

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS

WASHINGTON, D.C. 20230

BUREAU OF
 ECONOMIC ANALYSIS

FOR WIRE TRANSMISSION: 10:00 A.M. EDT, WEDNESDAY, AUGUST 30, 1989

Pauline M. Cypert: (202) 523-0832 (Personal Income)
 523-0809

Clinton P. McCully: 523-0819 (Personal Outlays)

BEA 89-39

Recorded message: 898-2452

PERSONAL INCOME AND OUTLAYS: JULY 1989

Personal income increased \$32.8 billion in July to a seasonally adjusted annual rate of \$4,449.0 billion, according to the Commerce Department's Bureau of Economic Analysis. Personal outlays increased \$26.2 billion to \$3,586.5 billion. In June, personal income increased \$20.5 billion and personal outlays increased \$7.0 billion, based on revised estimates.

	1989		
	May	June	July
	(Percent change from preceding month)		
Personal income, current dollars.....	0.2	0.5	0.7
Disposable personal income:			
Current dollars.....	.8	.8	.7
Constant dollars.....	.4	.7	.5
Personal consumption expenditures:			
Current dollars.....	.5	.2	.7
Constant dollars.....	.1	.1	.5
Implicit price deflator.....	.4	.1	.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.

Wages and salaries

Wages and salaries increased \$25.4 billion in July, compared with an increase of \$17.6 billion in June. Commodity-producing industries' payrolls increased \$3.8 billion, compared with \$3.5 billion; manufacturing payrolls increased \$1.4 billion, compared with \$2.9 billion. Distributive industries' payrolls increased \$7.8 billion, compared with \$3.8 billion. Service industries' payrolls increased \$11.4 billion, compared with \$8.2 billion. Government wages and salaries increased \$2.4 billion, compared with \$2.1 billion.

Nonwage income

Farm proprietors' income decreased \$6.2 billion in July, compared with a decrease of \$11.4 billion in June. Federal subsidy payments to farm proprietors decreased \$3.1 billion, compared with a decrease of \$7.6 billion. Excluding subsidy payments, farm proprietors' income decreased \$3.1 billion in July, compared with a decrease of \$3.8 billion in June.

Nonfarm proprietors' income increased \$2.7 billion in July, compared with an increase of \$1.2 billion in June. Personal interest income increased \$6.4 billion, compared with \$6.6 billion. Transfer payments increased \$3.2 billion, compared with \$5.6 billion. All other nonwage income increased \$2.6 billion, compared with \$1.8 billion.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$4.7 billion in July, in contrast to a decrease of \$9.0 billion in June. The June decrease was in federal nonwithheld income taxes and was 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 -- increased \$28.1 billion in July, compared with an increase of \$29.5 billion in June.

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 \$26.2 billion in July, compared with an increase of \$7.0 billion in June.

PCE increased \$25.4 billion in July, compared with an increase of \$6.6 billion in June. Purchases of durable goods increased \$7.6 billion, compared with \$2.6 billion. Purchases of nondurable goods increased \$4.6 billion, in contrast to a decrease of \$0.2 billion. Purchases of services increased \$13.2 billion, compared with an increase of \$4.2 billion.

Personal saving -- disposable personal income less outlays -- was \$217.7 billion in July, compared with \$215.8 billion in June.

Constant-dollar estimates

Constant-dollar disposable personal income -- disposable personal income adjusted to remove price changes -- increased \$15.0 billion in July, compared with an increase of \$18.9 billion in June.

Constant-dollar PCE -- PCE adjusted to remove price changes -- increased \$13.4 billion in July, compared with an increase of \$1.7 billion in June.

Revisions

Estimates have been revised for April through June. 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 current dollars)	<u>Revised</u> (Billions of current dollars)	<u>Previous estimate</u> (Billions of current dollars)	<u>Revised</u> (Billions of current dollars)		
1989:								
Apr.	0.6	0.6	25.8	26.1	37.9	39.1	-48.6	-49.6
May	.2	.2	8.2	8.9	8.3	17.3	20.2	11.1
June	.3	.5	12.6	20.5	1.6	7.0	20.6	22.4

Details of personal income and outlays for July 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 \$43.00 domestic. Second class mail: annual subscription \$18.00 domestic, \$22.50 foreign; single issue \$6.50 domestic, \$8.13 foreign.

* * *

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 two quarterly series:
Merchandise trade, balance of payment basis, or
Summary of international transactions

* * *

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

* * *

Next release for Personal Income and Outlays is September 22, at 10:00 A.M. EDT.

Table 1. Personal Income
[Billions of dollars]

	1987	1988	Seasonally adjusted at annual rates					Jul 89p
			Feb 89	Mar 89	Apr 89r	May 89r	Jun 89r	
Personal income.....	3,777.6	4,064.5	4,319.5	4,360.7	4,386.8	4,395.7	4,416.2	4,449.0
Wage and salary disbursements.....	2,249.4	2,429.0	2,557.3	2,579.4	2,601.3	2,603.5	2,621.1	2,646.5
Commodity-producing industries..	649.9	696.3	724.3	734.8	732.5	732.6	736.1	739.9
Manufacturing.....	490.3	524.0	544.0	553.5	548.6	549.0	551.9	553.3
Distributive industries.....	531.9	571.9	598.1	601.0	610.0	609.1	612.9	620.7
Service industries.....	648.3	714.4	767.9	774.5	787.5	788.3	796.5	807.9
Government and government enterprises.....	419.2	446.5	467.0	469.2	471.2	473.6	475.7	478.1
Other labor income.....	212.8	228.9	241.3	242.9	244.4	246.0	247.5	249.1
Proprietors' income with inventory valuation and capital consumption adjustments.....	311.6	327.8	366.5	363.8	360.7	357.2	347.0	343.5
Farm.....	41.6	39.8	65.9	63.0	56.1	53.7	42.3	36.1
Nonfarm.....	270.0	288.0	300.6	300.8	304.6	303.5	304.7	307.4
Rental income of persons with capital consumption adjustment.....	13.4	15.7	11.8	9.9	9.7	9.7	9.6	9.6
Personal dividend income.....	92.0	102.2	109.4	110.3	111.0	111.4	111.8	112.8
Personal interest income.....	523.2	571.1	628.9	641.5	648.4	655.2	661.8	668.2
Transfer payments.....	548.2	584.7	614.2	624.2	623.9	625.5	631.1	634.3
Old-age, survivors, disability, and health insurance benefits..	282.9	300.5	315.0	321.9	322.0	321.7	324.9	326.3
Government unemployment insurance benefits.....	14.5	13.0	13.5	13.9	13.9	14.0	14.7	15.2
Other.....	250.9	271.2	285.7	288.4	288.1	289.7	291.6	292.8
Less: Personal contributions for social insurance.....	172.9	194.9	209.8	211.3	212.6	212.7	213.8	215.0
Addenda:								
Total nonfarm income.....	3,714.7	4,003.7	4,232.4	4,276.5	4,309.3	4,320.5	4,352.3	4,391.1
Total farm income 1/.....	62.9	60.8	87.1	84.2	77.5	75.2	64.0	57.9

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]

	1987	1988	Seasonally adjusted at annual rates					
			Feb 89	Mar 89	Apr 89r	May 89r	Jun 89r	Jul 89p
Personal income.....	3,777.6	4,064.5	4,319.5	4,360.7	4,386.8	4,395.7	4,416.2	4,449.0
Less: Personal tax and nontax payments.....	571.7	586.6	621.7	631.9	668.4	649.1	640.1	644.8
Equals: Disposable personal income..	3,205.9	3,477.8	3,697.8	3,728.8	3,718.3	3,746.6	3,776.1	3,804.2
Less: Personal outlays.....	3,104.1	3,333.1	3,487.1	3,496.9	3,536.0	3,553.3	3,560.3	3,586.5
Personal consumption expenditures.	3,010.8	3,235.1	3,384.7	3,394.0	3,433.5	3,450.2	3,456.8	3,482.2
Interest paid by consumers to business.....	91.4	96.1	100.2	100.7	101.0	101.5	101.9	102.3
Personal transfer payments to foreigners (net).....	1.9	1.9	2.2	2.2	1.6	1.6	1.6	2.0
Equals: Personal saving.....	101.8	144.7	210.7	231.9	182.3	193.4	215.8	217.7
Addenda:								
Disposable personal income:								
Total, billions of 1982 dollars 1/.	2,676.6	2,793.2	2,891.9	2,900.0	2,873.4	2,883.7	2,902.6	2,917.6
Per capita:								
Current dollars.....	13,140	14,116	14,917	15,031	14,989	15,092	15,199	15,290
1982 dollars.....	10,970	11,337	11,666	11,690	11,583	11,616	11,683	11,733
Population (millions).....	244.0	246.4	247.9	248.1	248.1	248.3	248.4	248.7
Personal saving as percentage of disposable personal income 2/....	3.2	4.2	5.6	5.6	5.4	5.3	5.5

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]

	1987	1988	Seasonally adjusted at annual rates					
			Feb 89	Mar 89	Apr 89r	May 89r	Jun 89r	Jul 89p
Personal income.....	251.4	286.9	46.4	41.2	26.1	8.9	20.5	32.8
Wage and salary disbursements.....	154.6	179.6	11.9	22.1	21.9	2.2	17.6	25.4
Other labor income.....	13.5	16.1	1.6	1.6	1.5	1.6	1.5	1.6
Proprietors' income with inventory valuation and capital consumption adjustments.....	29.6	16.2	18.9	-2.7	-3.1	-3.5	-10.2	-3.5
Farm.....	6.9	-1.8	17.9	-2.9	-6.9	-2.4	-11.4	-6.2
Nonfarm.....	22.8	18.0	1.0	.2	3.8	-1.1	1.2	2.7
Rental income of persons with capital consumption adjustment.....	1.8	2.3	-2.0	-1.9	-.2	.0	-.1	.0
Personal dividend income.....	6.2	10.2	1.0	.9	.7	.4	.4	1.0
Personal interest income.....	30.0	47.9	12.4	12.6	6.9	6.8	6.6	6.4
Transfer payments.....	26.7	36.5	3.5	10.0	-.3	1.6	5.6	3.2
Less: Personal contributions for social insurance.....	11.0	22.0	.8	1.5	1.3	.1	1.1	1.2
Less: Personal tax and nontax payments.....	58.8	14.9	-9.5	10.2	36.5	-19.3	-9.0	4.7
Equals: Disposable personal income..	192.6	271.9	55.9	31.0	-10.5	28.3	29.5	28.1
Less: Personal outlays.....	215.6	229.0	19.8	9.8	39.1	17.3	7.0	26.2
Equals: Personal saving.....	-23.1	42.9	36.1	21.2	-49.6	11.1	22.4	1.9
Addendum:								
Disposable personal income, billions of 1982 dollars.....	41.3	116.6	39.0	8.1	-26.6	10.3	18.9	15.0

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							
	1987	1988	Feb 89	Mar 89	Apr 89r	May 89r	Jun 89r	Jul 89p
Billions of current dollars								
Personal consumption expenditures...	3,010.8	3,235.1	3,384.7	3,394.0	3,433.5	3,450.2	3,456.8	3,482.2
Durable goods.....	421.0	455.2	464.2	461.8	477.2	466.6	469.2	476.8
Nondurable goods.....	998.1	1,052.3	1,098.6	1,102.5	1,112.9	1,126.7	1,126.5	1,131.1
Services.....	1,591.7	1,727.6	1,821.9	1,829.6	1,843.4	1,856.9	1,861.1	1,874.3
Billions of constant (1982) dollars								
Personal consumption expenditures...	2,513.7	2,598.4	2,647.0	2,639.6	2,653.3	2,655.5	2,657.2	2,670.6
Durable goods.....	389.6	413.6	417.2	417.1	430.3	421.5	423.0	428.8
Nondurable goods.....	890.4	904.5	918.1	911.3	906.3	911.7	912.0	917.6
Services.....	1,233.7	1,280.2	1,311.7	1,311.2	1,316.7	1,322.3	1,322.1	1,324.2
Implicit price deflators (Index numbers, 1982 = 100)								
Personal consumption expenditures...	119.8	124.5	127.9	128.6	129.4	129.9	130.1	130.4
Durable goods.....	108.1	110.1	111.3	110.7	110.9	110.7	110.9	111.2
Nondurable goods.....	112.1	116.3	119.7	121.0	122.8	123.6	123.5	123.3
Services.....	129.0	134.9	138.9	139.5	140.0	140.4	140.8	141.5
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	213.4	224.3	19.1	9.3	39.5	16.7	6.6	25.4
Durable goods.....	15.0	34.2	-8.9	-2.4	15.4	-10.6	2.6	7.6
Nondurable goods.....	56.1	54.2	4.8	3.9	10.4	13.8	-.2	4.6
Services.....	142.2	135.9	23.2	7.7	13.8	13.5	4.2	13.2
Billions of constant (1982) dollars								
Personal consumption expenditures...	67.3	84.7	10.5	-7.4	13.7	2.2	1.7	13.4
Durable goods.....	5.2	24.0	-6.5	-.1	13.2	-8.8	1.5	5.8
Nondurable goods.....	12.3	14.1	2.4	-6.8	-5.0	5.4	.3	5.6
Services.....	49.9	46.5	14.6	-.5	5.5	5.6	-.2	2.1

r = revised p = preliminary

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