

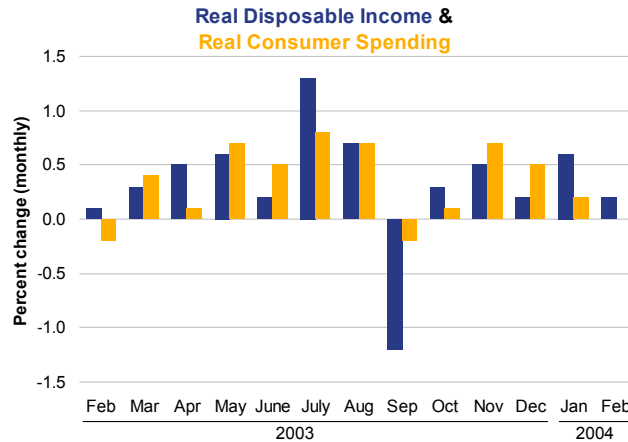


FRIDAY, March 26, 2004

REAL INCOME ROSE IN FEBRUARY

Personal Income Estimates

Real disposable income increased 0.2 percent in February 2004, and real consumer spending was unchanged, according to estimates released today by the U.S. Bureau of Economic Analysis.



Real disposable personal income is after-tax income, adjusted for inflation. Over the previous 12 months, the average increase was 0.4 percent.

The flatness of real consumer spending in February compares with an average increase over the previous 12 months of 0.4 percent.

- Spending on services increased at about its average rate, but spending on nondurable goods (like food and clothing) decreased. Spending on durable goods, led by motor vehicles, decreased slightly.

Since February of last year, real disposable personal income has increased 4.1 percent, and real consumer spending has increased 4.3 percent.

In February, 1.9 percent of disposable income was saved, compared with 1.8 percent in January.

Personal income—the total income received by individuals, before taxes—increased 0.4 percent in February, slightly more than in January and the same as the average increase over the previous 12 months. (“Personal income” is *not* adjusted to remove the effects of inflation.)

- About two-thirds of personal income comes in the form of compensation of employees. Compensation increased in February, along with proprietors’ income and transfer payments. These increases were partly offset by decreases in rental income and in investment income.

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

NOTE: Estimates of personal income and outlays for March, along with revised estimates for January and February, will be released on April 30, 2004.

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Bureau of Economic Analysis
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