.1	1,162.5
Service industries.....	1,636.0	1,748.0	1,768.6	1,781.2	1,783.8	1,793.6	1,802.5	1,815.2
Government.....	724.4	760.9	767.0	767.7	767.4	769.4	778.1	782.5
Other labor income.....	501.0	524.0	530.0	532.0	533.9	536.1	538.0	539.0
Proprietors' income with inventory valuation and capital consumption adjustments.....	663.5	710.4	756.0	711.7	710.5	717.3	714.0	715.9
Farm.....	25.3	22.6	62.9	17.0	15.4	21.6	16.1	18.5
Nonfarm.....	638.2	687.8	693.1	694.7	695.1	695.7	697.9	697.5
Rental income of persons with capital consumption adjustment...	143.4	140.0	144.0	134.3	134.8	137.1	138.0	140.9
Personal dividend income.....	370.3	396.6	402.2	404.7	407.1	409.8	412.0	414.3
Personal interest income.....	963.7	1,034.3	1,046.1	1,049.2	1,051.8	1,053.6	1,051.4	1,049.7
Transfer payments to persons.....	1,016.2	1,067.8	1,079.1	1,082.2	1,078.9	1,090.9	1,108.6	1,114.1
Old-age, survivors, disability, and health insurance benefits..	588.0	622.4	630.9	629.1	626.7	635.2	649.3	653.2
Government unemployment insurance benefits.....	20.3	20.1	20.1	20.5	20.8	21.2	21.6	21.8
Other.....	407.9	425.3	428.1	432.5	431.3	434.5	437.7	439.0
Less: Personal contributions for social insurance.....	338.5	360.7	364.6	366.7	367.6	368.4	374.7	376.4

p Preliminary.

r Revised.

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

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

	1999	2000/r/	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/r/	Jan 01/r/	Feb 01/p/
Personal income.....	7,789.6	8,281.7	8,420.6	8,406.0	8,422.1	8,461.0	8,503.5	8,537.9
Less: Personal tax and nontax payments.....	1,152.0	1,291.9	1,322.0	1,334.2	1,342.9	1,351.2	1,364.7	1,371.3
Equals: Disposable personal income..	6,637.7	6,989.8	7,098.6	7,071.8	7,079.2	7,109.8	7,138.8	7,166.6
Less: Personal outlays.....	6,490.1	6,998.3	7,101.3	7,117.0	7,138.0	7,160.7	7,234.4	7,257.5
Personal consumption expenditures.	6,268.7	6,757.3	6,856.2	6,870.7	6,889.1	6,910.9	6,982.3	7,003.5
Interest paid by persons.....	194.8	212.2	215.6	217.3	219.8	220.8	223.2	224.9
Personal transfer payments to the rest of the world (net).....	26.6	28.8	29.5	29.0	29.0	29.0	29.0	29.0
Equals: Personal saving.....	147.6	-8.5	-2.7	-45.2	-58.8	-50.9	-95.6	-90.9
Addenda:								
Disposable personal income:								
Chained (1996) dollars\1\.....	6,331.0	6,511.0	6,585.9	6,550.1	6,548.2	6,567.6	6,563.9	6,573.4
Per capita:								
Current dollars.....	24,314	25,379	25,722	25,605	25,613	25,706	25,791	25,871
Chained (1996) dollars.....	23,191	23,640	23,864	23,716	23,692	23,745	23,714	23,730
Population (thousands)\2\.....	272,996	275,423	275,970	276,191	276,389	276,585	276,798	277,011
Personal saving as a percentage of disposable personal income....	2.2	-.1	.0	-.6	-.8	-.7	-1.3	-1.3

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.

2. Population is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of estimates for the first of the month and the first of the following month; the annual estimate is the average of the monthly estimates. First-of-the-month estimates prior to January 2001 are from Census Bureau surveys and are consistent with the 1990 Census of Population. Beginning with January 2001, first-of-the-month estimates are derived by BEA based on extrapolations of the Census Bureau estimates.

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

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

	1999	2000/r/	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/r/	Jan 01/r/	Feb 01/p/
Personal income.....	398.6	492.1	94.1	-14.6	16.1	38.9	42.5	34.4
Wage and salary disbursements.....	279.3	299.4	30.0	30.9	14.0	12.0	31.6	24.1
Private industries.....	247.6	262.9	28.3	30.2	14.3	10.0	23.0	19.6
Goods-producing industries....	50.6	64.0	4.4	10.2	3.6	-7.6	11.2	-.4
Manufacturing.....	25.8	33.5	.6	7.5	1.5	-7.0	.0	-1.6
Distributive industries.....	71.2	87.0	15.8	7.5	8.0	7.8	2.8	7.4
Service industries.....	125.7	112.0	8.1	12.6	2.6	9.8	8.9	12.7
Government.....	31.7	36.5	1.7	.7	-.3	2.0	8.7	4.4
Other labor income.....	15.5	23.0	2.4	2.0	1.9	2.2	1.9	1.0
Proprietors' income with inventory valuation and capital consumption adjustments.....	42.8	46.9	43.7	-44.3	-1.2	6.8	-3.3	1.9
Farm.....	-.1	-2.7	48.2	-45.9	-1.6	6.2	-5.5	2.4
Nonfarm.....	43.0	49.6	-4.6	1.6	.4	.6	2.2	-.4
Rental income of persons with capital consumption adjustment...	8.0	-3.4	9.5	-9.7	.5	2.3	.9	2.9
Personal dividend income.....	19.2	26.3	2.6	2.5	2.4	2.7	2.2	2.3
Personal interest income.....	22.9	70.6	3.7	3.1	2.6	1.8	-2.2	-1.7
Transfer payments to persons.....	33.2	51.6	4.2	3.1	-3.3	12.0	17.7	5.5
Old-age, survivors, disability, and health insurance benefits..	10.0	34.4	3.7	-1.8	-2.4	8.5	14.1	3.9
Government unemployment insurance benefits.....	.8	-.2	.1	.4	.3	.4	.4	.2
Other.....	22.5	17.4	.3	4.4	-1.2	3.2	3.2	1.3
Less: Personal contributions for social insurance.....	22.3	22.2	2.0	2.1	.9	.8	6.3	1.7
Less: Personal tax and nontax payments.....	81.1	139.9	13.3	12.2	8.7	8.3	13.5	6.6
Equals: Disposable personal income..	317.7	352.1	80.8	-26.8	7.4	30.6	29.0	27.8
Less: Personal outlays.....	435.4	508.2	55.8	15.7	21.0	22.7	73.7	23.1
Personal consumption expenditures..	417.8	488.6	55.0	14.5	18.4	21.8	71.4	21.2
Interest paid by persons.....	15.0	17.4	.8	1.7	2.5	1.0	2.4	1.7
Personal transfer payments to the rest of the world (net).....	2.6	2.2	.0	-.5	.0	.0	.0	.0
Equals: Personal saving.....	-117.8	-156.1	25.0	-42.5	-13.6	7.9	-44.7	4.7
Addendum: Disposable personal income: chained (1996) dollars.....	196.9	180.0	54.0	-35.8	-1.9	19.4	-3.7	9.5

p Preliminary.

r Revised.

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

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

	1999	2000\r\	Sep 00	Oct 00\r\	Nov 00\r\	Dec 00\r\	Jan 01\r\	Feb 01\r\
Billions of current dollars								
Personal consumption expenditures...	6,268.7	6,757.3	6,856.2	6,870.7	6,889.1	6,910.9	6,982.3	7,003.5
Durable goods.....	761.3	820.3	835.8	825.8	816.0	805.8	832.0	845.6
Nondurable goods.....	1,845.5	2,010.0	2,044.8	2,047.4	2,044.4	2,048.9	2,074.7	2,064.3
Services.....	3,661.9	3,927.0	3,975.6	3,997.5	4,028.7	4,056.2	4,075.6	4,093.6
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,978.8	6,294.3	6,360.9	6,363.8	6,372.4	6,383.8	6,420.0	6,423.9
Durable goods.....	817.8	896.0	916.5	907.1	896.1	884.8	912.0	930.2
Nondurable goods.....	1,779.4	1,869.0	1,885.4	1,888.3	1,883.7	1,890.4	1,909.1	1,890.1
Services.....	3,390.8	3,543.9	3,575.8	3,583.4	3,605.2	3,619.0	3,613.7	3,621.2
Chain-type price indexes (1996=100)								
Personal consumption expenditures...	104.85	107.36	107.80	107.98	108.12	108.27	108.77	109.03
Durable goods.....	93.09	91.54	91.18	91.02	91.05	91.06	91.21	90.90
Nondurable goods.....	103.71	107.56	108.48	108.44	108.55	108.40	108.69	109.24
Services.....	107.99	110.81	111.19	111.57	111.76	112.09	112.79	113.05
Addendum:								
Personal consumption expenditures less food and energy.....	105.11	106.79	107.03	107.20	107.36	107.47	107.78	108.04
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	417.8	488.6	55.0	14.5	18.4	21.8	71.4	21.2
Durable goods.....	67.4	59.0	14.7	-10.0	-9.8	-10.2	26.2	13.6
Nondurable goods.....	137.9	164.5	19.1	2.6	-3.0	4.5	25.8	-10.4
Services.....	212.6	265.1	21.3	21.9	31.2	27.5	19.4	18.0
Billions of chained (1996) dollars								
Personal consumption expenditures...	300.1	315.5	30.6	2.9	8.6	11.4	36.2	3.9
Durable goods.....	90.5	78.2	16.3	-9.4	-11.0	-11.3	27.2	18.2
Nondurable goods.....	94.6	89.6	.0	2.9	-4.6	6.7	18.7	-19.0
Services.....	121.4	153.1	16.4	7.6	21.8	13.8	-5.3	7.5

p Preliminary.  
r Revised.

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

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

	1999	2000/r/	Sep 00	Oct 00/r/	Nov 00/r/	Dec 00/r/	Jan 01/r/	Feb 01/p/
Based on current dollars								
Personal income.....	5.4	6.3	1.1	-.2	.2	.5	.5	.4
Disposable personal income.....	5.0	5.3	1.2	-.4	.1	.4	.4	.4
Personal consumption expenditures...	7.1	7.8	.8	.2	.3	.3	1.0	.3
Durable goods.....	9.7	7.8	1.8	-1.2	-1.2	-1.3	3.2	1.6
Nondurable goods.....	8.1	8.9	.9	.1	-.1	.2	1.3	-.5
Services.....	6.2	7.2	.5	.6	.8	.7	.5	.4
Based on chained (1996) dollars								
Disposable personal income.....	3.2	2.8	.8	-.5	.0	.3	-.1	.1
Personal consumption expenditures...	5.3	5.3	.5	.0	.1	.2	.6	.1
Durable goods.....	12.4	9.6	1.8	-1.0	-1.2	-1.3	3.1	2.0
Nondurable goods.....	5.6	5.0	.0	.2	-.2	.4	1.0	-1.0
Services.....	3.7	4.5	.5	.2	.6	.4	-.1	.2

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r Revised.

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