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Bureau of  
Economic Analysis

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## PERSONAL INCOME AND OUTLAYS: OCTOBER 2001

Personal income decreased \$3.2 billion, or less than 0.1 percent, and disposable personal income (DPI) decreased \$128.4 billion, or 1.7 percent, in October, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$203.6 billion, or 2.9 percent. In September, personal income decreased \$2.0 billion, or less than 0.1 percent, DPI decreased \$89.5 billion, or 1.2 percent, and PCE decreased \$118.2 billion, or 1.7 percent, based on revised estimates.

	June	July	2001 Aug.	Sept.	Oct.
	(Percent change from preceding month)				
Personal income, current dollars	0.3	0.4	0.1	0.0	0.0
Disposable personal income:					
Current dollars	0.3	1.7	1.9	-1.2	-1.7
Chained (1996) dollars	0.1	1.8	1.9	-0.6	-2.4
Personal consumption expenditures:					
Current dollars	0.4	0.3	0.2	-1.7	2.9
Chained (1996) dollars	0.3	0.3	0.2	-1.1	2.2

The September and October estimates of personal income reflected the effects of the September 11th terrorist attacks on the World Trade Center and on the Pentagon. Most of the effects were reflected in the usual source data; for certain components, however, BEA prepared adjustments to account for the effects that are not captured in the source data. For additional information on BEA's adjustments, see "The Terrorist Attacks of September 11th as Reflected in the National Income and Product Accounts," in the November Survey of Current Business, pages 2 and 3; it is also available on the BEA Web site at <[www.bea.doc.gov/bea/an/attack.pdf](http://www.bea.doc.gov/bea/an/attack.pdf)>.

Changes in September and October disposable personal income (DPI) -- personal income less personal tax and nontax payments -- reflected the winding down of advance refund checks sent to taxpayers as part of the Economic Growth and Tax Relief Reconciliation Act of 2001.

## Wages and salaries

Private wage and salary disbursements decreased \$17.2 billion in October, compared with a decrease of \$3.0 billion in September. Goods-producing industries' payrolls decreased \$8.8 billion, compared with a decrease of \$2.8 billion; manufacturing payrolls decreased \$6.8 billion, compared with a decrease of \$3.7 billion. Distributive industries' payrolls decreased \$2.1 billion, compared with a decrease of \$5.3 billion. Service industries' payrolls decreased \$6.4 billion, in contrast to an increase of \$5.1 billion. Government wage and salary disbursements increased \$4.1 billion, compared with an increase of \$4.9 billion.

#### Other personal income

Proprietors' income decreased \$2.4 billion in October, compared with a decrease of \$9.3 billion in September. Farm proprietors' income decreased \$3.0 billion, in contrast to an increase of \$2.4 billion. Nonfarm proprietors' income increased \$0.6 billion, in contrast to a decrease of \$11.7 billion.

Transfer payments increased \$8.8 billion in October, compared with an increase of \$3.4 billion in September. Personal interest income decreased \$2.0 billion, compared with a decrease of \$2.8 billion. Personal dividend income increased \$2.8 billion, compared with an increase of \$2.9 billion. Rental income of persons increased \$0.6 billion, compared with an increase of \$0.4 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- decreased \$1.3 billion in October, compared with a decrease of \$0.2 billion in September.

#### Personal taxes and disposable personal income

Personal tax and nontax payments increased \$125.1 billion in October, compared with an increase of \$87.4 billion in September. Changes in personal tax and nontax payments reflected advance refund checks sent to taxpayers, which subtracted \$2.5 billion in October (at an annual rate), subtracted \$131.2 billion in September, and subtracted \$209.4 billion in August. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- decreased \$128.4 billion, or 1.7 percent, in October, compared with a decrease of \$89.5 billion, or 1.2 percent, in September.

#### Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$202.9 billion in October, in contrast to a decrease of \$120.0 billion in September. PCE increased \$203.6 billion, in contrast to a decrease of \$118.2 billion. Purchases of durable goods increased \$112.8 billion, in contrast to a decrease of \$28.1 billion. Purchases of motor vehicles and parts accounted for most of the October increase. Purchases of nondurable goods increased \$9.4 billion in October, in contrast to a decrease of \$19.0 billion in September. Purchases of services increased \$81.4 billion, in contrast to a decrease of \$71.1 billion.

The changes in September and October purchases of services reflected adjustments of \$59.6 billion in September for benefits payable related to the September 11th attacks for life insurance, workers' compensation, household insurance, and motor vehicle insurance, which were treated as reductions in the average net premiums paid for insurance services.

Personal saving -- DPI less personal outlays -- was \$18.5 billion in October, compared with \$349.7 billion in September. Personal saving as a percentage of disposable personal income was 0.2 percent in October, compared with 4.6 percent in September.

#### Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- decreased 2.4 percent in October, compared with a decrease of 0.6 percent in September.

Real PCE -- PCE adjusted to remove price changes -- increased 2.2 percent in October, in contrast to a decrease of 1.1 percent in September. Purchases of durable goods increased 13.7 percent, in contrast to a decrease of 2.9 percent. As previously noted, purchases of motor vehicles and parts accounted for most of the October increase. Purchases of nondurable goods increased 1.2 percent in October, in contrast to a decrease of 2.0 percent in September. Purchases of services increased 0.4 percent, in contrast to a decrease of 0.3 percent. Real PCE was not affected by the adjustments for insurance benefits in September.

The PCE implicit price index increased 0.7 percent in October, in contrast to a decrease of 0.6 percent in September. The implicit prices for insurance declined in September and increased in October because increases in benefit payments resulted in a reduction in the average net premium paid for insurance services in September. Excluding the insurance-related price effects, the PCE price index decreased 0.2 percent in October, in contrast to an increase of 0.3 percent in September.

#### Revisions

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

	Change from preceding month							
	August		September					
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)		(Percent)		(Dollars)		(Percent)	
Personal Income:								
Current dollars.....	6.8	6.6	0.1	0.1	0.8	-2.0	0.0	0.0
Disposable personal income:								
Current dollars.....	145.0	145.1	1.9	1.9	-86.7	-89.5	-1.1	-1.2
Chained (1996) dollars.....	130.4	131.5	1.9	1.9	-39.1	-42.8	-0.6	-0.6
Personal consumption expenditures:								
Current dollars.....	23.3	11.4	0.3	0.2	-130.2	-118.2	-1.8	-1.7
Chained (1996) dollars.....	19.6	9.8	0.3	0.2	-81.8	-72.0	-1.3	-1.1

#### Revision to Population and Per Capita Estimates, 1991-2001

The population and per capita estimates shown in table 2 reflect interim population estimates derived by BEA that are consistent with the Census Bureau's 2000 population count. The Census Bureau will release population estimates for 1991-99 consistent with the 2000 count in early 2002, at which time BEA will substitute those estimates and issue revised per capita personal income estimates. Interim per capita personal income estimates for January 1991 - October 2001 will be published in the December 2001 issue of the Survey of Current Business and are available on BEA's Web site: <www.bea.doc.gov>.

BEA's major national, international, regional, and industry estimates; the Survey of Current Business; and BEA news releases are available without charge on BEA's Web site:

<www.bea.doc.gov>

STAT-USA maintains an Internet site that contains BEA estimates, the Survey of Current Business, and BEA news releases. For information about STAT-USA, go to <www.stat-usa.gov>, or call (202) 482-1986. Subscriptions for single-user unlimited access to STAT-USA's Internet information are \$75.00 for 3 months or \$175.00 for 1 year.

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

Most of BEA's estimates and analyses appear in the Survey of Current Business, BEA's monthly journal. Subscriptions and single copies of the printed Survey are for sale by the Superintendent of Documents, U.S. Government Printing Office. Internet: <bookstore.gpo.gov>; phone: 202-512-1800; fax: 202-512-2250; mail: Stop SSOP, Washington, DC 20402-0001.

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Next release -- Personal Income and Outlays for November will be released on December 21, 2001, at 8:30 A.M. EST.

#### Release dates in 2002

December 2001.....	January 31	April 2002.....	May 28	August 2002.....	September 30
January 2002.....	March 1	May 2002.....	June 28	September 2002.....	November 1
February 2002.....	March 29	June 2002.....	August 2	October 2002.....	November 27
March 2002.....	April 29	July 2002.....	August 30	November 2002.....	December 23

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

	1999	2000	May 01	Jun 01	Jul 01/r/	Aug 01/r/	Sep 01/r/	Oct 01/p/
Personal income.....	7,777.3	8,319.2	8,709.3	8,737.6	8,768.7	8,775.3	8,773.3	8,770.1
Wage and salary disbursements.....	4,472.2	4,837.2	5,091.7	5,115.0	5,124.4	5,123.7	5,125.6	5,112.5
Private industries.....	3,747.9	4,068.8	4,292.7	4,311.3	4,316.1	4,311.8	4,308.8	4,291.6
Goods-producing industries....	1,088.7	1,163.7	1,203.5	1,201.7	1,201.4	1,197.2	1,194.4	1,185.6
Manufacturing.....	782.0	830.1	848.2	845.5	845.7	841.0	837.3	830.5
Distributive industries.....	1,021.0	1,095.6	1,145.2	1,152.4	1,152.2	1,149.5	1,144.2	1,142.1
Service industries.....	1,638.2	1,809.5	1,944.0	1,957.2	1,962.5	1,965.1	1,970.2	1,963.8
Government.....	724.3	768.4	799.0	803.7	808.3	811.9	816.8	820.9
Other labor income.....	509.7	534.2	552.0	553.3	554.4	555.3	556.4	557.5
Proprietors' income with inventory valuation and capital consumption adjustments.....	672.0	715.0	746.0	750.1	752.5	757.9	748.6	746.2
Farm.....	26.6	30.6	28.8	28.3	29.7	32.3	34.7	31.7
Nonfarm.....	645.4	684.4	717.1	721.8	722.8	725.6	713.9	714.5
Rental income of persons with capital consumption adjustment...	147.7	141.6	140.3	138.6	142.3	144.0	144.4	145.0
Personal dividend income.....	343.1	379.2	411.9	414.3	416.9	420.1	423.0	425.8
Personal interest income.....	950.0	1,000.6	1,000.7	997.2	994.2	991.2	988.4	986.4
Transfer payments to persons.....	1,019.6	1,069.1	1,140.3	1,143.6	1,158.7	1,157.3	1,160.7	1,169.5
Old-age, survivors, disability, and health insurance benefits..	588.0	617.3	660.7	660.8	672.6	669.2	670.8	673.3
Government unemployment insurance benefits.....	20.3	20.3	23.1	23.0	23.3	24.0	24.3	24.6
Other.....	411.2	431.5	456.4	459.9	462.8	464.2	465.6	471.6
Less: Personal contributions for social insurance.....	337.1	357.7	373.5	374.5	374.7	374.2	374.0	372.7

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	May 01	Jun 01	Jul 01/r/	Aug 01/r/	Sep 01/r/	Oct 01/p/
Personal income.....	7,777.3	8,319.2	8,709.3	8,737.6	8,768.7	8,775.3	8,773.3	8,770.1
Less: Personal tax and nontax payments.....	1,159.2	1,288.2	1,349.0	1,356.4	1,258.7	1,120.3	1,207.7	1,332.8
Equals: Disposable personal income..	6,618.0	7,031.0	7,360.3	7,381.2	7,510.0	7,655.1	7,565.6	7,437.2
Less: Personal outlays.....	6,457.2	6,963.3	7,280.8	7,309.7	7,326.3	7,335.8	7,215.8	7,418.7
Personal consumption expenditures.	6,250.2	6,728.4	7,043.7	7,072.8	7,091.0	7,102.4	6,984.2	7,187.8
Interest paid by persons.....	179.7	205.3	206.3	206.2	204.5	202.6	200.9	200.2
Personal transfer payments to the rest of the world (net).....	27.2	29.6	30.8	30.8	30.7	30.7	30.7	30.7
Equals: Personal saving.....	160.9	67.7	79.5	71.4	183.7	319.3	349.7	18.5
Addenda:								
Disposable personal income:								
Chained (1996) dollars\1\.....	6,320.0	6,539.2	6,717.7	6,727.4	6,846.0	6,977.5	6,934.7	6,769.8
Per capita:								
Current dollars.....	23,708	24,889	25,788	25,835	26,256	26,732	26,390	25,914
Chained (1996) dollars.....	22,641	23,148	23,537	23,546	23,934	24,366	24,189	23,588
Population (thousands)\2\.....	279,144	282,489	285,414	285,710	286,032	286,362	286,687	286,999
Personal saving as a percentage of disposable personal income....	2.4	1.0	1.1	1.0	2.4	4.2	4.6	.2

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. Beginning with January 1991, first-of-the-month estimates are derived by BEA and are consistent with the 2000 Census of Population. BEA will substitute Bureau of Census population estimates for 1991 forward when they are released in early 2002.

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	May 01	Jun 01	Jul 01/r/	Aug 01/r/	Sep 01/r/	Oct 01/p/
Personal income.....	351.3	541.9	12.3	28.3	31.1	6.6	-2.0	-3.2
Wage and salary disbursements.....	279.4	365.0	-1.1	23.3	9.4	-.7	1.9	-13.1
Private industries.....	247.8	320.9	-4.0	18.6	4.8	-4.3	-3.0	-17.2
Goods-producing industries....	50.2	75.0	-4.6	-1.8	-.3	-4.2	-2.8	-8.8
Manufacturing.....	25.4	48.1	-8.6	-2.7	.2	-4.7	-3.7	-6.8
Distributive industries.....	72.1	74.6	-1.7	7.2	-.2	-2.7	-5.3	-2.1
Service industries.....	125.5	171.3	2.3	13.2	5.3	2.6	5.1	-6.4
Government.....	31.6	44.1	2.9	4.7	4.6	3.6	4.9	4.1
Other labor income.....	19.1	24.5	.7	1.3	1.1	.9	1.1	1.1
Proprietors' income with inventory valuation and capital consumption adjustments.....	48.2	43.0	6.0	4.1	2.4	5.4	-9.3	-2.4
Farm.....	1.0	4.0	-.2	-.5	1.4	2.6	2.4	-3.0
Nonfarm.....	47.2	39.0	6.1	4.7	1.0	2.8	-11.7	.6
Rental income of persons with capital consumption adjustment...	9.1	-6.1	2.2	-1.7	3.7	1.7	.4	.6
Personal dividend income.....	-5.2	36.1	2.3	2.4	2.6	3.2	2.9	2.8
Personal interest income.....	-14.4	50.6	-4.4	-3.5	-3.0	-3.0	-2.8	-2.0
Transfer payments to persons.....	35.9	49.5	6.2	3.3	15.1	-1.4	3.4	8.8
Old-age, survivors, disability, and health insurance benefits..	9.9	29.3	2.0	.1	11.8	-3.4	1.6	2.5
Government unemployment insurance benefits.....	.8	.0	-.1	-.1	.3	.7	.3	.3
Other.....	25.1	20.3	4.1	3.5	2.9	1.4	1.4	6.0
Less: Personal contributions for social insurance.....	20.8	20.6	-.5	1.0	.2	-.5	-.2	-1.3
Less: Personal tax and nontax payments.....	88.8	129.0	.1	7.4	-97.7	-138.4	87.4	125.1
Equals: Disposable personal income..	262.4	413.0	12.2	20.9	128.8	145.1	-89.5	-128.4
Less: Personal outlays.....	403.1	506.1	26.3	28.9	16.6	9.5	-120.0	202.9
Personal consumption expenditures..	394.2	478.2	26.4	29.1	18.2	11.4	-118.2	203.6
Interest paid by persons.....	6.0	25.6	-.2	-.1	-1.7	-1.9	-1.7	-.7
Personal transfer payments to the rest of the world (net).....	2.9	2.4	.0	.0	-.1	.0	.0	.0
Equals: Personal saving.....	-140.6	-93.2	-14.1	-8.1	112.3	135.6	30.4	-331.2
Addendum: Disposable personal income: chained (1996) dollars\1\.....	151.4	219.2	5.3	9.7	118.6	131.5	-42.8	-164.9

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	May 01	Jun 01	Jul 01/r/	Aug 01/r/	Sep 01/r/	Oct 01/p/
Billions of current dollars								
Personal consumption expenditures...	6,250.2	6,728.4	7,043.7	7,072.8	7,091.0	7,102.4	6,984.2	7,187.8
Durable goods.....	760.9	819.6	837.6	856.4	853.0	848.0	819.9	932.7
Nondurable goods.....	1,831.3	1,989.6	2,067.6	2,064.0	2,063.3	2,063.8	2,044.8	2,054.2
Services.....	3,658.0	3,919.2	4,138.5	4,152.3	4,174.8	4,190.6	4,119.5	4,200.9
Billions of chained (1996) dollars								
Personal consumption expenditures...	5,968.4	6,257.8	6,428.8	6,446.3	6,464.0	6,473.8	6,401.8	6,542.7
Durable goods.....	817.8	895.5	931.3	952.9	949.7	948.7	920.9	1,046.9
Nondurable goods.....	1,766.4	1,849.9	1,882.1	1,878.8	1,890.4	1,896.3	1,858.6	1,881.2
Services.....	3,393.2	3,527.7	3,632.7	3,635.8	3,644.2	3,648.7	3,637.6	3,652.9
Chain-type price indexes (1996=100)								
Personal consumption expenditures...	104.72	107.52	109.57	109.73	109.71	109.72	109.11	109.87
Durable goods.....	93.04	91.53	89.93	89.88	89.82	89.39	89.04	89.10
Nondurable goods.....	103.67	107.55	109.86	109.86	109.15	108.83	110.02	109.20
Services.....	107.80	111.10	113.93	114.22	114.57	114.86	113.26	115.01
Addendum:								
Personal consumption expenditures less food and energy.....	104.99	107.02	108.41	108.58	108.89	108.96	108.00	109.26
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	394.2	478.2	26.4	29.1	18.2	11.4	-118.2	203.6
Durable goods.....	67.7	58.7	-2.6	18.8	-3.4	-5.0	-28.1	112.8
Nondurable goods.....	122.8	158.3	12.3	-3.6	-.7	.5	-19.0	9.4
Services.....	203.7	261.2	16.7	13.8	22.5	15.8	-71.1	81.4
Billions of chained (1996) dollars								
Personal consumption expenditures...	284.7	289.4	18.6	17.5	17.7	9.8	-72.0	140.9
Durable goods.....	91.1	77.7	1.2	21.6	-3.2	-1.0	-27.8	126.0
Nondurable goods.....	80.0	83.5	5.0	-3.3	11.6	5.9	-37.7	22.6
Services.....	119.8	134.5	12.0	3.1	8.4	4.5	-11.1	15.3

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	May 01	Jun 01	Jul 01/r/	Aug 01/r/	Sep 01/r/	Oct 01/p/
Based on current dollars								
Personal income.....	4.7	7.0	.1	.3	.4	.1	.0	.0
Disposable personal income.....	4.1	6.2	.2	.3	1.7	1.9	-1.2	-1.7
Personal consumption expenditures...	6.7	7.7	.4	.4	.3	.2	-1.7	2.9
Durable goods.....	9.8	7.7	-.3	2.2	-.4	-.6	-3.3	13.8
Nondurable goods.....	7.2	8.6	.6	-.2	.0	.0	-.9	.5
Services.....	5.9	7.1	.4	.3	.5	.4	-1.7	2.0
Based on chained (1996) dollars								
Disposable personal income.....	2.5	3.5	.1	.1	1.8	1.9	-.6	-2.4
Personal consumption expenditures...	5.0	4.8	.3	.3	.3	.2	-1.1	2.2
Durable goods.....	12.5	9.5	.1	2.3	-.3	-.1	-2.9	13.7
Nondurable goods.....	4.7	4.7	.3	-.2	.6	.3	-2.0	1.2
Services.....	3.7	4.0	.3	.1	.2	.1	-.3	.4

p Preliminary.  
r Revised.

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