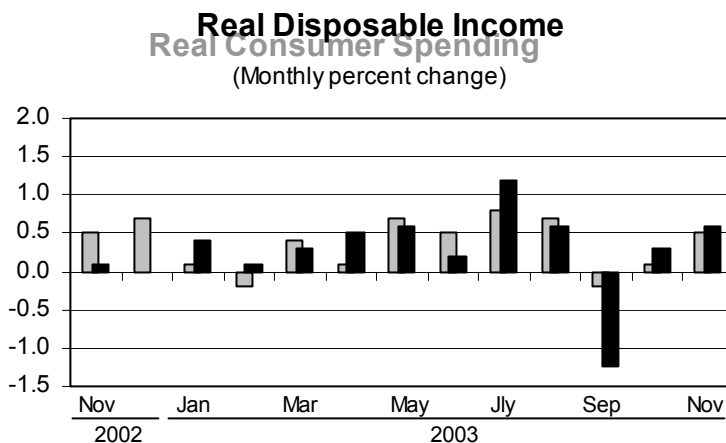




Tuesday, December 23, 2003

INCOME AND CONSUMER SPENDING ROSE IN NOVEMBER

Real disposable income and consumer spending each increased about $\frac{1}{2}$ of 1 percent in November 2003, according to estimates released today by the U.S. Bureau of Economic Analysis. In October, each had posted a smaller increase.



Source: U.S. Bureau of Economic Analysis

Real disposable personal income—after-tax income, adjusted for inflation—increased 0.6 percent.

- The average increase over the previous 12 months was 0.3 percent. Sizable increases in July and August, and a sizable decrease in September, partly reflected the pattern of advance payments of child tax credits associated with last spring's tax act.

Real consumer spending increased 0.5 percent.

- Purchases of durable goods, nondurable goods, and services were all stronger in November than in October. Over the previous 12 months, the average increase in real consumer spending was 0.4 percent.

Since November of last year, real disposable personal income and consumer spending have increased 3.6 percent and 4.0 percent, respectively.

In November, 1.8 percent of disposable income was saved, slightly more than in October.

In November, personal income—the total income received by individuals, before taxes—increased 0.5 percent; in October, it had increased 0.2 percent. ("Personal income" is *not* adjusted to remove the effects of inflation.)

- The November increase was largely accounted for by wages (which represent more than half of personal income), proprietors' incomes, and rental income; in October, proprietors' incomes were not a major factor.

BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states and industries—are available on the BEA Web site: <www.bea.gov>.

NOTE: Estimates of personal income and outlays for December, along with revised estimates for October and November, will be released on February 2, 2004.

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Bureau of Economic Analysis
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