

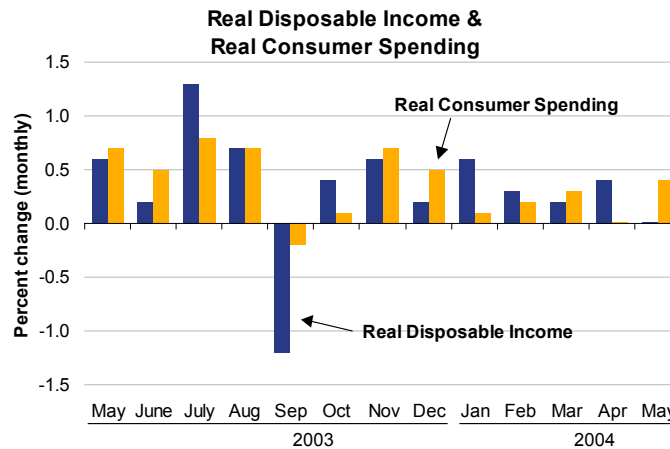


MONDAY, June 28, 2004

## INFLATION-ADJUSTED INCOME FLAT IN MAY; SPENDING UP

*Personal Income Estimates*

Disposable personal income increased 0.6 percent in May but prices also increased, mainly reflecting a run-up in food and energy prices; thus, on an inflation-adjusted basis, income was unchanged, according to estimates released today by the U.S. Bureau of Economic Analysis. Real consumer spending increased 0.4 percent in May. In April, real income had increased 0.4 percent while spending had been flat.



Real consumer spending on durable goods—especially motor vehicles—increased substantially in May after decreasing in April. Spending on nondurable goods also turned up in May, while spending on services increased more than in April.

Since May of last year, real disposable personal income has increased 3.8 percent, and real consumer spending has increased 4.1 percent.

Personal saving was 2.2 percent of disposable personal income in April, down from 2.6 percent in March.

Personal income—the total income received by individuals, before taxes—increased 0.6 percent in May, the same as in April. (Since May of last year, personal income has increased 5.8 percent.) “Personal income” is *not* adjusted to remove the effects of inflation.

- The May increase was mainly accounted for by increases in employee compensation and in incomes received by proprietors. (Compensation accounts for about two-thirds of all personal income, and proprietors’ income accounts for about one-tenth.)

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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](http://www.bea.gov)>.

NOTE: Estimates of personal income and outlays for June will be released on August 3, 2004; the release will also present revised estimates (incorporating the regular annual revision of the national income and product accounts) for January 2001 forward.

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Bureau of Economic Analysis  
U.S. Department of Commerce