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PERSONAL INCOME AND OUTLAYS: OCTOBER 2005

Personal income increased \$42.5 billion, or 0.4 percent, and disposable personal income (DPI) increased \$26.4 billion, or 0.3 percent, in October, according to the Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$15.1 billion, or 0.2 percent. In September, personal income rebounded from the effects of Hurricane Katrina and increased \$174.8 billion, or 1.7 percent, DPI increased \$172.0 billion, or 1.9 percent, and PCE increased \$46.8 billion, or 0.5 percent, based on revised estimates.

	2005				
	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Oct.</u>
	(Percent change from preceding month)				
Personal income, current dollars	0.5	0.4	-1.0	1.7	0.4
Disposable personal income:					
Current dollars	0.5	0.4	-1.1	1.9	0.3
Chained (2000) dollars	0.4	0.1	-1.5	1.0	0.2
Personal consumption expenditures:					
Current dollars	1.0	1.4	-0.5	0.5	0.2
Chained (2000) dollars	1.0	1.1	-0.9	-0.4	0.1

This news release also presents revised estimates of wages and salaries, personal taxes, and contributions for government social insurance for April through June 2005 (second quarter). These estimates reflect newly available second-quarter wage and salary tabulations from the quarterly census of employment and wages from the Bureau of Labor Statistics.

NOTE.--Monthly estimates are expressed at seasonally adjusted annual rates, unless otherwise specified. Month-to-month dollar changes are differences between these published estimates. Month-to-month percent changes are calculated from unrounded data and are not annualized. "Real" estimates are in chained (2000) dollars.

This news release is available on BEA's Web site at www.bea.gov/bea/rels.htm.

The October, September, and August estimates of personal income reflect the effects of Hurricanes Wilma, Rita and Katrina. Rental income of persons and proprietors' income together were reduced by about \$10 billion (at an annual rate) in October, by about \$5 billion in September, and by about \$240 billion in August to reflect the uninsured losses of residential and business property. "Other current transfer receipts from business (net)" was boosted by about \$13 billion (at an annual rate) in October, by about \$7 billion in September, and by about \$120 billion in August to reflect insurance benefits payments to persons. Excluding these effects, which are discussed more fully below, personal income increased \$42.1 billion, or 0.4 percent, in October, after increasing \$52.1 billion, or 0.5 percent, in September, and \$19.8 billion, or 0.2 percent, in August. Because other effects of the hurricanes were embedded in BEA's source data and could not be separately identified, BEA did not attempt to quantify their impact.

For more information on how disasters are treated in the national accounts, see FAQs on "Disasters" on BEA's Web site.

Wages and salaries

Private wage and salary disbursements increased \$32.9 billion in October, compared with an increase of \$15.2 billion in September. Goods-producing industries' payrolls increased \$12.6 billion, in contrast to a decrease of \$1.9 billion; manufacturing payrolls increased \$10.2 billion, in contrast to a decrease of \$3.0 billion. Services-producing industries' payrolls increased \$20.3 billion, compared with an increase of \$17.1 billion. Government wage and salary disbursements increased \$1.5 billion, compared with an increase of \$4.3 billion.

Other personal income

Supplements to wages and salaries increased \$7.1 billion in October, compared with an increase of \$8.5 billion in September.

Proprietors' income decreased \$1.7 billion in October, in contrast to an increase of \$43.9 billion in September. Farm proprietors' income decreased \$0.4 billion, in contrast to an increase of \$0.5 billion. Nonfarm proprietors' income decreased \$1.4 billion, in contrast to an increase of \$43.3 billion. Changes in nonfarm proprietors' income reflected the impact of Hurricanes Wilma, Rita, and Katrina, which subtracted \$1.5 billion (at an annual rate) in October, subtracted \$0.5 billion in September, and subtracted \$41.6 billion in August.

Rental income of persons decreased \$13.8 billion in October, in contrast to an increase of \$192.6 billion in September. Changes in rental income reflected the impact of the hurricanes, which subtracted \$9.0 billion (at an annual rate) in October, subtracted \$4.8 billion in September, and subtracted \$199.6 billion in August.

Personal income receipts on assets (personal interest income plus personal dividend income) increased \$8.1 billion in October, compared with an increase of \$6.3 billion in September.

Personal current transfer receipts increased \$12.4 billion in October, in contrast to a decrease of \$94.0 billion in September. Changes in personal current transfer receipts reflected the impact of net insurance settlements associated with the hurricanes, which added \$12.7 billion (at an annual rate) in October, added \$7.1 billion in September, and added \$120.3 billion in August.

Contributions for government social insurance -- a subtraction in calculating personal income -- increased \$4.1 billion in October, compared with an increase \$1.9 billion in September.

Personal current taxes and disposable personal income

Personal current taxes was increased \$16.0 billion in October, compared with an increase of \$2.9 billion in September. Disposable personal income (DPI) -- personal income less personal current taxes -- increased \$26.4 billion, or 0.3 percent, in October, compared with an increase of \$172.0 billion, or 1.9 percent, in September.

Personal outlays and personal saving

Personal outlays -- PCE, personal interest payments, and personal current transfer payments increased \$17.0 billion in October, compared with an increase of \$48.1 billion in September. PCE increased \$15.1 billion, compared with an increase of \$46.8 billion.

Personal saving -- DPI less personal outlays -- was a negative \$61.5 billion in October, compared with a negative \$70.9 billion in September. Personal saving as a percentage of disposable personal income was a negative 0.7 percent in October, compared with a negative 0.8 percent in September. Negative personal saving reflects personal outlays that exceed disposable personal income. Saving from current income may be near zero or negative when outlays are financed by borrowing (including borrowing financed through credit cards or home equity loans), by selling investments or other assets, or by using savings from previous periods. For more information, see the FAQs on "Personal Saving" on BEA's Web site.

Real DPI and real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 0.2 percent in October, compared with an increase of 1.0 percent in September.

Real PCE -- PCE adjusted to remove price changes -- increased 0.1 percent in October, in contrast to a decrease of 0.4 percent in September. Purchases of durable goods decreased 2.5 percent, compared with a decrease of 3.0 percent. Purchases of motor vehicles and parts accounted for most of the decreases in October and in September. Purchases of nondurable goods increased 1.0 percent in October, in contrast to a decrease of 0.7 percent in September. Purchases of services increased 0.1 percent, compared with an increase of 0.3 percent.

Revisions

Estimates have been revised for April through September. Changes in personal income, current-dollar and chained (2000) dollar DPI, and current-dollar and chained (2000) dollar PCE for August and September -- revised and as published in last month's release -- are shown below.

For April through September, the revisions to wages and salaries reflected the incorporation of the most recently available BLS tabulations of second-quarter private wages and salaries from the quarterly census of employment and wages. Wages and salaries were revised down for all six months. Revisions to personal current taxes and to contributions for government social insurance reflected the revisions to wages and salaries.

	<u>Change from preceding month</u>							
	<u>August</u>				<u>September</u>			
	<u>Previous</u>	<u>Revised</u>	<u>Previous</u>	<u>Revised</u>	<u>Previous</u>	<u>Revised</u>	<u>Previous</u>	<u>Revised</u>
	(Billions of dollars)		(Percent)		(Billions of dollars)		(Percent)	
Personal Income:								
Current dollars.....	-94.9	-101.1	-0.9	-1.0	173.5	174.8	1.7	1.7
Disposable personal income:								
Current dollars.....	-95.4	-100.6	-1.1	-1.1	171.2	172.0	1.9	1.9
Chained (2000) dollars.....	-118.7	-123.6	-1.5	-1.5	77.9	79.1	1.0	1.0
Personal consumption expenditures:								
Current dollars.....	-48.4	-40.1	-0.5	-0.5	44.1	46.8	0.5	0.5
Chained (2000) dollars.....	-76.0	-68.6	-1.0	-0.9	-33.4	-31.0	-0.4	-0.4

BEA's national, international, regional, and industry estimates; the *Survey of Current Business*; and BEA news releases are available without charge on BEA's Web site at www.bea.gov. By visiting the site, you can also subscribe to receive free e-mail summaries of BEA releases and announcements.

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Next release -- Personal Income and Outlays for November will be released on
December 22, 2005, at 8:30 A.M. EST.

Table 1.—Personal Income and Its Disposition (Months)

[Billions of dollars]

	Seasonally adjusted at annual rates							
	2005							
	Mar.	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
Personal income	10,122.0	10,145.1	10,180.6	10,231.5	10,268.8	10,167.7	10,342.5	10,385.0
Compensation of employees, received	7,040.3	7,035.6	7,058.8	7,086.1	7,135.4	7,141.7	7,169.6	7,211.3
Wage and salary disbursements	5,655.3	5,650.1	5,671.1	5,695.7	5,734.7	5,734.4	5,753.9	5,788.3
Private industries	4,691.1	4,684.2	4,703.6	4,727.4	4,763.1	4,759.8	4,775.0	4,807.9
Goods-producing industries	1,105.9	1,102.9	1,106.8	1,111.8	1,117.0	1,120.1	1,118.2	1,130.8
Manufacturing	719.2	713.9	715.1	717.5	720.5	721.8	718.8	729.0
Services-producing industries	3,585.2	3,581.2	3,596.8	3,615.6	3,646.1	3,639.7	3,656.8	3,677.1
Trade, transportation, and utilities	942.0	946.4	950.9	955.9	964.2	960.2	961.1	964.9
Other services-producing industries	2,643.2	2,634.8	2,645.9	2,659.7	2,682.0	2,679.4	2,695.7	2,712.2
Government	964.1	965.9	967.5	968.4	971.6	974.6	978.9	980.4
Supplements to wages and salaries	1,385.0	1,385.5	1,387.7	1,390.4	1,400.7	1,407.3	1,415.8	1,422.9
Employer contributions for employee pension and insurance funds	961.8	963.2	964.4	965.6	973.8	980.8	988.4	993.6
Employer contributions for government social insurance	423.2	422.3	423.4	424.8	427.0	426.5	427.4	429.4
Proprietors' income with inventory valuation and capital consumption adjustments	924.1	930.8	933.5	945.7	946.4	912.3	956.2	954.5
Farm	25.9	23.2	19.7	15.8	19.1	17.5	18.0	17.6
Nonfarm	898.2	907.5	913.8	929.9	927.3	894.9	938.2	936.8
Rental income of persons with capital consumption adjustment	114.4	109.4	104.1	99.7	97.7	-104.8	87.8	74.0
Personal income receipts on assets	1,413.1	1,426.8	1,439.7	1,452.8	1,459.1	1,465.3	1,471.6	1,479.7
Personal interest income	918.1	927.0	936.0	944.9	946.3	947.7	949.1	952.0
Personal dividend income	495.0	499.8	503.8	507.9	512.8	517.6	522.5	527.7
Personal current transfer receipts	1,494.0	1,504.9	1,509.1	1,514.8	1,502.4	1,624.8	1,530.8	1,543.2
Government social benefits to persons	1,464.8	1,475.7	1,479.8	1,485.5	1,473.1	1,475.1	1,494.3	1,501.0
Old-age, survivors, disability, and health insurance benefits	832.1	838.8	842.2	845.6	847.3	851.2	851.9	855.7
Government unemployment insurance benefits	29.2	28.1	27.7	28.1	27.9	27.6	30.0	30.7
Other	603.6	608.8	609.9	611.8	597.9	596.3	612.4	614.6
Other current transfer receipts, from business (net)	29.1	29.2	29.2	29.3	29.3	149.7	36.5	42.1
Less: Contributions for government social insurance	863.8	862.4	864.7	867.6	872.2	871.6	873.5	877.6
Less: Personal current taxes	1,179.8	1,196.1	1,206.0	1,216.1	1,216.2	1,215.7	1,218.6	1,234.6
Equals: Disposable personal income	8,942.2	8,949.0	8,974.6	9,015.4	9,052.6	8,952.0	9,124.0	9,150.4
Less: Personal outlays	8,902.2	8,966.7	8,971.4	9,065.4	9,185.5	9,146.8	9,194.9	9,211.9
Personal consumption expenditures	8,582.6	8,646.6	8,647.2	8,737.3	8,856.5	8,816.4	8,863.2	8,878.3
Durable goods	1,030.7	1,046.4	1,008.9	1,051.2	1,129.9	1,030.5	1,000.2	975.1
Nondurable goods	2,485.4	2,529.2	2,525.1	2,546.8	2,566.8	2,603.7	2,645.4	2,661.5
Services	5,066.5	5,071.0	5,113.2	5,139.2	5,159.8	5,182.2	5,217.6	5,241.7
Personal interest payments ¹	198.4	201.8	205.3	208.8	209.7	210.5	211.4	212.7
Personal current transfer payments	121.3	118.3	118.8	119.3	119.3	119.8	120.3	120.8
To government	72.9	73.4	74.0	74.4	75.0	75.4	76.0	76.5
To the rest of the world (net)	48.3	44.9	44.9	44.9	44.4	44.4	44.4	44.4
Equals: Personal saving	40.0	-17.7	3.2	-50.0	-132.9	-194.8	-70.9	-61.5
Personal saving as a percentage of disposable personal income .....	.4	-2	0	-6	-1.5	-2.2	-8	-7
Addenda:								
Disposable personal income:								
Total, billions of chained (2000) dollars ²	8,105.6	8,077.9	8,097.1	8,133.0	8,143.8	8,020.2	8,099.3	8,114.5
Per capita:								
Current dollars	30,218	30,218	30,281	30,393	30,492	30,125	30,676	30,736
Chained (2000) dollars	27,391	27,277	27,320	27,418	27,431	26,990	27,231	27,257
Population (midperiod, thousands) ³	295,924	296,144	296,381	296,626	296,884	297,156	297,432	297,707

^p Preliminary^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.

1. Consists of nonmortgage interest paid by households.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

3. Population is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of estimates for the first of the month and the first of the following month; the annual and quarterly estimates are averages of the monthly estimates.

Table 2.—Personal Income and Its Disposition (Years and Quarters)

[Billions of dollars]

	2003	2004	Seasonally adjusted at annual rates					
			2004			2005		
			II	III	IV	I	II ^r	III ^r
Personal income	9,169.1	9,713.3	9,614.3	9,729.2	10,024.8	10,073.4	10,185.7	10,259.7
Compensation of employees, received	6,321.1	6,687.6	6,603.6	6,724.2	6,895.8	7,001.7	7,060.2	7,148.9
Wage and salary disbursements	5,111.1	5,389.4	5,318.1	5,422.0	5,562.9	5,629.9	5,672.3	5,741.0
Private industries	4,207.8	4,450.0	4,380.3	4,479.2	4,612.9	4,668.1	4,705.0	4,766.0
Goods-producing industries	1,007.2	1,049.9	1,035.6	1,062.3	1,083.0	1,099.2	1,107.2	1,118.4
Manufacturing	668.7	687.7	677.6	696.1	707.8	715.3	715.5	720.4
Services-producing industries	3,200.6	3,400.1	3,344.8	3,416.8	3,529.9	3,568.8	3,597.9	3,647.5
Trade, transportation, and utilities	858.6	899.7	889.5	906.3	931.1	937.8	951.1	961.8
Other services-producing industries	2,342.0	2,500.4	2,455.3	2,510.5	2,598.8	2,631.0	2,646.8	2,685.7
Government	903.3	939.5	937.7	942.8	950.0	961.8	967.3	975.0
Supplements to wages and salaries	1,210.0	1,298.1	1,285.5	1,302.3	1,332.9	1,371.8	1,387.9	1,408.0
Employer contributions for employee pension and insurance funds	830.0	895.5	887.5	897.9	919.6	950.0	964.4	981.0
Employer contributions for government social insurance	380.0	402.7	398.0	404.4	413.4	421.9	423.5	426.9
Proprietors' income with inventory valuation and capital consumption adjustments	810.2	889.6	898.4	889.1	900.9	917.9	936.6	938.3
Farm	27.7	35.8	44.1	29.7	24.6	24.7	19.6	18.2
Nonfarm	782.4	853.8	854.2	859.4	876.3	893.2	917.1	920.1
Rental income of persons with capital consumption adjustment	131.7	134.2	141.8	122.1	128.7	118.0	104.4	26.9
Personal income receipts on assets	1,338.7	1,396.5	1,363.9	1,378.2	1,493.6	1,407.9	1,439.8	1,465.4
Personal interest income	917.6	905.9	905.1	904.7	907.4	915.4	936.0	947.7
Personal dividend income	421.1	490.6	458.8	473.5	586.2	492.5	503.8	517.6
Personal current transfer receipts	1,344.0	1,427.5	1,419.8	1,441.5	1,449.2	1,488.8	1,509.6	1,552.7
Government social benefits to persons	1,313.5	1,394.5	1,390.8	1,397.1	1,419.5	1,459.7	1,480.4	1,480.8
Old-age, survivors, disability, and health insurance benefits	739.3	789.3	784.9	793.7	805.5	828.0	842.2	850.1
Government unemployment insurance benefits	52.8	36.0	35.3	33.3	32.4	29.4	28.0	28.5
Other	521.4	569.2	570.7	570.1	581.5	602.2	610.2	602.2
Other current transfer receipts, from business (net)	30.5	33.0	28.9	44.4	29.8	29.1	29.2	71.8
Less: Contributions for government social insurance	776.6	822.2	813.0	825.9	843.5	861.0	864.9	872.5
Less: Personal current taxes	999.9	1,049.1	1,034.0	1,058.4	1,094.3	1,171.4	1,206.0	1,216.8
Equals: Disposable personal income	8,169.2	8,664.2	8,580.3	8,670.9	8,930.4	8,902.0	8,979.7	9,042.8
Less: Personal outlays	7,996.3	8,512.5	8,439.1	8,566.3	8,725.0	8,854.6	9,001.2	9,175.7
Personal consumption expenditures	7,709.9	8,214.3	8,145.6	8,263.2	8,416.1	8,535.8	8,677.0	8,845.4
Durable goods	950.1	987.8	974.6	993.8	1,008.6	1,017.3	1,035.5	1,053.5
Nondurable goods	2,189.0	2,368.3	2,355.2	2,378.4	2,437.1	2,476.6	2,533.7	2,605.3
Services	4,570.8	4,858.2	4,815.9	4,891.0	4,970.4	5,041.8	5,107.8	5,186.5
Personal interest payments ¹	183.2	186.7	182.2	190.3	196.2	198.1	205.3	210.5
Personal current transfer payments	103.3	111.5	111.3	112.8	112.7	120.8	118.8	119.8
To government	62.1	68.6	67.8	69.4	71.0	72.5	73.9	75.4
To the rest of the world (net)	41.2	42.9	43.5	43.4	41.7	48.3	44.9	44.4
Equals: Personal saving	172.8	151.8	141.2	104.6	205.4	47.4	-21.5	-132.9
Personal saving as a percentage of disposable personal income	2.1	1.8	1.6	1.2	2.3	.5	-2	-1.5
Addenda:								
Disposable personal income:								
Total, billions of chained (2000) dollars ²	7,741.8	8,004.3	7,938.8	7,993.3	8,169.2	8,098.1	8,102.6	8,088.0
Per capita:								
Current dollars	28,065	29,475	29,231	29,461	30,265	30,103	30,298	30,431
Chained (2000) dollars	26,596	27,230	27,045	27,159	27,685	27,384	27,338	27,218
Population (midperiod, thousands) ³	291,085	293,951	293,540	294,315	295,077	295,720	296,383	297,157

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.

1. Consists of nonmortgage interest paid by households.

2. Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

3. Population is the total population of the United States, including the Armed Forces overseas and the institutionalized population. The monthly estimate is the average of estimates for the first of the month and the first of the following month; the annual and quarterly estimates are averages of the monthly estimates.

Table 3.—Personal Income and Its Disposition, Change from Preceding Period (Months)

[Billions of dollars]

	Seasonally adjusted at annual rates							
	2005							
	Mar.	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
Personal income	49.1	23.1	35.5	50.9	37.3	-101.1	174.8	42.5
Compensation of employees, received	38.7	-4.7	23.2	27.3	49.3	6.3	27.9	41.7
Wage and salary disbursements	25.5	-5.2	21.0	24.6	39.0	-.3	19.5	34.4
Private industries	23.6	-6.9	19.4	23.8	35.7	-3.3	15.2	32.9
Goods-producing industries	6.8	-3.0	3.9	5.0	5.2	3.1	-1.9	12.6
Manufacturing	4.0	-5.3	1.2	2.4	3.0	1.3	-3.0	10.2
Services-producing industries	16.8	-4.0	15.6	18.8	30.5	-6.4	17.1	20.3
Trade, transportation, and utilities	4.4	4.4	4.5	5.0	8.3	-4.0	.9	3.8
Other services-producing industries	12.4	-8.4	11.1	13.8	22.3	-2.6	16.3	16.5
Government	1.7	1.8	1.6	.9	3.2	3.0	4.3	1.5
Supplements to wages and salaries	13.3	.5	2.2	2.7	10.3	6.6	8.5	7.1
Employer contributions for employee pension and insurance funds	11.9	1.4	1.2	1.2	8.2	7.0	7.6	5.2
Employer contributions for government social insurance	1.4	-.9	1.1	1.4	2.2	-.5	.9	2.0
Proprietors' income with inventory valuation and capital consumption adjustments	7.3	6.7	2.7	12.2	.7	-34.1	43.9	-1.7
Farm	1.3	-2.7	-3.5	-3.9	3.3	-1.6	.5	-.4
Nonfarm	6.0	9.3	6.3	16.1	-2.6	-32.4	43.3	-1.4
Rental income of persons with capital consumption adjustment	-4.1	-5.0	-5.3	-4.4	-2.0	-202.5	192.6	-13.8
Personal income receipts on assets	5.7	13.7	12.9	13.1	6.3	6.2	6.3	8.1
Personal interest income	2.7	8.9	9.0	8.9	1.4	1.4	1.4	2.9
Personal dividend income	3.0	4.8	4.0	4.1	4.9	4.8	4.9	5.2
Personal current transfer receipts	4.4	10.9	4.2	5.7	-12.4	122.4	-94.0	12.4
Government social benefits to persons	4.4	10.9	4.1	5.7	-12.4	2.0	19.2	6.7
Old-age, survivors, disability, and health insurance benefits	3.5	6.7	3.4	3.4	1.7	3.9	.7	3.8
Government unemployment insurance benefits	-.2	-1.1	-.4	.4	-.2	-.3	2.4	.7
Other	1.2	5.2	1.1	1.9	-13.9	-1.6	16.1	2.2
Other current transfer receipts, from business (net)	0	.1	0	.1	0	120.4	-113.2	5.6
Less: Contributions for government social insurance	2.9	-1.4	2.3	2.9	4.6	-.6	1.9	4.1
Less: Personal current taxes	8.3	16.3	9.9	10.1	.1	-.5	2.9	16.0
Equals: Disposable personal income	40.8	6.8	25.6	40.8	37.2	-100.6	172.0	26.4
Less: Personal outlays	41.7	64.5	4.7	94.0	120.1	-38.7	48.1	17.0
Personal consumption expenditures	41.0	64.0	.6	90.1	119.2	-40.1	46.8	15.1
Durable goods	13.2	15.7	-37.5	42.3	78.7	-99.4	-30.3	-25.1
Nondurable goods	2.1	43.8	-4.1	21.7	20.0	36.9	41.7	16.1
Services	25.7	4.5	42.2	26.0	20.6	22.4	35.4	24.1
Personal interest payments ¹ .....	.3	3.4	3.5	3.5	.9	.8	.9	1.3
Personal current transfer payments .....	.5	-3.0	.5	.5	0	.5	.5	.5
To government .....	.4	.5	.6	.4	.6	.4	.6	.5
To the rest of the world (net)	0	-3.4	0	0	-.5	0	0	0
Equals: Personal saving	-.9	-57.7	20.9	-53.2	-82.9	-61.9	123.9	9.4
Addendum:								
Real disposable personal income, billions of chained (2000) dollars ²	3.8	-27.7	19.2	35.9	10.8	-123.6	79.1	15.2

^p Preliminary^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.¹ Consists of nonmortgage interest paid by households.² Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

Table 4.—Personal Income and Its Disposition, Change from Preceding Period (Years and Quarters)

[Billions of dollars]

	2003	2004	Seasonally adjusted at annual rates					
			2004			2005		
			II	III	IV	I	II ^r	III ^r
Personal income	287.2	544.2	129.5	114.9	295.6	48.6	112.3	74.0
Compensation of employees, received	229.9	366.5	76.9	120.6	171.6	105.9	58.5	88.7
Wage and salary disbursements	130.2	278.3	63.3	103.9	140.9	67.0	42.4	68.7
Private industries	92.8	242.2	52.8	98.9	133.7	55.2	36.9	61.0
Goods-producing industries	-3.5	42.7	16.9	26.7	20.7	16.2	8.0	11.2
Manufacturing	-6.8	19.0	8.3	18.5	11.7	7.5	.2	4.9
Services-producing industries	96.4	199.5	36.1	72.0	113.1	38.9	29.1	49.6
Trade, transportation, and utilities	15.5	41.1	17.7	16.8	24.8	6.7	13.3	10.7
Other services-producing industries	80.9	158.4	18.3	55.2	88.3	32.2	15.8	38.9
Government	37.4	36.2	10.4	5.1	7.2	11.8	5.5	7.7
Supplements to wages and salaries	99.7	88.1	13.6	16.8	30.6	38.9	16.1	20.1
Employer contributions for employee pension and insurance funds	84.9	65.5	10.5	10.4	21.7	30.4	14.4	16.6
Employer contributions for government social insurance	14.8	22.7	3.1	6.4	9.0	8.5	1.6	3.4
Proprietors' income with inventory valuation and capital consumption adjustments	41.8	79.4	28.2	-9.3	11.8	17.0	18.7	1.7
Farm	17.1	8.1	-7	-14.4	-5.1	.1	-5.1	-1.4
Nonfarm	24.6	71.4	28.8	5.2	16.9	16.9	23.9	3.0
Rental income of persons with capital consumption adjustment	-21.2	2.5	-2.4	-19.7	6.6	-10.7	-13.6	-77.5
Personal income receipts on assets	5.5	57.8	13.5	14.3	115.4	-85.7	31.9	25.6
Personal interest income	-18.5	-11.7	-1.5	-4	2.7	8.0	20.6	11.7
Personal dividend income	23.9	69.5	14.9	14.7	112.7	-93.7	11.3	13.8
Personal current transfer receipts	57.8	83.5	20.2	21.7	7.7	39.6	20.8	43.1
Government social benefits to persons	64.6	81.0	20.2	6.3	22.4	40.2	20.7	.4
Old-age, survivors, disability, and health insurance benefits	31.8	50.0	12.0	8.8	11.8	22.5	14.2	7.9
Government unemployment insurance benefits	-4	-16.8	-7.8	-2.0	-9	-3.0	-1.4	.5
Other	33.2	47.8	16.1	-6	11.4	20.7	8.0	-8.0
Other current transfer receipts, from business (net)	-6.8	2.5	-1	15.5	-14.6	-.7	.1	42.6
Less: Contributions for government social insurance	26.6	45.6	6.7	12.9	17.6	17.5	3.9	7.6
Less: Personal current taxes	-51.9	49.2	24.4	24.4	35.9	77.1	34.6	10.8
Equals: Disposable personal income	339.1	495.0	105.0	90.6	259.5	-28.4	77.7	63.1
Less: Personal outlays	351.0	516.2	119.7	127.2	158.7	129.6	146.6	174.5
Personal consumption expenditures	359.2	504.4	113.3	117.6	152.9	119.7	141.2	168.4
Durable goods	26.2	37.7	.4	19.2	14.8	8.7	18.2	18.0
Nondurable goods	109.4	179.3	52.5	23.2	58.7	39.5	57.1	71.6
Services	223.6	287.4	60.5	75.1	79.4	71.4	66.0	78.7
Personal interest payments ¹	-13.2	3.5	4.2	8.1	5.9	1.9	7.2	5.2
Personal current transfer payments	5.1	8.2	2.1	1.5	-.1	8.1	-2.0	1.0
To government	3.9	6.5	1.7	1.6	1.6	1.5	1.4	1.5
To the rest of the world (net)	1.2	1.7	.5	-.1	-1.7	6.6	-3.4	-.5
Equals: Personal saving	-11.9	-21.0	-14.6	-36.6	100.8	-158.0	-68.9	-111.4
Addendum:								
Real disposable personal income, billions of chained (2000) dollars ²	179.6	262.5	23.7	54.5	175.9	-71.1	4.5	-14.6

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.

¹ Consists of nonmortgage interest paid by households.

² Equals disposable personal income deflated by the implicit price deflator for personal consumption expenditures.

Table 5.—Personal Income and Its Disposition, Percent Change from Preceding Period (Months)

	Seasonally adjusted at monthly rates							
	2005							
	Mar.	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
Personal income	0.5	0.2	0.4	0.5	0.4	-1.0	1.7	0.4
Compensation of employees, received .....	.6	-.1	.3	.4	.7	.1	.4	.6
Wage and salary disbursements .....	.5	-.1	.4	.4	.7	0	.3	.6
Supplements to wages and salaries	1.0	0	.2	.2	.7	.5	.6	.5
Proprietors' income with inventory valuation and capital consumption adjustments .....	.8	.7	.3	1.3	.1	-3.6	4.8	-.2
Rental income of persons with capital consumption adjustment	-3.5	-4.3	-4.8	-4.3	-2.0			
Personal income receipts on assets .....	.4	1.0	.9	.9	.4	.4	.4	.6
Personal interest income .....	.3	1.0	1.0	1.0	.1	.1	.1	.3
Personal dividend income .....	.6	1.0	.8	.8	1.0	.9	.9	1.0
Personal current transfer receipts .....	.3	.7	.3	.4	-8	8.1	-5.8	.8
Less: Contributions for government social insurance .....	.3	-.2	.3	.3	.5	-.1	.2	.5
Less: Personal current taxes .....	.7	1.4	.8	.8	0	0	.2	1.3
Equals: Disposable personal income .....	.5	.1	.3	.5	.4	-1.1	1.9	.3
Addenda:								
Personal consumption expenditures .....	.5	.7	0	1.0	1.4	-.5	.5	.2
Durable goods	1.3	1.5	-3.6	4.2	7.5	-8.8	-2.9	-2.5
Nondurable goods .....	.1	1.8	-.2	.9	.8	1.4	1.6	.6
Services .....	.5	.1	.8	.5	.4	.4	.7	.5
Real disposable personal income	0	-.3	.2	.4	.1	-1.5	1.0	.2

^p Preliminary

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.

Table 6.—Personal Income and Its Disposition, Percent Change from Preceding Period (Years and Quarters)

	2003	2004	Seasonally adjusted at annual rates					
			2004			2005		
			II	III	IV	I	II ^r	III ^r
Personal income	3.2	5.9	5.6	4.9	12.7	2.0	4.5	2.9
Compensation of employees, received	3.8	5.8	4.8	7.5	10.6	6.3	3.4	5.1
Wage and salary disbursements	2.6	5.4	4.9	8.0	10.8	4.9	3.0	4.9
Supplements to wages and salaries	9.0	7.3	4.3	5.3	9.8	12.2	4.8	5.9
Proprietors' income with inventory valuation and capital consumption adjustments	5.4	9.8	13.6	-4.0	5.4	7.8	8.4	.7
Rental income of persons with capital consumption adjustment	-13.9	1.9	-6.7	-44.9	23.6	-29.5	-38.6	-99.6
Personal income receipts on assets .....	.4	4.3	4.0	4.3	37.9	-21.0	9.4	7.3
Personal interest income	-2.0	-1.3	-6	-2	1.2	3.6	9.3	5.1
Personal dividend income	6.0	16.5	14.1	13.5	134.9	-50.2	9.5	11.4
Personal current transfer receipts	4.5	6.2	5.9	6.3	2.2	11.4	5.7	11.9
Less: Contributions for government social insurance	3.5	5.9	3.4	6.5	8.8	8.5	1.8	3.5
Less: Personal current taxes	-4.9	4.9	10.0	9.8	14.3	31.3	12.4	3.6
Equals: Disposable personal income	4.3	6.1	5.1	4.3	12.5	-1.3	3.5	2.8
Addenda:								
Personal consumption expenditures	4.9	6.5	5.8	5.9	7.6	5.8	6.8	8.0
Durable goods	2.8	4.0	.2	8.1	6.1	3.5	7.3	7.1
Nondurable goods	5.3	8.2	9.4	4.0	10.3	6.6	9.5	11.8
Services	5.1	6.3	5.2	6.4	6.7	5.9	5.3	6.3
Real disposable personal income	2.4	3.4	1.2	2.8	9.1	-3.4	.2	-.7

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.

Table 7.—Real Personal Consumption Expenditures by Major Type of Product (Months)

	2005							
	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
	Billions of chained (2000) dollars, seasonally adjusted at annual rates							
Personal consumption expenditures	7,779.7	7,804.9	7,801.7	7,882.1	7,967.4	7,898.8	7,867.8	7,873.2
Durable goods	1,137.8	1,156.1	1,112.1	1,163.5	1,255.8	1,148.4	1,113.9	1,086.2
Nondurable goods	2,255.4	2,273.5	2,279.8	2,304.3	2,306.1	2,314.7	2,298.0	2,321.3
Services	4,403.7	4,396.2	4,421.5	4,435.0	4,443.6	4,452.7	4,465.6	4,469.3
	Change from preceding period in billions of chained (2000) dollars, seasonally adjusted at annual rates							
Personal consumption expenditures	5.4	25.2	-3.2	80.4	85.3	-68.6	-31.0	5.4
Durable goods	14.9	18.3	-44.0	51.4	92.3	-107.4	-34.5	-27.7
Nondurable goods	-20.9	18.1	6.3	24.5	1.8	8.6	-16.7	23.3
Services	13.3	-7.5	25.3	13.5	8.6	9.1	12.9	3.7
	Percent change from preceding period in chained (2000) dollars, seasonally adjusted at monthly rates							
Personal consumption expenditures .....	.1	.3	0	1.0	1.1	-.9	-.4	.1
Durable goods	1.3	1.6	-3.8	4.6	7.9	-8.5	-3.0	-2.5
Nondurable goods	-.9	.8	.3	1.1	.1	.4	-.7	1.0
Services .....	.3	-.2	.6	.3	.2	.2	.3	.1

^p Preliminary
^r Revised

Table 8.—Real Personal Consumption Expenditures by Major Type of Product (Years and Quarters)

	2003	2004	Seasonally adjusted at annual rates						
			2004			2005			
			II	III	IV	I	II	III ^r	
Personal consumption expenditures	Billions of chained (2000) dollars								
	7,306.6	7,588.6	7,536.6	7,617.5	7,698.8	7,764.9	7,829.5	7,911.4	
	Durable goods	1,028.5	1,089.9	1,072.5	1,100.4	1,115.1	1,122.3	1,143.9	1,172.7
	Nondurable goods	2,101.8	2,200.4	2,186.1	2,206.9	2,236.5	2,265.6	2,285.9	2,306.3
	Services	4,183.9	4,310.9	4,288.6	4,324.0	4,362.1	4,392.0	4,417.6	4,454.0
Personal consumption expenditures	Change from preceding period in billions of chained (2000) dollars								
	207.3	282.0	35.2	80.9	81.3	66.1	64.6	81.9	
	Durable goods	63.7	61.4	.9	27.9	14.7	7.2	21.6	28.8
	Nondurable goods	64.7	98.6	14.2	20.8	29.6	29.1	20.3	20.4
	Services	83.5	127.0	19.6	35.4	38.1	29.9	25.6	36.4
Personal consumption expenditures	Percent change from preceding period in chained (2000) dollars								
	2.9	3.9	1.9	4.4	4.3	3.5	3.4	4.2	
	Durable goods	6.6	6.0	.4	10.8	5.5	2.6	7.9	10.5
	Nondurable goods	3.2	4.7	2.6	3.9	5.5	5.3	3.6	3.6
	Services	2.0	3.0	1.8	3.4	3.6	2.8	2.3	3.3

^r Revised

Table 9.—Price Indexes for Personal Consumption Expenditures: Level and Percent Change From Preceding Period (Months)

	2005							
	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
	Chain-type price indexes (2000=100), seasonally adjusted							
Personal consumption expenditures (PCE)	110.329	110.792	110.847	110.858	111.165	111.622	112.657	112.771
Durable goods	90.584	90.512	90.715	90.354	89.978	89.740	89.797	89.781
Nondurable goods	110.211	111.257	110.769	110.536	111.314	112.495	115.125	114.668
Services	115.060	115.358	115.653	115.888	116.127	116.393	116.847	117.290
Addenda:								
PCE excluding food and energy	108.812	108.901	109.146	109.203	109.245	109.394	109.607	109.757
Market-based PCE ¹	109.358	109.849	109.867	109.864	110.204	110.693	111.813	111.911
Market-based PCE excluding food and energy ¹	107.282	107.331	107.569	107.617	107.648	107.774	107.931	108.069
	Percent change from preceding period in price indexes, seasonally adjusted at monthly rates							
PCE .....	.4	.4	0	0	.3	.4	.9	.1
Durable goods	0	-.1	.2	-.4	-.4	-.3	.1	0
Nondurable goods	1.0	.9	-.4	-.2	.7	1.1	2.3	-.4
Services .....	.2	.3	.3	.2	.2	.2	.4	.4
Addenda:								
PCE excluding food and energy .....	.2	.1	.2	.1	0	.1	.2	.1
Market-based PCE ¹ .....	.4	.4	0	0	.3	.4	1.0	.1
Market-based PCE excluding food and energy ¹ .....	.2	0	.2	0	0	.1	.1	.1

^p Preliminary

^r Revised

1. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions.

Table 10.—Real Disposable Personal Income and Real Personal Consumption Expenditures: Percent Change From Month One Year Ago

	2005							
	Mar.	Apr. ^r	May ^r	June ^r	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
Disposable personal income	2.3	1.8	1.9	2.5	2.2	0.2	1.2	0.9
Personal consumption expenditures	3.4	4.0	3.1	4.6	4.7	3.8	3.0	2.6
Durable goods	5.0	9.2	1.8	9.1	13.1	4.9	1.6	-1.3
Nondurable goods	3.1	4.5	3.8	5.4	5.0	5.2	3.4	3.8
Services	3.3	2.8	3.0	3.3	3.0	3.0	3.1	2.8

^p Preliminary

^r Revised. Revisions include changes to series affected by the introduction of revised wage and salary estimates for the second quarter of 2005.

Table 11.—Price Indexes for Personal Consumption Expenditures: Percent Change From Month One Year Ago

	2005							
	Mar.	Apr.	May	June	July ^r	Aug. ^r	Sep. ^r	Oct. ^p
Personal consumption expenditures (PCE)	2.7	2.9	2.5	2.2	2.6	2.9	3.7	3.3
Durable goods	-3	-.4	-.2	-.5	-.6	-.5	-.5	-.7
Nondurable goods	3.2	4.1	2.5	2.0	3.3	4.4	6.8	5.1
Services	3.0	3.0	3.0	2.9	2.9	2.9	3.1	3.2
Addenda:								
PCE excluding food and energy	2.1	2.0	2.0	1.9	1.9	1.9	2.0	1.8
Market-based PCE ¹	2.5	2.7	2.3	2.1	2.4	2.9	3.8	3.4
Market-based PCE excluding food and energy ¹	1.7	1.6	1.7	1.6	1.6	1.7	1.7	1.6

^p Preliminary

^r Revised

1. This index is a supplemental measure that is based on household expenditures for which there are observable price measures. It excludes most implicit prices (for example, the services furnished without payment by financial intermediaries) and the expenses of nonprofit institutions.