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BUREAU OF
 ECONOMIC ANALYSIS

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 523-0810

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BEA 86-60

Recorded message: 898-2452

PERSONAL INCOME AND OUTLAYS: NOVEMBER 1986

Personal income increased \$10.7 billion in November to a seasonally adjusted annual rate of \$3,531.0 billion, according to the Commerce Department's Bureau of Economic Analysis. Personal outlays increased \$30.4 billion to \$2,914.0 billion. In October, personal income increased \$12.4 billion and personal outlays decreased \$57.5 billion, based on revised estimates.

	1986		
	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>
	(Percent change from preceding month)		
Personal income, current dollars.....	0.3	0.4	0.3
Disposable personal income:			
Current dollars.....	.2	.2	.2
Constant dollars.....	-.3	0	--
Personal consumption expenditures:			
Current dollars.....	2.0	-2.1	1.1
Constant dollars.....	1.5	-2.3	--
Implicit price deflator.....	.5	.2	--

NOTE.--Monthly estimates are expressed, unless otherwise specified, at seasonally adjusted annual rates. Month-to-month dollar changes are differences between these rates; month-to-month percent changes are not annualized. Constant-dollar estimates are in 1982 dollars.

The November and October increases in personal income were affected by two special factors -- bonus payments in October to employees in the automobile industry, which lowered the November increase and raised the October increase, and decreases in subsidy payments to farmers, which lowered the increases in both months. Excluding the effect of these factors, personal income increased \$19.1 billion, or 0.5 percent, in November and \$9.8 billion, or 0.3 percent, in October.

Wages and salaries

Wages and salaries increased \$10.7 billion in November, compared with \$14.5 billion in October. Commodity-producing industries' payrolls decreased \$1.5 billion, in contrast to an increase of \$7.1 billion. Manufacturing payrolls decreased \$2.7 billion in November, in contrast to an increase of \$6.8 billion in October. The November decrease and most of the October increase were due to October bonus payments to employees in the automotile industry (\$5.6 billion at an annual rate). Distributive industries' payrolls increased \$3.9 billion, compared with \$2.1 billion. Service industries' payrolls increased \$6.4 billion, compared with \$3.4 billion. Government wages and salaries increased \$1.9 billion in both months.

Nonwage income

Farm proprietors' income decreased \$2.4 billion in November, compared with a decrease of \$2.8 billion in October. The November and October decreases were due to subsidy payments to farmers. Excluding subsidy payments, farm proprietors' income increased \$0.4 billion in November and \$0.3 billion in October.

Nonfarm proprietors' income increased \$2.6 billion in November, compared with \$1.4 billion in October. Personal interest income decreased \$2.0 billion, compared with a decrease of \$2.8 billion. Transfer payments increased \$1.3 billion, compared with \$1.7 billion. All other nonwage income increased \$1.4 billion, compared with \$1.2 billion.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$5.9 billion in November, compared with \$5.1 billion in October. Disposable personal income -- personal income less personal tax and nontax payments -- increased \$4.7 billion, compared with \$7.4 billion.

Personal outlays and personal saving

Personal outlays -- personal consumption expenditures (PCE), interest paid by consumers to business, and personal transfer payments to foreigners (net) -- increased \$30.4 billion in November, in contrast to a decrease of \$57.5 billion in October.

PCE increased \$29.6 billion in November, in contrast to a decrease of \$58.6 billion in October. Purchases of durable goods increased \$4.2 billion, in contrast to a decrease of \$73.3 billion. The large October decrease was due to motor vehicles. Purchases of nondurable goods increased \$9.6 billion, compared with \$8.2 billion. Purchases of services increased \$15.8 billion, compared with \$6.5 billion.

Personal saving -- disposable personal income less outlays -- was \$82.4 billion in November, compared with \$108.0 billion in October.

Constant-dollar estimates for October

Constant-dollar disposable personal income -- disposable personal income adjusted to remove price changes -- increased \$0.4 billion in October, in contrast to a decrease of \$7.9 billion in September.

Constant-dollar PCE -- PCE adjusted to remove price changes -- decreased \$56.6 billion in October, in contrast to an increase of \$36.2 billion in September.

November estimates of constant-dollar disposable income and PCE will be available in next month's release.

Revisions

Estimates have been revised for July through October. Changes in personal income, personal outlays, and personal saving -- revised and as published in last month's release -- are shown below.

Change from preceding month

	<u>Personal income</u>		<u>Personal outlays</u>		<u>Personal saving</u>			
	<u>Previous estimate</u> (Percent)	<u>Revised</u>	<u>Previous estimate</u> (Billions of	<u>Revised</u> current dollars at	<u>Previous estimate</u> annual rates)	<u>Revised</u>		
1986:								
July	0.3	0.3	11.0	8.9	13.1	13.6	-6.1	-8.7
Aug.	.2	.2	7.6	7.1	26.6	22.5	-24.5	-20.9
Sept.	.3	.3	11.1	10.0	39.7	56.7	-32.8	-51.0
Oct.	.4	.4	12.7	12.4	-56.1	-57.5	63.5	64.9

Details of personal income and outlays for November and other recent periods are shown in the accompanying tables. Additional estimates 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 \$50.00 domestic. Second class mail: annual subscription \$25.00 domestic, \$31.25 foreign; single issue \$5.00 domestic, \$6.25 foreign.

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Four telephone lines carry short recorded messages providing BEA estimates immediately upon their release.

(202) 898-2450 Leading indicators
2451 Gross national product
2452 Personal income and outlays
2453 The most recently released of the following quarterly series:
Merchandise trade, balance of payment basis, or
Summary of international transactions, or
Plant and equipment expenditures

* * *

Next release for Personal Income and Outlays is January 23, at 10:00 A.M. EST.

Table 1. Personal Income
[Billions of dollars]

	1984	1985	Seasonally adjusted at annual rates					
			Jun 86	Jul 86r	Aug 86r	Sep 86r	Oct 86r	Nov 86p
Personal income.....	3,110.2	3,314.5	3,481.9	3,490.8	3,497.9	3,507.9	3,520.3	3,531.0
Wage and salary disbursements.....	1,836.8	1,966.1	2,063.2	2,072.0	2,083.4	2,088.0	2,102.5	2,113.2
Commodity-producing industries..	577.8	607.7	619.1	619.3	623.3	622.7	629.8	628.3
Manufacturing.....	439.1	460.1	467.8	468.1	471.1	470.7	477.5	474.8
Distributive industries.....	442.2	469.8	484.1	486.9	488.2	489.9	492.0	495.9
Service industries.....	470.6	516.4	565.8	569.6	573.4	574.9	578.3	584.7
Government and government enterprises.....	346.2	372.2	394.3	396.2	398.5	400.4	402.3	404.2
Other labor income.....	184.5	196.9	208.2	209.5	210.4	211.3	212.1	213.0
Proprietors' income with inventory valuation and capital consumption adjustments.....	236.9	254.4	279.7	273.7	276.6	282.3	280.9	281.0
Farm.....	31.5	29.2	27.5	18.3	19.1	21.3	18.5	16.1
Nonfarm.....	205.3	225.2	252.2	255.4	257.5	261.0	262.4	265.0
Rental income of persons with capital consumption adjustment.....	8.3	7.6	17.1	16.5	16.1	16.0	16.3	16.5
Personal dividend income.....	74.7	76.4	81.5	81.7	82.1	82.3	82.4	82.7
Personal interest income.....	446.9	476.2	479.8	477.2	473.7	470.4	467.6	465.6
Transfer payments.....	455.6	487.1	511.8	520.3	516.5	518.7	520.4	521.7
Old-age, survivors, disability, and health insurance benefits..	235.7	253.4	264.1	272.0	268.1	268.7	270.1	270.7
Government unemployment insurance benefits.....	15.8	15.7	16.7	16.9	16.8	16.8	16.7	16.4
Other.....	204.1	217.9	231.0	231.3	231.6	233.2	233.6	234.6
Less: Personal contributions for social insurance.....	133.5	150.2	159.3	160.2	160.9	161.1	162.0	162.6
Addenda:								
Total nonfarm income.....	3,052.2	3,261.0	3,431.7	3,449.6	3,455.9	3,463.7	3,478.8	3,492.0
Total farm income ¹	58.0	53.5	50.2	41.1	42.0	44.2	41.5	39.0

1. Equals farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.

r = revised p = preliminary

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

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

	Seasonally adjusted at annual rates							
	1984	1985	Jun 86	Jul 86r	Aug 86r	Sep 86r	Oct 86r	Nov 86p
Personal income.....	3,110.2	3,314.5	3,481.9	3,490.8	3,497.9	3,507.9	3,520.3	3,531.0
Less: Personal tax and nontax payments.....	439.6	486.5	509.9	513.9	519.4	523.6	528.7	534.6
Equals: Disposable personal income..	2,670.6	2,828.0	2,972.0	2,976.9	2,978.5	2,984.2	2,991.6	2,996.3
Less: Personal outlays.....	2,501.9	2,684.7	2,848.3	2,861.9	2,884.4	2,941.1	2,883.6	2,914.0
Personal consumption expenditures.	2,428.2	2,600.5	2,753.8	2,766.7	2,788.6	2,844.0	2,785.4	2,815.0
Interest paid by consumers to business.....	72.3	82.6	93.3	94.1	94.7	96.0	97.0	97.8
Personal transfer payments to foreigners (net).....	1.5	1.6	1.2	1.2	1.2	1.2	1.2	1.2
Equals: Personal saving.....	168.7	143.3	123.7	115.0	94.1	43.1	108.0	82.4
Addenda:								
Disposable personal income:								
Total, billions of 1982 dollars ¹ ...	2,470.6	2,528.0	2,610.5	2,612.4	2,606.2	2,598.3	2,598.7	.....
Per capita:								
Current dollars.....	11,265	11,817	12,312	12,323	12,319	12,331	12,351	12,363
1982 dollars.....	10,421	10,563	10,814	10,814	10,779	10,736	10,729	.....
Population (millions).....	237.1	239.3	241.4	241.6	241.8	242.0	242.2	242.4
Personal saving as percentage of disposable personal income ²	6.3	5.1	4.4	3.7	2.8	2.7	2.6	.....

1. Disposable personal income in 1982 dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

2. Monthly estimates equal the centered three-month moving average of personal saving as a percentage of the centered three-month moving average of disposable personal income.

r = revised p = preliminary

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

Table 3. Personal Income and Its Disposition, Change From Preceding Period
[Billions of dollars]

	1984	1985	Seasonally adjusted at annual rates					Nov 86p
			Jun 86	Jul 86r	Aug 86r	Sep 86r	Oct 86r	
Personal income.....	271.6	204.3	.6	8.9	7.1	10.0	12.4	10.7
Wage and salary disbursements.....	160.2	129.3	4.8	8.8	11.4	4.6	14.5	10.7
Other labor income.....	10.9	12.4	.9	1.3	.9	.9	.8	.9
Proprietors' income with inventory valuation and capital consumption adjustments.....	46.0	17.5	-7.5	-6.0	2.9	5.7	-1.4	.1
Farm.....	19.1	-2.3	-10.6	-9.2	.8	2.2	-2.8	-2.4
Nonfarm.....	26.9	19.9	3.1	3.2	2.1	3.5	1.4	2.6
Rental income of persons with cap- ital consumption adjustment.....	-4.9	-.7	.5	-.6	-.4	-.1	.3	.2
Personal dividend income.....	6.0	1.7	.4	.2	.4	.2	.1	.3
Personal interest income.....	53.8	29.3	-.3	-2.6	-3.5	-3.3	-2.8	-2.0
Transfer payments.....	13.0	31.5	1.1	8.5	-3.8	2.2	1.7	1.3
Less: Personal contributions for social insurance.....	13.4	16.7	-.6	.9	.7	.2	.9	.6
Less: Personal tax and nontax payments.....	29.1	46.9	6.0	4.0	5.5	4.2	5.1	5.9
Equals: Disposable personal income..	242.5	157.4	-5.4	4.9	1.6	5.7	7.4	4.7
Less: Personal outlays.....	204.5	182.8	23.1	13.6	22.5	56.7	-57.5	30.4
Equals: Personal saving.....	38.1	-25.4	-28.6	-8.7	-20.9	-51.0	64.9	-25.6
Addendum:								
Disposable personal income, billions of 1982 dollars.....	138.7	57.4	-16.5	1.9	-6.2	-7.9	.4	.....

r = revised p = preliminary

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

Table 4. Personal Consumption Expenditures by Major Type of Product

	1984	1985	Seasonally adjusted at annual rates					Nov 86p
			Jun 86	Jul 86r	Aug 86r	Sep 86r	Oct 86r	
Billions of current dollars								
Personal consumption expenditures...	2,428.2	2,600.5	2,753.8	2,766.7	2,788.6	2,844.0	2,785.4	2,815.0
Durable goods.....	331.2	359.3	374.2	385.5	402.8	455.2	381.9	386.1
Nondurable goods.....	870.1	905.1	936.4	932.3	934.9	931.2	939.4	949.0
Services.....	1,227.0	1,336.1	1,443.3	1,448.8	1,450.9	1,457.6	1,464.1	1,479.9
Billions of constant (1982) dollars								
Personal consumption expenditures...	2,246.3	2,324.5	2,418.9	2,427.9	2,440.0	2,476.2	2,419.6	.....
Durable goods.....	318.9	343.9	356.6	366.3	381.0	427.4	362.6	.....
Nondurable goods.....	828.6	841.6	882.2	878.5	878.5	869.4	877.0	.....
Services.....	1,098.7	1,139.0	1,180.1	1,183.1	1,180.5	1,179.3	1,180.0	.....
Implicit price deflators (Index numbers, 1982=100)								
Personal consumption expenditures...	108.1	111.9	113.8	114.0	114.3	114.9	115.1	.....
Durable goods.....	103.8	104.5	104.9	105.3	105.7	106.5	105.3	.....
Nondurable goods.....	105.0	107.5	106.1	106.1	106.4	107.1	107.1	.....
Services.....	111.7	117.3	122.3	122.5	122.9	123.6	124.1	.....
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	193.7	172.3	22.1	12.9	21.9	55.4	-58.6	29.6
Durable goods.....	42.1	28.1	-4.8	11.3	17.3	52.4	-73.3	4.2
Nondurable goods.....	53.4	35.0	9.8	-4.1	2.6	-3.7	8.2	9.6
Services.....	98.3	109.1	17.2	5.5	2.1	6.7	6.5	15.8
Billions of constant (1982) dollars								
Personal consumption expenditures...	100.3	78.2	8.6	9.0	12.1	36.2	-56.6	.....
Durable goods.....	35.8	25.0	-5.1	9.7	14.7	46.4	-64.8	.....
Nondurable goods.....	28.4	13.0	6.3	-3.7	.0	-9.1	7.6	.....
Services.....	36.0	40.3	7.4	3.0	-2.6	-1.2	.7	.....

r = revised p = preliminary

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