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PERSONAL INCOME AND OUTLAYS: MAY 2001

Personal income increased \$18.2 billion, or 0.2 percent, and disposable personal income (DPI) increased \$14.6 billion, or 0.2 percent, in May, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$32.1 billion, or 0.5 percent. In April, personal income increased \$17.4 billion, or 0.2 percent, DPI increased \$18.3 billion, or 0.3 percent, and PCE increased \$35.6 billion, or 0.5 percent, based on revised estimates.

	Jan.	Feb.	2001 Mar.	Apr.	May
		(Percent change from preceding month)			
Personal income, current dollars	0.6	0.5	0.5	0.2	0.2
Disposable personal income:					
Current dollars	.5	.5	.5	.3	.2
Chained (1996) dollars	.0	.4	.4	.0	.1
Personal consumption expenditures:					
Current dollars	1.1	.2	.3	.5	.5
Chained (1996) dollars	.5	.1	.2	.3	.3

Wages and salaries

Private wage and salary disbursements increased \$6.1 billion in May, compared with an increase of \$12.7 billion in April. Goods-producing industries' payrolls increased \$0.6 billion, in contrast to a decrease of \$7.6 billion; manufacturing payrolls decreased \$4.8 billion, compared with a decrease of \$3.0 billion. Distributive industries' payrolls increased \$3.4 billion, compared with an increase of \$8.8 billion. Service industries' payrolls increased \$2.1 billion, compared with an increase of \$11.6 billion. Government wage and salary disbursements increased \$2.2 billion, compared with an increase of \$3.1 billion.

Other personal income

Proprietors' income increased \$3.3 billion in May, in contrast to a decrease of \$0.2 billion in April. Farm proprietors' income decreased \$1.4 billion, compared with a decrease of \$2.2 billion. Nonfarm proprietors' income increased \$4.6 billion, compared with an increase of \$2.1 billion.

Transfer payments increased \$7.1 billion in May, compared with an increase of \$2.2 billion in April. Personal interest income decreased \$3.0 billion, compared with a decrease of \$2.5 billion. Personal dividend income increased \$1.9 billion, compared with an increase of \$2.1 billion. Rental income of persons decreased \$0.8 billion, compared with a decrease of \$1.1 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$0.6 billion in May, compared with an increase of \$1.1 billion in April.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$3.6 billion in May, in contrast to a decrease of \$0.9 billion in April. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$14.6 billion, or 0.2 percent, in May, compared with an increase of \$18.3 billion, or 0.3 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 \$33.6 billion in May, compared with an increase of \$37.8 billion in April. PCE increased \$32.1 billion, compared with an increase of \$35.6 billion.

Personal saving -- DPI less personal outlays -- was a negative \$95.0 billion in May, compared with a negative \$76.0 billion in April. 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 May, compared with a negative 1.0 percent in April.

Real DPI and real PCE

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

Real PCE -- PCE adjusted to remove price changes -- increased 0.3 percent in May, the same increase as in April. Purchases of durable goods increased 1.6 percent in May, compared with an increase of 0.3 percent in April. Purchases of motor vehicles and parts accounted for about two-thirds of the May increase. Purchases of nondurable goods increased 0.2 percent in May, compared with an increase of 0.6 percent in April. Purchases of services increased 0.1 percent in May, 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.

	Change from preceding month							
	March				April			
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)		(Percent)		(Dollars)		(Percent)	
Personal Income:								
Current dollars	42.7	40.2	0.5	0.5	24.2	17.4	0.3	0.2
Disposable personal income:								
Current dollars	35.0	32.7	.5	.5	22.9	18.3	.3	.3
Chained (1996) dollars	30.5	29.1	.5	.4	4.1	0.7	.1	.0
Personal consumption expenditures:								
Current dollars	15.9	17.9	.2	.3	28.9	35.6	.4	.5
Chained (1996) dollars	13.0	15.4	.2	.2	10.2	17.1	.2	.3

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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 1998 through May 2001 will be released along with preliminary estimates for June 2001 on July 31. Information about the revision will be available in the July 31 news release and in an article describing the revision, which will appear in the August 2001 issue of the Survey of Current Business.

Next release -- Personal Income and Outlays for June will be released on July 31, 2001, at 8:30 A.M. EDT.

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

	1999	2000	Dec 00	Jan 01/r/	Feb 01/r/	Mar 01/r/	Apr 01/r/	May 01/p/
Personal income.....	7,789.6	8,281.7	8,461.0	8,510.6	8,555.8	8,596.0	8,613.4	8,631.6
Wage and salary disbursements.....	4,470.0	4,769.4	4,884.7	4,922.5	4,956.5	4,981.8	4,997.7	5,006.0
Private industries.....	3,745.6	4,008.5	4,115.3	4,144.4	4,173.3	4,195.6	4,208.3	4,214.4
Goods-producing industries....	1,089.2	1,153.2	1,169.4	1,178.5	1,184.4	1,190.2	1,182.6	1,183.2
Manufacturing.....	782.4	815.9	822.3	823.7	825.9	827.1	824.1	819.3
Distributive industries.....	1,020.3	1,107.3	1,152.3	1,160.5	1,168.3	1,172.7	1,181.5	1,184.9
Service industries.....	1,636.0	1,748.0	1,793.6	1,805.4	1,820.6	1,832.6	1,844.2	1,846.3
Government.....	724.4	760.9	769.4	778.1	783.2	786.3	789.4	791.6
Other labor income.....	501.0	524.0	536.1	539.0	541.2	543.1	545.3	547.3
Proprietors' income with inventory valuation and capital consumption adjustments.....	663.5	710.4	717.3	718.2	725.8	734.0	733.8	737.1
Farm.....	25.3	22.6	21.6	17.3	21.0	24.7	22.5	21.1
Nonfarm.....	638.2	687.8	695.7	700.9	704.9	709.3	711.4	716.0
Rental income of persons with capital consumption adjustment...	143.4	140.0	137.1	136.5	137.9	139.3	138.2	137.4
Personal dividend income.....	370.3	396.6	409.8	412.0	414.3	416.4	418.5	420.4
Personal interest income.....	963.7	1,034.3	1,053.6	1,048.4	1,043.1	1,037.6	1,035.1	1,032.1
Transfer payments to persons.....	1,016.2	1,067.8	1,090.9	1,109.2	1,114.5	1,122.8	1,125.0	1,132.1
Old-age, survivors, disability, and health insurance benefits..	588.0	622.4	635.2	649.3	653.1	657.5	659.9	662.9
Government unemployment insurance benefits.....	20.3	20.1	21.2	21.5	21.7	21.6	21.8	21.9
Other.....	407.9	425.3	434.5	438.3	439.6	443.8	443.4	447.3
Less: Personal contributions for social insurance.....	338.5	360.7	368.4	375.2	377.5	379.1	380.2	380.8

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	Dec 00	Jan 01/r/	Feb 01/r/	Mar 01/r/	Apr 01/r/	May 01/p/
Personal income.....	7,789.6	8,281.7	8,461.0	8,510.6	8,555.8	8,596.0	8,613.4	8,631.6
Less: Personal tax and nontax payments.....	1,152.0	1,291.9	1,351.2	1,364.4	1,372.3	1,379.8	1,378.9	1,382.5
Equals: Disposable personal income..	6,637.7	6,989.8	7,109.8	7,146.2	7,183.5	7,216.2	7,234.5	7,249.1
Less: Personal outlays.....	6,490.1	6,998.3	7,160.7	7,236.5	7,254.0	7,272.7	7,310.5	7,344.1
Personal consumption expenditures.	6,268.7	6,757.3	6,910.9	6,985.9	7,001.6	7,019.5	7,055.1	7,087.2
Interest paid by persons.....	194.8	212.2	220.8	223.1	224.9	225.7	227.8	229.4
Personal transfer payments to the rest of the world (net).....	26.6	28.8	29.0	27.5	27.5	27.5	27.5	27.5
Equals: Personal saving.....	147.6	-8.5	-50.9	-90.3	-70.5	-56.5	-76.0	-95.0
Addenda:								
Disposable personal income:								
Chained (1996) dollars\1\.....	6,331.0	6,511.0	6,567.6	6,566.2	6,589.5	6,618.6	6,619.3	6,624.1
Per capita:								
Current dollars.....	24,314	25,379	25,706	25,817	25,932	26,030	26,076	26,109
Chained (1996) dollars.....	23,191	23,640	23,745	23,722	23,788	23,874	23,859	23,858
Population (thousands)\2\.....	272,996	275,423	276,585	276,798	277,011	277,223	277,436	277,649
Personal saving as a percentage of disposable personal income....	2.2	-.1	-.7	-1.3	-1.0	-.8	-1.0	-1.3

p Preliminary.
r Revised.

1. Equals disposable personal income deflated 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.
Prior to January 2001, first-of-the-month estimates 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 Period
[Billions of dollars]

	1999	2000	Dec 00	Jan 01/r/	Feb 01/r/	Mar 01/r/	Apr 01/r/	May 01/p/
Personal income.....	398.6	492.1	38.9	49.6	45.2	40.2	17.4	18.2
Wage and salary disbursements.....	279.3	299.4	12.0	37.8	34.0	25.3	15.9	8.3
Private industries.....	247.6	262.9	10.0	29.1	28.9	22.3	12.7	6.1
Goods-producing industries....	50.6	64.0	-7.6	9.1	5.9	5.8	-7.6	.6
Manufacturing.....	25.8	33.5	-7.0	1.4	2.2	1.2	-3.0	-4.8
Distributive industries.....	71.2	87.0	7.8	8.2	7.8	4.4	8.8	3.4
Service industries.....	125.7	112.0	9.8	11.8	15.2	12.0	11.6	2.1
Government.....	31.7	36.5	2.0	8.7	5.1	3.1	3.1	2.2
Other labor income.....	15.5	23.0	2.2	2.9	2.2	1.9	2.2	2.0
Proprietors' income with inventory valuation and capital consumption adjustments.....	42.8	46.9	6.8	.9	7.6	8.2	-.2	3.3
Farm.....	-.1	-2.7	6.2	-4.3	3.7	3.7	-2.2	-1.4
Nonfarm.....	43.0	49.6	.6	5.2	4.0	4.4	2.1	4.6
Rental income of persons with capital consumption adjustment...	8.0	-3.4	2.3	-.6	1.4	1.4	-1.1	-.8
Personal dividend income.....	19.2	26.3	2.7	2.2	2.3	2.1	2.1	1.9
Personal interest income.....	22.9	70.6	1.8	-5.2	-5.3	-5.5	-2.5	-3.0
Transfer payments to persons.....	33.2	51.6	12.0	18.3	5.3	8.3	2.2	7.1
Old-age, survivors, disability, and health insurance benefits..	10.0	34.4	8.5	14.1	3.8	4.4	2.4	3.0
Government unemployment insurance benefits.....	.8	-.2	.4	.3	.2	-.1	.2	.1
Other.....	22.5	17.4	3.2	3.8	1.3	4.2	-.4	3.9
Less: Personal contributions for social insurance.....	22.3	22.2	.8	6.8	2.3	1.6	1.1	.6
Less: Personal tax and nontax payments.....	81.1	139.9	8.3	13.2	7.9	7.5	-.9	3.6
Equals: Disposable personal income..	317.7	352.1	30.6	36.4	37.3	32.7	18.3	14.6
Less: Personal outlays.....	435.4	508.2	22.7	75.8	17.5	18.7	37.8	33.6
Personal consumption expenditures..	417.8	488.6	21.8	75.0	15.7	17.9	35.6	32.1
Interest paid by persons.....	15.0	17.4	1.0	2.3	1.8	.8	2.1	1.6
Personal transfer payments to the rest of the world (net).....	2.6	2.2	.0	-1.5	.0	.0	.0	.0
Equals: Personal saving.....	-117.8	-156.1	7.9	-39.4	19.8	14.0	-19.5	-19.0
Addendum: Disposable personal income: chained (1996) dollars\1\.....	196.9	180.0	19.4	-1.4	23.3	29.1	.7	4.8

p Preliminary.

r Revised.

1. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

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	Dec 00	Jan 01/r/	Feb 01/r/	Mar 01/r/	Apr 01/r/	May 01/p/
Billions of current dollars								
Personal consumption expenditures...	6,268.7	6,757.3	6,910.9	6,985.9	7,001.6	7,019.5	7,055.1	7,087.2
Durable goods.....	761.3	820.3	805.8	829.8	847.3	840.5	841.1	851.1
Nondurable goods.....	1,845.5	2,010.0	2,048.9	2,080.7	2,073.5	2,061.2	2,082.6	2,092.4
Services.....	3,661.9	3,927.0	4,056.2	4,075.3	4,080.7	4,117.9	4,131.4	4,143.7
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,978.8	6,294.3	6,383.8	6,418.9	6,422.7	6,438.1	6,455.2	6,476.1
Durable goods.....	817.8	896.0	884.8	909.7	932.1	927.9	930.8	945.9
Nondurable goods.....	1,779.4	1,869.0	1,890.4	1,914.7	1,898.5	1,891.5	1,903.1	1,906.4
Services.....	3,390.8	3,543.9	3,619.0	3,609.1	3,610.3	3,635.3	3,638.2	3,643.2
Chain-type price indexes (1996=100)								
Personal consumption expenditures...	104.85	107.36	108.27	108.84	109.02	109.04	109.31	109.45
Durable goods.....	93.09	91.54	91.06	91.21	90.89	90.57	90.35	89.96
Nondurable goods.....	103.71	107.56	108.40	108.69	109.24	108.98	109.45	109.77
Services.....	107.99	110.81	112.09	112.93	113.04	113.28	113.56	113.75
Addendum:								
Personal consumption expenditures less food and energy.....	105.11	106.79	107.47	107.89	108.04	108.17	108.35	108.28
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	417.8	488.6	21.8	75.0	15.7	17.9	35.6	32.1
Durable goods.....	67.4	59.0	-10.2	24.0	17.5	-6.8	.6	10.0
Nondurable goods.....	137.9	164.5	4.5	31.8	-7.2	-12.3	21.4	9.8
Services.....	212.6	265.1	27.5	19.1	5.4	37.2	13.5	12.3
Billions of chained (1996) dollars								
Personal consumption expenditures...	300.1	315.5	11.4	35.1	3.8	15.4	17.1	20.9
Durable goods.....	90.5	78.2	-11.3	24.9	22.4	-4.2	2.9	15.1
Nondurable goods.....	94.6	89.6	6.7	24.3	-16.2	-7.0	11.6	3.3
Services.....	121.4	153.1	13.8	-9.9	1.2	25.0	2.9	5.0

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	Dec 00	Jan 01/r/	Feb 01/r/	Mar 01/r/	Apr 01/r/	May 01/p/
Based on current dollars								
Personal income.....	5.4	6.3	.5	.6	.5	.5	.2	.2
Disposable personal income.....	5.0	5.3	.4	.5	.5	.5	.3	.2
Personal consumption expenditures...	7.1	7.8	.3	1.1	.2	.3	.5	.5
Durable goods.....	9.7	7.8	-1.3	3.0	2.1	-.8	.1	1.2
Nondurable goods.....	8.1	8.9	.2	1.6	-.3	-.6	1.0	.5
Services.....	6.2	7.2	.7	.5	.1	.9	.3	.3
Based on chained (1996) dollars								
Disposable personal income.....	3.2	2.8	.3	.0	.4	.4	.0	.1
Personal consumption expenditures...	5.3	5.3	.2	.5	.1	.2	.3	.3
Durable goods.....	12.4	9.6	-1.3	2.8	2.5	-.5	.3	1.6
Nondurable goods.....	5.6	5.0	.4	1.3	-.8	-.4	.6	.2
Services.....	3.7	4.5	.4	-.3	.0	.7	.1	.1

p Preliminary.

r Revised.

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