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PERSONAL INCOME AND OUTLAYS: DECEMBER 1999

Personal income increased \$25.4 billion, or 0.3 percent, and disposable personal income (DPI) increased \$14.0 billion, or 0.2 percent, in December, according to the Commerce Department's Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$51.3 billion, or 0.8 percent. In November, personal income increased \$31.2 billion, or 0.4 percent, DPI increased \$25.7 billion, or 0.4 percent, and PCE increased \$41.5 billion, or 0.7 percent, based on revised estimates.

	Aug.	Sept.	Oct.	Nov.	Dec.
		(Percent change from preceding month)			
Personal income, current dollars	0.4	0.1	1.2	0.4	0.3
Disposable personal income:					
Current dollars	.6	-.2	1.3	.4	.2
Chained (1996) dollars	.4	-.5	1.1	.3	.0
Personal consumption expenditures:					
Current dollars	.8	.5	.6	.7	.8
Chained (1996) dollars	.6	.2	.4	.5	.6

Personal income for November and December was affected by a number of special factors, which included Federal agricultural subsidy payments, lump-sum social security benefit payments, and union contract signing bonuses in the manufacturing sector. Excluding these special factors, personal income increased \$53.1 billion, or 0.7 percent, in December and increased \$35.5 billion in November, or 0.4 percent. These special factors are discussed more fully below.

Wages and salaries

Private wage and salary disbursements increased \$30.1 billion in December, compared with an increase of \$11.6 billion in November. Goods-producing industries' payrolls increased \$3.2 billion, in contrast to a decrease of \$0.4 billion; manufacturing payrolls increased \$0.8 billion, in contrast to a decrease of \$3.9 billion. These changes reflected the pattern of signing bonuses for union employees in the automotive and aircraft industries, which were \$1.6 billion at an annual rate in November and \$5.9 billion at an annual rate in October. Distributive industries' payrolls increased \$13.7 billion in December, compared with an increase of \$2.2 billion in November. Service industries' payrolls increased \$13.2 billion, compared with an increase of \$9.9 billion. Government wage and salary disbursements increased \$3.8 billion, compared with an increase of \$2.2 billion.

Other personal income

Proprietors' income decreased \$19.4 billion in December, in contrast to an increase of \$7.9 billion in November. Farm proprietors' income decreased \$24.9 billion, in contrast to an increase of \$1.1 billion. The changes in farm proprietors' income reflected the pattern of subsidy payments, which were \$0.7 billion at an annual rate in December and \$25.2 billion at an annual rate in November and in October. These payments were authorized under the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act. Nonfarm proprietors' income increased \$5.5 billion in December, compared with an increase of \$6.8 billion in November.

Rental income of persons decreased \$4.2 billion in December, in contrast to an increase of \$1.6 billion in November. The changes in rental income of persons reflected the pattern of Federal agricultural subsidy payments to owners of leased farm land, which were \$0.2 billion in December and \$5.5 billion in November and in October.

Transfer payments increased \$8.3 billion in December, in contrast to a decrease of \$0.6 billion in November. The December increase in transfer payments reflected in part retroactive social security benefit payments of \$3.7 billion at an annual rate, resulting from a recalculation of the earnings base underlying the benefits for recent retirees.

Personal interest income increased \$4.5 billion in December, compared with an increase of \$5.0 billion in November. Personal dividend income increased \$2.1 billion, compared with an increase of \$2.0 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$1.8 billion in December, compared with an increase of \$0.5 billion in November.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$11.4 billion in December, compared with an increase of \$5.5 billion in November. Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$14.0 billion, or 0.2 percent, in December, compared with an increase of \$25.7 billion, or 0.4 percent, in November.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$51.8 billion in December, compared with an increase of \$43.7 billion in November. PCE increased \$51.3 billion, compared with an increase of \$41.5 billion.

Personal saving -- DPI less personal outlays -- was \$99.6 billion in December, compared with \$137.3 billion in November. Personal saving as a percentage of disposable personal income was 1.5 percent in December, compared with 2.0 percent in November.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased less than 0.1 percent in December, compared with an increase of 0.3 percent in November.

Real PCE -- PCE adjusted to remove price changes -- increased 0.6 percent in December, compared with an increase of 0.5 percent in November. Purchases of durable goods increased 1.0 percent, compared with an increase of 2.3 percent. Purchases of nondurable goods increased 0.9 percent in December, compared with an increase of 0.6 percent in November. Purchases of services increased 0.4 percent, compared with an increase of 0.2 percent.

Revisions

Estimates have been revised for October and November. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for October and November -- revised and as published in last month's release -- are shown below.

	Change from preceding month							
	October				November			
	Previous (Dollars)	Revised	Previous (Percent)	Revised	Previous (Dollars)	Revised	Previous (Percent)	Revised
Personal income:								
Current dollars . .	100.4	93.2	1.3	1.2	35.4	31.2	0.4	0.4
Disposable personal income:								
Current dollars . .	95.3	88.2	1.4	1.3	28.5	25.7	.4	.4
Chained (1996) dollars .	74.5	70.3	1.2	1.1	24.6	17.7	.4	.3
Personal consumption expenditures:								
Current dollars . .	44.8	37.6	.7	.6	29.7	41.5	.5	.7
Chained (1996) dollars .	27.3	22.8	.5	.4	25.9	33.2	.4	.5

Personal income and outlays in 1999

Personal income increased 5.9 percent, or \$432.3 billion, in 1999 (that is, from the 1998 annual level to the 1999 annual level), compared with an increase of 5.9 percent, or \$407.8 billion, in 1998 (see the table below and table 3). Disposable personal income (DPI) increased 5.6 percent, compared with an increase of 5.1 percent. Personal outlays increased 7.0 percent, compared with an increase of 6.0 percent. Real DPI increased 4.0 percent, compared with an increase of 4.1 percent. Personal saving as a percentage of disposable personal income was 2.4 percent in 1999, compared with 3.7 percent in 1998.

	1997	1998	1999
	(Percent change from preceding year)		
Current dollars			
Personal income	6.2	5.9	5.9
Wage and salary disbursements	7.2	7.6	6.8
Other labor income	2.2	3.0	3.9
Proprietors' income with inventory valuation and capital consumption adjustments	6.2	4.8	8.6
Farm	-14.0	-15.0	24.8
Nonfarm	7.6	5.8	7.9
Rental income of persons with capital consumption adjustment	0.3	5.6	6.3
Personal dividend income	12.1	4.5	4.6
Personal interest income	5.5	5.0	3.7
Transfer payments to persons Old-age, survivors, disability, and health insurance benefits	3.6	2.2	3.5
Government unemployment insurance benefits	5.2	2.2	3.2
Other	-9.5	-0.8	1.7
Less: Personal contributions for social insurance	2.0	2.4	4.1
Less: Personal contributions for social insurance	6.3	6.0	5.9
Personal tax and nontax payments	11.3	10.8	7.4
Disposable personal income	5.4	5.1	5.6
Personal outlays	5.7	6.0	7.0
Addenda:			
Disposable personal income in chained (1996) dollars	3.6	4.1	4.0
Personal saving as a percentage of disposable personal income	4.5	3.7	2.4

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Next release -- Personal Income and Outlays for January will be released on February 28, 2000 at 8:30 A.M. EST.

Table 1. -- Personal Income
 [Billions of dollars]

	1998	1999	Seasonally adjusted at annual rates					
			July	Aug.	Sep.	1999 Oct. /r/	Nov. /r/	Dec. /p/
Personal income	7,358.9	7,791.2	7,806.0	7,840.0	7,848.1	7,941.3	7,972.5	7,997.9
Wage and salary disbursements	4,186.0	4,472.7	4,491.4	4,508.2	4,528.5	4,556.7	4,570.5	4,604.4
Private industries	3,493.2	3,746.3	3,764.2	3,777.6	3,795.6	3,821.2	3,832.8	3,862.9
Goods-producing industries	1,038.7	1,082.6	1,089.8	1,087.3	1,093.6	1,101.4	1,101.0	1,104.2
Manufacturing	757.5	779.9	786.0	785.2	788.0	793.7	789.8	790.6
Distributive industries	944.6	1,005.5	1,009.8	1,013.1	1,017.3	1,018.8	1,021.0	1,034.7
Service industries	1,509.9	1,658.1	1,664.6	1,677.2	1,684.6	1,700.9	1,710.8	1,724.0
Government	692.8	726.4	727.2	730.7	732.9	735.5	737.7	741.5
Other labor income	515.7	535.8	536.7	538.6	540.3	542.0	543.8	545.7
Proprietors' income with IVA and CCAdj	606.1	658.0	653.7	657.8	650.6	683.9	691.8	672.4
Farm	25.1	31.3	23.5	21.4	18.0	45.1	46.2	21.3
Nonfarm	581.0	626.7	630.2	636.4	632.5	638.8	645.6	651.1
Rental income of persons with CCAdj	137.4	146.1	144.9	143.6	128.5	148.5	150.1	145.9
Personal dividend income	348.3	364.3	364.9	367.0	369.0	371.1	373.1	375.2
Personal interest income	897.8	930.6	932.4	938.8	945.3	950.8	955.8	960.3
Transfer payments to persons	983.6	1,018.2	1,017.8	1,022.6	1,023.6	1,027.8	1,027.2	1,035.5
Old-age, survivors, disability, and health insurance benefits	578.1	596.6	596.8	599.4	600.8	604.2	602.6	609.4
Government unemployment insurance benefits	19.8	20.2	20.2	20.4	20.1	19.8	19.7	19.5
Other	385.7	401.5	400.8	402.8	402.8	403.8	405.0	406.6
Less: Personal contributions for social insurance	315.9	334.5	335.7	336.6	337.8	339.3	339.8	341.6

p Preliminary.
 r Revised.
 IVA Inventory valuation adjustment.
 CCAdj Capital consumption adjustment.

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

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

	1998	1999	Seasonally adjusted at annual rates					
			July	Aug.	Sep.	1999 Oct. /r/	Nov. /r/	Dec. /p/
Personal income	7,358.9	7,791.2	7,806.0	7,840.0	7,848.1	7,941.3	7,972.5	7,997.9
Less: Personal tax and nontax payments	1,072.6	1,152.0	1,159.5	1,151.0	1,170.7	1,175.7	1,181.2	1,192.6
Equals: Disposable personal income	6,286.2	6,639.2	6,646.5	6,689.0	6,677.4	6,765.6	6,791.3	6,805.3
Less: Personal outlays	6,056.6	6,480.9	6,485.7	6,537.7	6,571.0	6,610.2	6,653.9	6,705.7
Personal consumption expenditures	5,848.6	6,254.9	6,259.1	6,309.9	6,342.2	6,379.8	6,421.3	6,472.6
Interest paid by persons	185.7	201.6	202.1	203.3	204.4	205.3	207.6	208.0
Personal transfer payments to the rest of the world (net)	22.3	24.4	24.5	24.5	24.5	25.1	25.1	25.1
Equals: Personal saving	229.7	158.3	160.8	151.4	106.4	155.4	137.3	99.6
Addenda:								
Disposable personal income:								
Chained (1996) dollars /1/	6,125.1	6,367.4	6,377.8	6,403.5	6,373.3	6,443.6	6,461.3	6,464.0
Per capita:								
Current dollars	23,231	24,305	24,323	24,455	24,390	24,692	24,767	24,802

Chained (1996) dollars	22,636	23,310	23,340	23,411	23,280	23,516	23,563	23,558
Population (thousands)	270,595	273,160	273,260	273,520	273,773	274,005	274,209	274,388
Personal saving as a percentage of disposable personal income	3.7	2.4	2.4	2.3	1.6	2.3	2.0	1.5

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]

	1998	1999	Seasonally adjusted at annual rates					
			July	Aug.	Sep.	Oct. /r/	Nov. /r/	Dec. /p/
Personal income	407.8	432.3	22.7	34.0	8.1	93.2	31.2	25.4
Wage and salary disbursements	297.1	286.7	36.0	16.8	20.3	28.2	13.8	33.9
Private industries	268.8	253.1	32.3	13.4	18.0	25.6	11.6	30.1
Goods-producing industries	63.2	43.9	9.4	-2.5	6.3	7.8	-0.4	3.2
Manufacturing	38.7	22.4	7.0	-0.8	2.8	5.7	-3.9	0.8
Distributive industries	65.5	60.9	6.7	3.3	4.2	1.5	2.2	13.7
Service industries	140.1	148.2	16.2	12.6	7.4	16.3	9.9	13.2
Government	28.4	33.6	3.7	3.5	2.2	2.6	2.2	3.8
Other labor income	14.8	20.1	1.9	1.9	1.7	1.7	1.8	1.9
Proprietors' income with IVA and CCAdj	27.5	51.9	-17.1	4.1	-7.2	33.3	7.9	-19.4
Farm	-4.4	6.2	-21.5	-2.1	-3.4	27.1	1.1	-24.9
Nonfarm	31.9	45.7	4.4	6.2	-3.9	6.3	6.8	5.5
Rental income of persons with CCAdj	7.2	8.7	-5.6	-1.3	-15.1	20.0	1.6	-4.2
Personal dividend income	14.9	16.0	1.9	2.1	2.0	2.1	2.0	2.1
Personal interest income	42.9	32.8	6.2	6.4	6.5	5.5	5.0	4.5
Transfer payments to persons	21.2	34.6	1.4	4.8	1.0	4.2	-0.6	8.3
Old-age, survivors, disability, and health insurance benefits	12.3	18.5	2.3	2.6	1.4	3.4	-1.6	6.8
Government unemployment insurance benefits	-0.2	0.4	-0.2	0.2	-0.3	-0.3	-0.1	-0.2
Other	9.1	15.8	-0.7	2.0	0.0	1.0	1.2	1.6
Less: Personal contributions for social insurance	17.8	18.6	2.0	0.9	1.2	1.5	0.5	1.8
Less: Personal tax and nontax payments	104.3	79.4	10.0	-8.5	19.7	5.0	5.5	11.4
Equals: Disposable personal income	303.4	353.0	12.7	42.5	-11.6	88.2	25.7	14.0
Less: Personal outlays	344.9	424.3	26.1	52.0	33.3	39.2	43.7	51.8
Personal consumption expenditures	324.2	406.3	27.3	50.8	32.3	37.6	41.5	51.3
Interest paid by persons	19.0	15.9	-1.2	1.2	1.1	0.9	2.3	0.4
Personal transfer payments to the rest of the world (net)	1.7	2.1	-0.1	0.0	0.0	0.6	0.0	0.0
Equals: Personal saving	-41.4	-71.4	-13.4	-9.4	-45.0	49.0	-18.1	-37.7
Addendum:								
Disposable personal income, chained (1996) dollars	240.4	242.3	-3.1	25.7	-30.2	70.3	17.7	2.7

p Preliminary.
r Revised.
IVA Inventory valuation adjustment.
CCAdj Capital consumption adjustment.

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

Table 4. -- Personal Consumption Expenditures by Major Type of Product

	1998	1999	Seasonally adjusted at annual rates					
			July	Aug.	Sep.	Oct. /r/	Nov. /r/	Dec. /p/
Billions of current dollars								
Personal consumption expenditures	5,848.6	6,254.9	6,259.1	6,309.9	6,342.2	6,379.8	6,421.3	6,472.6
Durable goods	698.2	758.1	753.1	765.7	766.6	767.0	783.7	789.7
Nondurable goods	1,708.9	1,841.1	1,836.4	1,854.9	1,870.4	1,883.5	1,892.4	1,917.4
Services	3,441.5	3,655.7	3,669.5	3,689.2	3,705.1	3,729.3	3,745.2	3,765.5
Billions of chained (1996) dollars								
Personal consumption expenditures	5,698.6	5,998.7	6,006.0	6,040.5	6,053.3	6,076.1	6,109.3	6,148.0
Durable goods	731.5	815.1	810.8	826.0	826.9	828.8	847.9	856.7
Nondurable goods	1,685.3	1,774.6	1,771.9	1,782.6	1,783.3	1,793.1	1,804.0	1,820.4
Services	3,284.5	3,416.8	3,430.3	3,440.3	3,451.3	3,462.4	3,467.7	3,481.8

Implicit price deflators (Index numbers, 1996 = 100)

Personal consumption expenditures	102.63	104.27	104.21	104.46	104.77	105.00	105.11	105.28
Durable goods	95.45	93.01	92.89	92.71	92.71	92.55	92.44	92.17
Nondurable goods	101.40	103.75	103.64	104.06	104.88	105.04	104.90	105.33
Services	104.78	106.99	106.97	107.24	107.35	107.71	108.00	108.15

Change From Preceding Period
Billions of current dollars

Personal consumption expenditures	324.2	406.3	27.3	50.8	32.3	37.6	41.5	51.3
Durable goods	55.3	59.9	-4.7	12.6	0.9	0.4	16.7	6.0
Nondurable goods	67.2	132.3	6.6	18.5	15.5	13.1	8.9	25.0
Services	201.7	214.2	25.4	19.7	15.9	24.2	15.9	20.3

Billions of chained (1996) dollars

Personal consumption expenditures	264.9	300.1	11.8	34.5	12.8	22.8	33.2	38.7
Durable goods	74.1	83.6	-4.5	15.2	0.9	1.9	19.1	8.8
Nondurable goods	65.4	89.3	1.4	10.7	0.7	9.8	10.9	16.4
Services	127.8	132.3	14.1	10.0	11.0	11.1	5.3	14.1

Table 5.-- Percent Change From Preceding Period in Selected Series
Based on current dollars

Personal income	5.9	5.9	0.3	0.4	0.1	1.2	0.4	0.3
Disposable personal income	5.1	5.6	0.2	0.6	-0.2	1.3	0.4	0.2
Personal consumption expenditures	5.9	6.9	0.4	0.8	0.5	0.6	0.7	0.8
Durable goods	8.6	8.6	-0.6	1.7	0.1	0.1	2.2	0.8
Nondurable goods	4.1	7.7	0.4	1.0	0.8	0.7	0.5	1.3
Services	6.2	6.2	0.7	0.5	0.4	0.7	0.4	0.5

Based on chained (1996) dollars

Disposable personal income	4.1	4.0	0.0	0.4	-0.5	1.1	0.3	0.0
Personal consumption expenditures	4.9	5.3	0.2	0.6	0.2	0.4	0.5	0.6
Durable goods	11.3	11.4	-0.6	1.9	0.1	0.2	2.3	1.0
Nondurable goods	4.0	5.3	0.1	0.6	0.0	0.5	0.6	0.9
Services	4.0	4.0	0.4	0.3	0.3	0.3	0.2	0.4

p Preliminary.
r Revised.

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