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BUREAU OF  
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523-0819 (Personal Outlays)

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Personal Income and Outlays - December and Year 1979

Personal income increased \$22.5 billion in December to a seasonally adjusted annual rate of \$2,022.5 billion, according to the Bureau of Economic Analysis, U.S. Department of Commerce. Personal outlays increased \$32.6 billion to \$1,650.1 billion.

In November, personal income increased \$20.8 billion and personal outlays increased \$16.3 billion, based on revised estimates.

Wages and salaries

Wages and salaries increased \$12.2 billion in December, compared with \$12.9 billion in November. Commodity-producing industries' payrolls increased \$6.2 billion, compared with \$3.0 billion. Distributive industries' payrolls increased \$1.8 billion, compared with \$4.3 billion. Service industries' payrolls increased \$3.6 billion, compared with \$4.3 billion. Government wages and salaries increased \$0.6 billion, compared with \$1.2 billion.

Manufacturing payrolls increased \$4.2 billion in December, compared with \$1.7 billion in November. Higher average hourly earnings accounted for about two-thirds of the December increase. Most of the payroll gain was in the durable goods industries with most industries showing an increase.

### Nonwage income

Dividends increased \$1.0 billion in December, compared with \$0.6 billion in November. Transfer payments increased \$3.5 billion, compared with \$1.0 billion. Other nonwage income increased \$6.5 billion, compared with \$7.0 billion.

### Personal taxes and disposable personal income

Personal tax and nontax payments increased \$5.9 billion in December, compared with \$5.5 billion in November. Disposable personal income (personal income less personal tax and nontax payments) increased \$16.6 billion, compared with \$15.3 billion.

### Personal outlays and personal saving

Personal outlays -- personal consumption expenditures, interest paid by consumers to business, and personal transfer payments to foreigners (net) -- increased \$32.6 billion in December, compared with \$16.3 billion in November.

Personal consumption expenditures (PCE) increased \$32.1 billion in December, compared with \$15.9 billion in November. The acceleration in December was mainly due to goods. Purchases of durable goods increased \$6.1 billion in December, compared with no change in November. The December increase was mainly due to motor vehicles and parts. Purchases of nondurable goods increased \$17.2 billion, compared with \$10.7 billion, primarily reflecting a larger increase in food purchases. Purchases of services increased \$8.9 billion, compared with \$5.3 billion.

Personal saving (disposable personal income less personal outlays) was \$44.9 billion in December. In November, personal saving was \$60.9 billion.

### Constant-dollar estimates and the PCE implicit price deflator for November

Constant-dollar personal consumption expenditures (PCE adjusted for price changes) increased \$3.7 billion in November, following a decline of \$4.7 billion in October. The implicit price deflator for PCE increased 0.6 percent in November, compared with 0.8 percent in October. December estimates of constant dollar PCE and of the PCE deflator will be available in next month's release.

### Personal income and outlays in 1979

Personal income totaled \$1,923.1 billion in 1979, an increase of \$205.7 billion or 12.0 percent over 1978. Disposable personal income increased \$164.8 billion or 11.3 percent, and personal outlays increased \$164.0 billion or 11.8 percent.

The percent changes from the preceding year for 1978 and 1979 for the principal components of personal income and outlays are shown below.

	<u>1978</u>	<u>1979<sup>P</sup></u>
	(Percent change from preceding year)	
Personal Income	12.1	12.0
Wage and salary disbursements	12.1	11.3
Other labor income	16.0	15.3
Proprietors' income with inventory valuation and capital consumption adjustments, total	16.6	11.3
Farm	41.1	15.8
Nonfarm	10.6	10.0
Rental income of persons with capital consumption adjustment	4.7	3.9
Dividends	12.0	11.8
Personal interest income	15.2	17.5
Transfer payments	7.5	12.5
Personal contributions for social insurance	13.5	16.0
Personal tax and nontax payments	14.4	15.8
Disposable personal income	11.7	11.3
Personal outlays	11.8	11.8
Personal consumption expenditures	11.6	11.8
Interest paid by consumers to business	18.7	14.1
Personal transfer payments to foreigners (net)	-8.2	10.0

Details of personal income and outlays for December and year 1979 and other recent periods are shown in the accompanying tables; additional data appear each month in the Survey of Current Business, a monthly journal of the Bureau of Economic Analysis.

The Survey of Current Business is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. First class mail: annual subscription \$35.00 domestic. Second class mail: annual subscription \$22.00 domestic, \$27.50 foreign; single issue \$1.90 domestic, \$2.40 foreign.

Definitions of the personal income and outlay components and a description of the methodology underlying their estimation appear in the November 1979 issue of the Survey of Current Business. Monthly estimates for the series on the disposition of personal income, along with related series, starting with January 1959, also appear in the November Survey.

Table 1.--  
**PERSONAL INCOME**  
(Billions of dollars)

	1978	1979 <sup>p</sup>	Seasonally adjusted at annual rates					
			1979					
			July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>p</sup>
<b>TOTAL PERSONAL INCOME</b> .....	1,717.4	1,923.1	1,933.2	1,946.5	1,960.1	1,979.2	2,000.0	2,022.5
<b>Wage and salary disbursements, total</b> .....	1,103.3	1,227.5	1,229.8	1,236.5	1,247.9	1,257.4	1,270.3	1,282.5
Commodity-producing industries .....	387.4	435.2	437.5	436.6	440.8	443.8	446.8	453.0
Manufacturing only .....	298.3	330.9	332.0	330.3	333.5	336.0	337.8	342.0
Distributive industries .....	269.4	300.8	300.8	304.3	307.1	308.7	313.1	314.8
Service industries .....	228.7	257.8	258.1	260.9	264.8	265.9	270.1	273.8
Government and government enterprises .....	217.8	233.7	233.5	234.8	235.2	239.1	240.3	240.9
<b>Other labor income</b> .....	106.5	122.7	123.3	124.9	126.4	128.0	129.6	131.2
<b>Proprietors' income with inventory valuation and capital consumption adjustments, total</b> .....	116.8	130.0	130.7	130.5	129.7	130.1	131.6	132.9
Farm .....	27.7	32.1	32.8	31.0	28.8	29.0	29.5	29.9
Nonfarm .....	89.1	98.0	97.9	99.5	100.9	101.1	102.0	102.9
<b>Rental income of persons with capital consumption adjustment</b> .....	25.9	26.9	27.3	27.3	25.0	26.8	27.0	27.2
<b>Dividends</b> .....	47.2	52.7	52.5	52.7	53.0	53.6	54.2	55.2
<b>Personal interest income</b> .....	163.3	191.8	191.8	194.4	197.1	200.7	204.4	207.8
<b>Transfer payments</b> .....	224.1	252.1	258.5	261.2	262.7	264.8	265.8	269.3
Old-age, survivors, disability, and health insurance benefits .....	116.3	132.4	138.0	138.8	139.3	139.4	140.3	140.9
Government unemployment insurance benefits .....	9.2	9.3	9.2	9.6	9.8	9.9	9.9	10.1
All other .....	98.6	110.4	111.2	112.8	113.5	115.5	115.6	118.3
<b>Less: Personal contributions for social insurance</b> .....	69.6	80.7	80.8	81.0	81.7	82.2	83.0	83.7
<b>Addenda:</b>								
<b>Total nonfarm income</b> .....	1,674.2	1,873.1	1,882.3	1,897.3	1,913.1	1,931.8	1,951.8	1,973.7
<b>Total farm income</b> <sup>1</sup> .....	43.2	50.0	50.9	49.1	47.0	47.4	48.2	48.8

<sup>1</sup> Equals proprietors' income, farm wages, farm other labor income, and agricultural net income.  
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

r = revised    p = preliminary

Table 2.--  
THE DISPOSITION OF PERSONAL INCOME  
(Billions of dollars)

	1978	1979 <sup>P</sup>	Seasonally adjusted at annual rates					
			1979					
			July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>P</sup>
PERSONAL INCOME.....	1,717.4	1,923.1	1933.2	1946.5	1960.1	1979.2	2000.0	2022.5
Less: Personal tax and nontax payments..	259.0	299.9	301.6	306.0	312.2	316.1	321.6	327.5
Equals: Disposable personal income.....	1,458.4	1,623.2	1631.6	1640.4	1647.9	1663.1	1678.4	1695.0
Less: Personal outlays.....	1,386.4	1,550.4	1543.3	1569.0	1596.9	1601.2	1617.5	1650.1
Personal consumption expenditures....	1,350.8	1,509.8	1502.7	1527.9	1555.2	1559.1	1575.0	1607.2
Interest paid by consumers to business.	34.8	39.6	39.8	40.2	40.8	41.1	41.6	42.0
Personal transfer payments to foreigners (net).....	.8	.9	.8	.9	1.0	1.0	.9	.9
Equals: Personal saving.....	72.0	72.8	88.3	71.5	51.0	61.9	60.9	44.9
Addenda:								
Disposable personal income:								
Total, billions of 1972 dollars <u>1</u> /....	972.5	-----	996.6	994.2	989.6	991.1	994.1	----
Per capita:								
Current dollars.....	6,672	7,363	7399	7432	7459	7522	7585	7653
1972 dollars.....	4,449	-----	4520	4505	4479	4483	4492	----
Population (millions).....	218.6	220.5	220.5	220.7	220.9	221.1	221.3	221.5
Personal saving as percentage of disposable personal income <u>2</u> /.....	4.9	4.5	5.1	4.3	3.7	3.5	3.3	-----

1/ Disposable personal income in 1972 dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

2/ Equals the centered three-month moving average of personal saving as a percentage of the centered three-month moving average of disposable personal income.

p= preliminary      r= revised

Table 3.--  
 Personal Income and its Disposition: Change from Preceding Period  
 (Billions of dollars)

	1978	1979 <sup>p</sup>	Seasonally adjusted at annual rates					
			1979					
			July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>p</sup>
PERSONAL INCOME.....	185.8	205.7	28.1	13.2	13.7	19.1	20.8	22.5
Wage and salary disbursements.....	119.3	124.2	9.4	6.7	11.4	9.6	12.9	12.2
Other labor income.....	14.7	16.2	1.5	1.5	1.6	1.6	1.6	1.6
Proprietors' income with inventory valuation and capital consumption adjustments, total.....	16.6	13.2	1.4	-.2	-.8	.4	1.5	1.3
Farm.....	8.1	4.4	-.6	-1.8	-2.2	.2	.5	.4
Nonfarm.....	8.6	8.9	2.1	1.6	1.4	.2	.9	.9
Rental income of persons with capital consumption adjustment.....	1.2	1.0	.1	.0	-2.3	1.7	.2	.3
Dividends.....	5.1	5.6	.0	.2	.3	.6	.6	1.0
Personal interest income.....	21.6	28.5	2.4	2.6	2.7	3.6	3.7	3.4
Transfer payments.....	15.7	28.0	13.8	2.7	1.4	2.2	1.0	3.5
Less: Personal contributions for social insurance.....	8.3	11.1	.6	.3	.7	.5	.7	.7
Less: Personal tax and nontax payments.....	32.6	40.9	5.4	4.4	6.2	3.9	5.5	5.9
Equals: Disposable personal income.....	153.3	164.8	22.6	8.8	7.5	15.2	15.3	16.6
Less: Personal outlays.....	146.2	164.0	24.2	25.7	27.9	4.3	16.3	32.6
Equals: Personal saving.....	7.1	.8	-1.5	-16.8	-20.4	10.9	-1.0	-16.0
Addendum:								
Disposable personal income, billions of 1972 dollars.....	43.1	-----	6.4	-2.4	-4.6	1.5	3.0	-----

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

p=preliminary

r=revised

TABLE 4.--  
PERSONAL CONSUMPTION EXPENDITURES BY MAJOR TYPE OF PRODUCT

	1978	1979 <sup>P</sup>	SEASONALLY ADJUSTED AT ANNUAL RATES					DEC 79 <sup>P</sup>
			JUL 79	AUG 79	SEP 79	OCT 79 <sup>R</sup>	NOV 79 <sup>R</sup>	
BILLIONS OF CURRENT DOLLARS								
PERSONAL CONSUMPTION EXPENDITURES..	1,350.8	1,509.8	1,502.7	1,527.9	1,555.2	1,559.1	1,575.0	1,607.2
DURABLE GOODS..	200.3	212.8	207.4	213.6	219.0	213.5	213.5	219.5
NONDURABLE GOODS..	530.6	597.0	591.8	602.3	619.8	618.2	628.8	646.0
SERVICES..	619.8	700.0	703.4	712.0	716.3	727.5	732.7	741.7
BILLIONS OF CONSTANT (1972) DOLLARS								
PERSONAL CONSUMPTION EXPENDITURES..	900.8	---	917.9	926.0	933.9	929.2	932.9	---
DURABLE GOODS..	146.7	---	143.5	147.1	150.0	146.2	144.9	---
NONDURABLE GOODS..	343.3	---	344.7	348.5	354.3	350.6	355.2	---
SERVICES..	410.8	---	429.6	430.4	429.6	432.3	432.8	---
IMPLICIT PRICE DEFLATORS (INDEX NUMBERS, 1972=100)								
PERSONAL CONSUMPTION EXPENDITURES..	150.0	---	163.7	165.0	166.5	167.8	168.8	---
DURABLE GOODS..	136.5	---	144.6	145.2	146.0	146.0	147.3	---
NONDURABLE GOODS..	154.6	---	171.7	172.8	174.9	176.3	177.0	---
SERVICES..	150.9	---	163.7	165.4	166.7	168.3	169.3	---
CHANGE FROM PRECEDING PERIOD								
BILLIONS OF CURRENT DOLLARS								
PERSONAL CONSUMPTION EXPENDITURES..	140.8	159.0	23.7	25.2	27.3	3.9	15.9	32.1
DURABLE GOODS..	21.5	12.5	5.5	6.2	5.4	-5.6	.0	6.1
NONDURABLE GOODS..	49.3	66.3	8.0	10.5	17.5	-1.7	10.7	17.2
SERVICES..	70.0	80.1	10.1	8.6	4.3	11.2	5.3	8.9
BILLIONS OF CONSTANT (1972) DOLLARS								
PERSONAL CONSUMPTION EXPENDITURES..	39.1	---	7.7	8.1	7.9	-4.7	3.7	---
DURABLE GOODS..	8.5	---	3.1	3.6	2.8	-3.7	-1.4	---
NONDURABLE GOODS..	10.6	---	2.1	3.8	5.8	-3.7	4.6	---
SERVICES..	20.0	---	2.5	.7	-0.7	2.7	.5	---

SOURCE: U.S. DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS

P = PRELIMINARY

R = REVISED

Billion \$  
2,200

# PERSONAL INCOME

2,000

1,800

1,600

1,400

1,200

1,000

800

600

400

200

0

1974

1975

1976

1977

1978

1979

1980

Monthly, Seasonally Adjusted at Annual Rates

Total

Wage and Salary Disbursements

Other Types of Income

Transfer Payments

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