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BUREAU OF
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PERSONAL INCOME AND OUTLAYS: NOVEMBER 1989

Personal income increased \$37.5 billion in November to a seasonally adjusted annual rate of \$4,541.0 billion, according to the Commerce Department's Bureau of Economic Analysis. Personal outlays increased \$26.5 billion to \$3,642.1 billion.

In October, personal income increased \$36.1 billion and personal outlays decreased \$6.0 billion, based on revised estimates.

	1989		
	Sept.	Oct.	Nov.
	(Percent change from preceding month)		
Personal income, current dollars.....	0.2	0.8	0.8
Disposable personal income:			
Current dollars.....	.1	.8	.9
Constant dollars.....	-.1	.1	.6
Personal consumption expenditures:			
Current dollars.....	-.1	-.2	.7
Constant dollars.....	-.4	-.8	.4
Implicit price deflator.....	.3	.7	.4

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.

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The November increase in personal income was affected by special factors that occurred in October. The Loma Prieta Earthquake reduced October personal income by about \$21 billion at an annual rate, and bonus payments to employees in the motor vehicle industry increased October personal income by about \$7 billion at an annual rate. The October increase was also affected by these factors and by subsidy payments to farm proprietors, which increased about \$7 billion at an annual rate, and by Hurricane Hugo, which reduced September personal income by about \$15 billion at an annual rate. The reductions associated with the earthquake and hurricane were largely in rental income of persons. Excluding the impact of the special factors, personal income increased about \$24 billion, or 0.5 percent, in November and about \$28 billion, or 0.6 percent, in October.

Wages and salaries

Wages and salaries increased \$1.7 billion in November, compared with an increase of \$29.4 billion in October. Commodity-producing industries' payrolls decreased \$2.5 billion, in contrast to an increase of \$7.2 billion. Manufacturing payrolls decreased \$4.9 billion, in contrast to an increase of \$6.3 billion; October bonus payments to employees in the motor vehicle industry -- \$6.8 billion at an annual rate -- accounted for the November decrease and the October increase. Distributive industries' payrolls increased \$2.0 billion in November, compared with an increase of \$6.8 billion in October. Service industries' payrolls decreased \$0.1 billion, in contrast to an increase of \$13.3 billion. Government wages and salaries increased \$2.3 billion, compared with an increase of \$2.1 billion.

Nonwage income

Rental income increased \$17.6 billion in November, in contrast to a decrease of \$5.9 billion in October. The earthquake and the hurricane reduced rental income by about \$17 billion in October and \$9 billion in September, reflecting uninsured losses, which are deducted as an expense.

Farm proprietors' income increased \$0.3 billion in November, compared with an increase of \$7.1 billion in October. Federal subsidy payments to farm proprietors were unchanged in November, following an increase of \$7.2 billion in October.

Transfer payments increased \$6.9 billion in November, compared with an increase of \$3.3 billion in October. The November increase reflected retroactive social security benefit payments of \$2.7 billion at an annual rate. These payments result from recalculation of the earnings base underlying benefits for recent retirees.

Nonfarm proprietors' income increased \$7.1 billion in November, in contrast to a decrease of \$0.9 billion in October. Personal interest income increased \$1.6 billion in November, compared with an increase of \$2.0 billion in October. All other nonwage income increased \$2.5 billion, compared with \$2.8 billion.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$2.5 billion in November, compared with an increase of \$6.8 billion in October. Disposable personal income -- personal income less personal tax and nontax payments -- increased \$35.3 billion, compared with \$29.2 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 \$26.5 billion in November, in contrast to a decrease of \$6.0 billion in October.

PCE increased \$26.2 billion in November, in contrast to a decrease of \$6.3 billion in October. Purchases of durable goods increased \$1.9 billion, in contrast to a decrease of \$23.3 billion; the October decrease was mainly in purchases of motor vehicles. Purchases of nondurable goods increased \$12.5 billion, in contrast to a decrease of \$1.6 billion. Purchases of services increased \$12.0 billion, compared with an increase of \$18.5 billion.

Personal saving -- disposable personal income less outlays -- was \$235.8 billion in November, compared with \$226.9 billion in October.

Constant-dollar estimates

Constant-dollar disposable personal income -- disposable personal income adjusted to remove price changes -- increased \$17.0 billion in November, compared with an increase of \$3.2 billion in October.

Constant-dollar PCE -- PCE adjusted to remove price changes -- increased \$11.0 billion in November, in contrast to a decrease of \$22.4 billion in October.

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 current dollars)	<u>Revised</u>	<u>Previous estimate</u> (Billions of current dollars)	<u>Revised</u>		
1989:								
Jul.	0.6	0.6	26.8	26.2	30.9	30.1	-8.9	-8.8
Aug.	.3	.3	14.2	13.2	36.7	36.1	-25.8	-26.1
Sept.	.3	.2	11.2	10.2	9.9	-3.2	-4.1	8.1
Oct.	.9	.8	40.6	36.1	-5.8	-6.0	39.0	35.1

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 \$43.00 domestic. Second class mail: annual subscription \$18.00 domestic, \$22.50 foreign; single issue \$6.50 domestic, \$8.13 foreign.

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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

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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. There is a nominal charge to users; for information, call (202) 377-1986.

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Next release for Personal Income and Outlays is January 29, at 10:00 A.M. EST.

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Release Dates for Personal Income and Outlays for 1990.

January 29	April 30	July 30	October 31
March 1	May 25	August 27	November 29
March 29	June 22	September 26	December 20

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

	Seasonally adjusted at annual rates							
	1987	1988	Jun 89	Jul 89r	Aug 89r	Sep 89r	Oct 89r	Nov 89p
Personal income.....	3,777.6	4,064.5	4,417.5	4,443.7	4,456.9	4,467.1	4,503.2	4,541.0
Wage and salary disbursements.....	2,249.4	2,429.0	2,621.7	2,644.7	2,651.0	2,668.4	2,697.8	2,699.5
Commodity-producing industries..	649.9	696.3	736.1	739.2	744.2	744.6	751.8	749.3
Manufacturing.....	490.3	524.0	552.0	553.4	556.9	556.8	563.1	558.2
Distributive industries.....	531.9	571.9	613.3	620.2	615.6	622.5	629.3	631.3
Service industries.....	648.3	714.4	796.6	807.3	810.9	818.9	832.2	832.1
Government and government enterprises.....	419.2	446.5	475.7	478.0	480.2	482.4	484.5	486.8
Other labor income.....	212.8	228.9	247.5	249.1	250.7	252.2	253.8	255.3
Proprietors' income with IVA and CCAdj.....	311.6	327.8	347.8	345.1	344.6	340.2	346.6	353.9
Farm.....	41.6	39.8	43.2	38.8	36.5	32.9	40.0	40.3
Nonfarm.....	270.0	288.0	304.6	306.3	308.0	307.4	306.5	313.6
Rental income of persons with CCAdj.....	13.4	15.7	9.7	9.3	8.4	-1.6	-7.5	10.2
Personal dividend income.....	92.0	102.2	111.8	112.8	113.3	113.6	114.8	115.8
Personal interest income.....	523.2	571.1	661.8	665.0	667.9	670.4	672.4	674.0
Transfer payments.....	548.2	584.7	630.9	632.6	636.4	640.2	643.5	650.4
Old-age, survivors, disability, and health insurance benefits	282.9	300.5	325.0	326.4	327.5	330.0	329.6	334.9
Government unemployment insurance benefits.....	14.5	13.0	14.4	14.4	14.6	14.5	14.7	14.9
Other.....	250.9	271.2	291.4	291.9	294.3	295.7	299.3	300.6
Less: Personal contributions for social insurance.....	172.9	194.9	213.8	214.8	215.2	216.3	218.1	218.2
Addenda:								
Total nonfarm income.....	3,714.7	4,003.7	4,352.6	4,383.1	4,398.6	4,412.4	4,441.3	4,478.8
Total farm income 1/.....	62.9	60.8	64.8	60.5	58.3	54.7	61.9	62.2

p Preliminary r Revised

IVA Inventory valuation adjustment

CCAdj Capital consumption adjustment

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

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

	1987	1988	Seasonally adjusted at annual rates					
			Jun 89	Jul 89r	Aug 89r	Sep 89r	Oct 89r	Nov 89p
Personal income.....	3,777.6	4,064.5	4,417.5	4,443.7	4,456.9	4,467.1	4,503.2	4,541.0
Less: Personal tax and nontax payments.....	571.7	586.6	640.2	645.2	648.3	653.8	660.6	663.1
Equals: Disposable personal income..	3,205.9	3,477.8	3,777.2	3,798.5	3,808.6	3,813.4	3,842.6	3,877.9
Less: Personal outlays.....	3,104.1	3,333.1	3,558.6	3,588.7	3,624.8	3,621.6	3,615.6	3,642.1
Personal consumption expenditures.	3,010.8	3,235.1	3,455.4	3,485.3	3,521.2	3,517.8	3,511.5	3,537.7
Interest paid by consumers to business.....	91.4	96.1	101.9	101.7	102.0	102.2	102.6	102.8
Personal transfer payments to foreigners (net).....	1.9	1.9	1.4	1.6	1.6	1.6	1.6	1.6
Equals: Personal saving.....	101.8	144.7	218.6	209.8	183.7	191.8	226.9	235.8
Addenda:								
Disposable personal income:								
Total, billions of 1982 dollars 1/	2,676.6	2,793.2	2,904.5	2,913.4	2,924.0	2,920.1	2,923.3	2,940.3
Per capita:								
Current dollars.....	13,140	14,116	15,190	15,261	15,287	15,291	15,394	15,523
1982 dollars.....	10,970	11,337	11,680	11,705	11,736	11,709	11,711	11,769
Population (millions).....	244.0	246.4	248.7	248.9	249.1	249.4	249.6	249.8
Personal saving as percentage of disposable personal income 2/....	3.2	4.2	5.5	5.4	5.1	5.3	5.7

p Preliminary r Revised

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.

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					
			Jun 89	Jul 89r	Aug 89r	Sep 89r	Oct 89r	Nov 89p
Personal income.....	251.4	286.9	21.2	26.2	13.2	10.2	36.1	37.8
Wage and salary disbursements.....	154.6	179.6	18.2	23.0	6.3	17.4	29.4	1.7
Other labor income.....	13.5	16.1	1.5	1.6	1.6	1.5	1.6	1.5
Proprietors' income with IVA and CCAdj.....	29.6	16.2	-9.9	-2.7	-.5	-4.4	6.4	7.3
Farm.....	6.9	-1.8	-11.1	-4.4	-2.3	-3.6	7.1	.3
Nonfarm.....	22.8	18.0	1.1	1.7	1.7	-.6	-.9	7.1
Rental income of persons with CCAdj.....	1.8	2.3	-.1	-.4	-.9	-9.9	-5.9	17.6
Personal dividend income.....	6.2	10.2	.4	1.0	.5	.3	1.2	1.0
Personal interest income.....	30.0	47.9	6.6	3.2	2.9	2.5	2.0	1.6
Transfer payments.....	26.7	36.5	5.4	1.7	3.8	3.8	3.3	6.9
Less: Personal contributions for social insurance.....	11.0	22.0	1.1	1.0	.4	1.1	1.8	.1
Less: Personal tax and nontax payments.....	58.8	14.9	-8.9	5.0	3.1	5.5	6.8	2.5
Equals: Disposable personal income..	192.6	271.9	30.0	21.3	10.1	4.8	29.2	35.3
Less: Personal outlays.....	215.6	229.0	10.7	30.1	36.1	-3.2	-6.0	26.5
Equals: Personal saving.....	-23.1	42.9	19.2	-8.8	-26.1	8.1	35.1	8.9
Addendum:								
Disposable personal income, billions of 1982 dollars.....	41.3	116.6	20.4	8.9	10.6	-3.9	3.2	17.0

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

	Seasonally adjusted at annual rates							
	1987	1988	Jun 89	Jul 89r	Aug 89r	Sep 89r	Oct 89r	Nov 89p
Billions of current dollars								
Personal consumption expenditures...	3,010.8	3,235.1	3,455.4	3,485.3	3,521.2	3,517.8	3,511.5	3,537.7
Durable goods.....	421.0	455.2	469.1	478.4	498.9	480.9	457.6	459.5
Nondurable goods.....	998.1	1,052.3	1,125.0	1,130.0	1,129.7	1,134.6	1,133.0	1,145.5
Services.....	1,591.7	1,727.6	1,861.3	1,877.0	1,892.6	1,902.3	1,920.8	1,932.8
Billions of constant (1982) dollars								
Personal consumption expenditures...	2,513.7	2,598.4	2,657.1	2,673.3	2,703.3	2,693.8	2,671.4	2,682.4
Durable goods.....	389.6	413.6	423.0	429.8	447.1	432.5	412.5	413.0
Nondurable goods.....	890.4	904.5	911.2	916.2	922.5	923.6	915.3	921.7
Services.....	1,233.7	1,280.2	1,322.9	1,327.3	1,333.8	1,337.7	1,343.6	1,347.7
Implicit price deflators (Index numbers, 1982 = 100)								
Personal consumption expenditures...	119.8	124.5	130.0	130.4	130.3	130.6	131.4	131.9
Durable goods.....	108.1	110.1	110.9	111.3	111.6	111.2	110.9	111.2
Nondurable goods.....	112.1	116.3	123.5	123.3	122.5	122.8	123.8	124.3
Services.....	129.0	134.9	140.7	141.4	141.9	142.2	143.0	143.4
Change from preceding period								
Billions of current dollars								
Personal consumption expenditures...	213.4	224.3	10.4	29.9	35.9	-3.4	-6.3	26.2
Durable goods.....	15.1	34.2	2.6	9.3	20.6	-18.0	-23.3	1.9
Nondurable goods.....	56.1	54.2	-1.7	5.0	-.3	4.9	-1.5	12.4
Services.....	142.2	135.8	9.5	15.6	15.6	9.7	18.5	11.9
Billions of constant (1982) dollars								
Personal consumption expenditures...	67.3	84.6	5.6	16.2	30.1	-9.5	-22.4	11.0
Durable goods.....	5.2	24.0	1.6	6.8	17.3	-14.6	-19.9	.5
Nondurable goods.....	12.2	14.2	-.5	5.0	6.2	1.1	-8.3	6.4
Services.....	49.9	46.5	4.4	4.4	6.5	3.9	5.9	4.1

p Preliminary r Revised

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