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 523-0810

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 523-0829

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PERSONAL INCOME AND OUTLAYS: APRIL 1988

Personal income increased \$4.4 billion in April to a seasonally adjusted annual rate of \$3,943.6 billion, according to the Commerce Department's Bureau of Economic Analysis. Personal outlays decreased \$0.6 billion to \$3,197.1 billion. In March, personal income increased \$43.5 billion and personal outlays increased \$25.2 billion, based on revised estimates.

	1988		
	Feb.	Mar.	Apr.
	(Percent change from preceding month)		
Personal income, current dollars.....	0.6	1.1	0.1
Disposable personal income:			
Current dollars.....	.8	1.0	-.9
Constant dollars.....	.8	.5	-1.6
Personal consumption expenditures:			
Current dollars.....	1.0	.8	0
Constant dollars.....	1.0	.3	-.7
Implicit price deflator.....	0	.5	.6

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 April and March increases in personal income were affected by three special factors: profit-sharing payments to employees in the motor vehicle industry, retroactive social security benefit payments, and a large increase in subsidy payments to farmers in March all lowered the April increase and raised the March increase. Excluding these special factors, which are discussed later in the release, personal income increased \$24.5 billion, or 0.6 percent, in April and \$10.8 billion, or 0.3 percent, in March.

Wages and salaries

Wages and salaries increased \$7.9 billion in April, compared with an increase of \$15.0 billion in March. Commodity-producing industries' payrolls decreased \$3.7 billion, in contrast to an increase of \$10.8 billion. Manufacturing payrolls decreased \$5.3 billion, in contrast to an increase of \$8.0 billion. The April decrease and most of the March increase were due to profit-sharing payments in March to employees in the motor vehicle industry (\$7.6 billion at an annual rate). Distributive industries' payrolls increased \$4.6 billion, compared with an increase of \$1.1 billion. Service industries' payrolls increased \$5.2 billion, compared with \$1.2 billion. Government wages and salaries increased \$1.9 billion in both months.

Nonwage income

Farm proprietors' income decreased \$7.6 billion in April, in contrast to an increase of \$19.4 billion in March. Federal subsidy payments to farm proprietors decreased \$8.1 billion in April, in contrast to an increase of \$20.7 billion in March. Payments were made in April and March to farmers enrolling in the 1988 Acreage Reduction Programs for feed grains, cotton, and rice; March also included payments to farmers enrolled in the 1987 program for feed grains. Excluding subsidy payments, farm proprietors' income increased \$0.5 billion in April, in contrast to a decrease of \$1.3 billion in March.

Transfer payments decreased \$0.8 billion in April, in contrast to an increase of \$6.2 billion in March. The large March increase was mostly due to retroactive social security payments of \$4.4 billion (at an annual rate). These payments result from recalculation of the earnings base underlying benefits for recent retirees.

Nonfarm proprietors' income increased \$3.3 billion in April, compared with \$2.9 billion in March. Personal interest income increased \$1.0 billion, compared with \$0.4 billion. All other nonwage income increased \$0.8 billion, compared with \$0.7 billion.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$36.2 billion in April, compared with an increase of \$10.9 billion in March. Most of the April increase was in federal nonwithheld income taxes -- declarations (estimated tax payments) and net settlements (final tax payments less refunds on 1987 taxes). Net settlements usually are concentrated in the period immediately prior to the April 15 filing deadline for federal taxes; this year the payments were larger than usual as a result of the indirect effects of the Tax Reform Act of 1986.

Disposable personal income -- personal income less personal tax and nontax payments -- decreased \$31.8 billion in April, in contrast to an increase of \$32.6 billion in March.

Personal outlays and personal saving

Personal outlays -- personal consumption expenditures (PCE), interest paid by consumers to business, and personal transfer payments to foreigners (net) -- decreased \$0.6 billion in April, in contrast to an increase of \$25.2 billion in March.

PCE decrease \$1.0 billion in April, in contrast to an increase of \$24.7 billion in March. Purchases of durable goods decreased \$4.3 billion, in contrast to an increase of \$3.0 billion. Purchases of nondurable goods decreased \$8.4 billion, in contrast to an increase of \$14.1 billion. Purchases of services increased \$11.6 billion, compared with an increase of \$7.7 billion.

Personal saving -- disposable personal income less outlays -- was \$127.3 billion in April, compared with \$158.5 billion in March.

Constant-dollar estimates

Constant-dollar disposable personal income -- disposable personal income adjusted to remove price changes -- decreased \$43.1 billion in April, in contrast to an increase of \$13.6 billion in March.

Constant-dollar PCE -- PCE adjusted to remove price changes -- decreased \$16.6 billion in April, in contrast to an increase of \$8.1 billion in March.

These estimates are prepared largely using components of the Consumer Price Index; the April CPI was available in time for use in this release.

Revisions

Estimates have been revised for January through March. Changes in personal income, personal outlays, and personal saving -- revised and as published in last month's release -- are shown on the next page. The upward revision in personal income in March was largely in subsidy payments to farm proprietors.

Change from preceding month

	Personal income		Personal outlays		Personal saving			
	Previous estimate (Percent)	Revised	Previous estimate (Billions of	Revised current dollars	Previous estimate at annual rates)	Revised		
1988:								
Jan.	0.1	0.1	3.4	3.0	3.9	1.5	8.7	10.9
Feb.	.6	.6	22.2	23.6	24.8	31.7	.8	-4.8
Mar.	.8	1.1	29.6	43.5	22.1	25.2	-3.4	7.4
			*	*	*			

Details of personal income and outlays for April 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 \$46.00 domestic. Second class mail: annual subscription \$18.00 domestic, \$22.50 foreign; single issue \$6.50 domestic, \$8.13 foreign.

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- (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
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This and other news releases are available electronically at the time of public release through the Commerce Department's Economic Bulletin Board at a nominal charge to users. For information, call (202) 377-1986.

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Next release for Personal Income and Outlays is June 24, at 10:00 A.M. EDT.

Table 1. Personal Income
[Billions of dollars]

	Seasonally adjusted at annual rates							
	1986	1987	Nov 87	Dec 87	Jan 88r	Feb 88r	Mar 88r	Apr 88p
Personal income.....	3,534.3	3,746.5	3,839.8	3,869.1	3,872.1	3,895.7	3,939.2	3,943.6
Wage and salary disbursements.....	2,089.1	2,212.7	2,271.9	2,281.1	2,293.3	2,308.9	2,323.9	2,331.8
Commodity-producing industries..	623.3	641.1	655.7	656.9	657.5	661.6	672.4	668.7
Manufacturing.....	470.5	484.0	495.2	496.1	497.6	499.0	507.0	501.7
Distributive industries.....	497.1	522.9	535.3	536.9	540.4	543.7	544.8	549.4
Service industries.....	573.9	627.3	650.0	652.9	658.4	664.5	665.7	670.9
Government and government enterprises.....	394.8	421.4	430.9	434.4	437.0	439.1	441.0	442.9
Other labor income.....	201.1	210.2	213.5	214.4	214.9	215.4	215.9	216.4
Proprietors' income with inventory valuation and capital consumption adjustments.....	289.8	327.4	326.5	338.1	328.0	332.6	354.9	350.6
Farm.....	37.2	48.4	37.5	47.9	37.9	40.2	59.6	52.0
Nonfarm.....	252.6	279.0	289.1	290.2	290.1	292.4	295.3	298.6
Rental income of persons with capital consumption adjustment.....	16.7	19.3	21.3	22.5	22.3	22.1	21.9	21.6
Personal dividend income.....	81.2	87.5	90.5	91.0	91.4	92.2	92.6	93.2
Personal interest income.....	497.6	516.2	538.9	544.5	545.3	545.9	546.3	547.3
Transfer payments.....	518.3	543.1	550.8	551.8	565.3	568.0	574.2	573.4
Old-age, survivors, disability, and health insurance benefits..	269.2	282.8	286.2	286.5	296.3	296.5	300.6	298.2
Government unemployment insurance benefits.....	16.4	14.7	13.6	13.8	13.5	13.9	14.0	14.1
Other.....	232.8	245.6	251.1	251.5	255.4	257.6	259.6	261.2
Less: Personal contributions for social insurance.....	159.6	169.9	173.7	174.3	188.4	189.4	190.4	190.8
Addenda:								
Total nonfarm income.....	3,475.2	3,676.6	3,780.4	3,799.2	3,812.2	3,833.4	3,857.6	3,869.5
Total farm income ¹	59.1	69.9	59.4	69.9	59.9	62.2	81.6	74.1

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]

	1986	1987	Seasonally adjusted at annual rates					
			Nov 87	Dec 87	Jan 88r	Feb 88r	Mar 88r	Apr 88p
Personal income.....	3,534.3	3,746.5	3,839.8	3,869.1	3,872.1	3,895.7	3,939.2	3,943.6
Less: Personal tax and nontax payments.....	512.2	564.8	579.0	584.8	575.4	572.1	583.0	619.2
Equals: Disposable personal income..	3,022.1	3,181.7	3,260.8	3,284.3	3,296.8	3,323.6	3,356.2	3,324.4
Less: Personal outlays.....	2,891.5	3,062.7	3,115.9	3,139.3	3,140.8	3,172.5	3,197.7	3,197.1
Personal consumption expenditures.	2,799.8	2,967.8	3,019.2	3,042.0	3,042.9	3,074.1	3,098.8	3,097.8
Interest paid by consumers to business.....	89.9	93.5	95.3	95.9	96.6	97.0	97.5	97.9
Personal transfer payments to foreigners (net).....	1.7	1.4	1.3	1.3	1.4	1.4	1.4	1.4
Equals: Personal saving.....	130.6	119.0	145.0	145.0	155.9	151.1	158.5	127.3
Addenda:								
Disposable personal income:								
Total, billions of 1982 dollars ¹ ...	2,645.1	2,677.2	2,699.9	2,720.1	2,720.6	2,742.6	2,756.2	2,713.1
Per capita:								
Current dollars.....	12,508	13,050	13,325	13,412	13,450	13,548	13,673	13,535
1982 dollars.....	10,947	10,980	11,033	11,108	11,100	11,180	11,228	11,046
Population (millions).....	241.6	243.8	244.7	244.9	245.1	245.3	245.5	245.6
Personal saving as percentage of disposable personal income ²	4.3	3.7	4.8	4.5	4.6	4.7	4.4

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]

	1986	1987	Seasonally adjusted at annual rates					
			Nov 87	Dec 87	Jan 88r	Feb 88r	Mar 88r	Apr 88p
Personal income.....	207.3	212.2	-14.6	29.3	3.0	23.6	43.5	4.4
Wage and salary disbursements.....	114.2	123.6	14.3	9.2	12.2	15.6	15.0	7.9
Other labor income.....	8.8	9.1	.8	.9	.5	.5	.5	.5
Proprietors' income with inventory valuation and capital consumption adjustments.....	32.6	37.6	-37.0	11.6	-10.1	4.6	22.3	-4.3
Farm.....	7.6	11.2	-40.0	10.4	-10.0	2.3	19.4	-7.6
Nonfarm.....	25.0	26.4	3.1	1.1	-.1	2.3	2.9	3.3
Rental income of persons with capital consumption adjustment.....	7.7	2.6	2.2	1.2	-.2	-.2	-.2	-.3
Personal dividend income.....	4.9	6.3	.5	.5	.4	.8	.4	.6
Personal interest income.....	21.1	18.6	5.9	5.6	.8	.6	.4	1.0
Transfer payments.....	28.6	24.8	-.6	1.0	13.5	2.7	6.2	-.8
Less: Personal contributions for social insurance.....	10.7	10.3	.9	.6	14.1	1.0	1.0	.4
Less: Personal tax and nontax payments.....	26.3	52.6	4.5	5.8	-9.4	-3.3	10.9	36.2
Equals: Disposable personal income..	181.0	159.6	-19.1	23.5	12.5	26.8	32.6	-31.8
Less: Personal outlays.....	177.4	171.2	13.0	23.4	1.5	31.7	25.2	-.6
Equals: Personal saving.....	3.5	-11.6	-32.0	.0	10.9	-4.8	7.4	-31.2
Addendum:								
Disposable personal income, billions of 1982 dollars.....	102.9	32.1	-21.5	20.2	.5	22.0	13.6	-43.1

r = revised p = preliminary

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

Table 4. Personal Consumption Expenditures by Major Type of Product

	Seasonally adjusted at annual rates							
	1986	1987	Nov 87	Dec 87	Jan 88r	Feb 88r	Mar 88r	Apr 88p
Billions of current dollars								
Personal consumption expenditures...	2,799.8	2,967.9	3,019.2	3,042.0	3,042.9	3,074.1	3,098.8	3,097.8
Durable goods.....	402.4	413.7	412.0	423.5	418.4	428.9	431.9	427.6
Nondurable goods.....	939.4	982.9	993.7	1,000.1	991.8	995.2	1,009.3	1,000.9
Services.....	1,458.0	1,571.2	1,613.5	1,618.4	1,632.6	1,650.0	1,657.7	1,669.3
Billions of constant (1982) dollars								
Personal consumption expenditures...	2,450.5	2,497.2	2,499.9	2,519.5	2,511.0	2,536.7	2,544.8	2,528.2
Durable goods.....	383.5	388.2	383.6	393.7	389.3	399.3	401.4	397.5
Nondurable goods.....	877.2	878.1	874.0	881.4	872.8	879.0	883.4	867.0
Services.....	1,189.8	1,230.9	1,242.3	1,244.4	1,248.9	1,258.4	1,260.0	1,263.7
Implicit price deflators (Index numbers, 1982 = 100)								
Personal consumption expenditures...	114.3	118.8	120.8	120.7	121.2	121.2	121.8	122.5
Durable goods.....	104.9	106.6	107.4	107.6	107.5	107.4	107.6	107.6
Nondurable goods.....	107.1	111.9	113.7	113.5	113.6	113.2	114.2	115.4
Services.....	122.5	127.6	129.9	130.1	130.7	131.1	131.6	132.1
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	170.4	168.1	12.7	22.8	.9	31.2	24.7	-1.0
Durable goods.....	33.7	11.3	8.6	11.5	-5.1	10.5	3.0	-4.3
Nondurable goods.....	26.3	43.5	8.3	6.4	-8.3	3.4	14.1	-8.4
Services.....	110.5	113.2	-4.2	4.9	14.2	17.4	7.7	11.6
Billions of constant (1982) dollars								
Personal consumption expenditures...	97.9	46.7	5.3	19.6	-8.5	25.7	8.1	-16.6
Durable goods.....	30.8	4.7	7.4	10.1	-4.4	10.0	2.1	-3.9
Nondurable goods.....	27.7	.9	5.8	7.4	-8.6	6.2	4.4	-16.4
Services.....	39.4	41.1	-7.9	2.1	4.5	9.5	1.6	3.7

r = revised p = preliminary

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