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PERSONAL INCOME AND OUTLAYS: OCTOBER 1999

Personal income increased \$100.4 billion, or 1.3 percent, and disposable personal income (DPI) increased \$94.8 billion, or 1.4 percent, in October, according to the Commerce Department's Bureau of Economic Analysis. Personal consumption expenditures (PCE) increased \$41.1 billion, or 0.6 percent. In September, personal income increased \$3.4 billion, or less than 0.1 percent, DPI decreased \$15.8 billion, or 0.2 percent, and PCE increased \$33.0 billion, or 0.5 percent, based on revised estimates.

	1999				
	June	July	Aug.	Sept.	Oct.
	(Percent change from preceding month)				
Personal income, current dollars	0.8	0.3	0.4	.0	1.3
Disposable personal income:					
Current dollars	.8	.2	.6	-.2	1.4
Chained (1996) dollars	.8	-.1	.4	-.6	1.2
Personal consumption expenditures:					
Current dollars	.5	.4	.8	.5	.6
Chained (1996) dollars	.5	.2	.5	.2	.4

Personal income for October and September was affected by a number of special factors. In October, personal income was boosted \$41.4 billion at an annual rate by recently authorized Federal agricultural subsidy payments and \$5.9 billion at an annual rate by union contract signing bonuses in several manufacturing industries. In September, personal income was reduced by approximately \$18.0 billion at an annual rate by uninsured losses to residential and business property from Hurricane Floyd that affected rental income of persons and proprietors' income. Excluding these special factors, personal income increased \$35.7 billion, or 0.5 percent, in October, and \$21.4 billion, or 0.3 percent in September. These special factors are discussed more fully below.

Wages and salaries

Private wage and salary disbursements increased \$26.0 billion in October, compared with an increase of \$15.6 billion in September. Goods-producing industries' payrolls increased \$4.7 billion, compared with an increase of \$8.7 billion; manufacturing payrolls increased \$2.3 billion, compared with an increase of \$5.2 billion. The October increase reflected signing bonuses for union employees in the automotive and aircraft industries of \$5.9 billion at an annual rate. Distributive industries' payrolls increased \$4.5 billion, compared with an increase of \$1.8 billion. Service industries' payrolls increased \$16.8 billion, compared with an increase of \$5.1 billion. Government wage and salary disbursements increased \$3.4 billion, compared with an increase of \$1.7 billion.

Other personal income

Proprietors' income increased \$40.3 billion in October, in contrast to a decrease of \$4.1 billion in September. Farm proprietors' income increased \$34.9 billion, in contrast to a decrease of \$2.7 billion. In October, farm proprietors' income was boosted \$34.0 billion at an annual rate by subsidy payments authorized in October under the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act. In September, it was reduced by \$1.9 billion to reflect uninsured property losses caused by Hurricane Floyd.

Rental income of persons increased \$22.2 billion in October, in contrast to a decrease of \$16.0 billion in September. In October, rental income was boosted by \$7.4 billion at an annual rate to reflect subsidy payments, also authorized under the October Appropriation Act, to owners of leased farm land. In September, it was reduced by \$16.1 billion to reflect uninsured losses to nonfarm residential property caused by Hurricane Floyd.

Nonfarm proprietors' income increased \$5.4 billion in October, in contrast to a decrease of \$1.4 billion in September. Transfer payments increased \$3.1 billion, compared with an increase of \$0.9 billion. Personal interest income increased \$3.0 billion, compared with an increase of \$2.6 billion. Personal dividend income increased \$2.1 billion, compared with an increase of \$2.0 billion.

Personal contributions for social insurance -- a subtraction in calculating personal income -- increased \$1.7 billion in October, compared with an increase of \$0.9 billion in September.

Personal taxes and disposable personal income

Personal tax and nontax payments increased \$5.6 billion in October, compared with an increase of \$19.2 billion in September. The change in September reflected a \$1.3 billion (\$15.6 billion at an annual rate) tax rebate in Minnesota in August; the rebate is classified as a personal tax refund in the national income and product accounts.

Disposable personal income (DPI) -- personal income less personal tax and nontax payments -- increased \$94.8 billion, or 1.4 percent, in October, in contrast to a decrease of \$15.8 billion, or 0.2 percent, in September.

Personal outlays and personal saving

Personal outlays -- PCE, interest paid by persons, and personal transfer payments to the rest of the world (net) -- increased \$42.8 billion in October, compared with an increase of \$34.5 billion

in September. PCE increased \$41.1 billion, compared with an increase of \$33.0 billion.

Personal saving -- DPI less personal outlays -- was \$154.7 billion in October, compared with \$102.8 billion in September. Personal saving as a percentage of disposable personal income was 2.3 percent in October, compared with 1.5 percent in September.

Real DPI and Real PCE

Real DPI -- DPI adjusted to remove price changes -- increased 1.2 percent in October, in contrast to a decrease of 0.6 percent in September.

Real PCE -- PCE adjusted to remove price changes -- increased 0.4 percent in October, compared with an increase of 0.2 percent in September. Purchases of durable goods increased 0.8 percent, compared with an increase of 0.1 percent. Purchases of new and used automobiles more than accounted for the October increase. Purchases of nondurable goods increased 0.3 percent in October, in contrast to a decrease of less than 0.1 percent in September. Purchases of services increased 0.4 percent, compared with an increase of 0.3 percent.

Revisions

Estimates have been revised for July through September. Changes in personal income, current-dollar and chained (1996) dollar DPI, and current-dollar and chained (1996) dollar PCE for August and September -- revised and as published in last month's release -- are shown below. Revisions for July were small.

	Change from preceding month							
	August		September		Previous		Revised	
	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised
	(Dollars)		(Percent)		(Dollars)		(Percent)	
Personal income:								
Current dollars . .	28.3	31.8	0.4	0.4	2.6	3.4	.0	.0
Disposable personal income:								
Current dollars . .	36.4	40.1	.5	.6	-15.4	-15.8	-.2	-.2
Chained (1996) dollars	19.8	23.5	.3	.4	-36.8	-35.6	-.6	-.6
Personal consumption expenditures:								
Current dollars . .	50.5	48.4	.8	.8	25.9	33.0	.4	.5
Chained (1996) dollars	34.1	32.2	.6	.5	3.9	12.1	.1	.2
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Next release -- Personal Income and Outlays for November will be released on December 23, at 8:30 A.M. EST.

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

	1997	1998	Seasonally adjusted at annual rates					
			1999					
			May	June	July	Aug.	Sep.	Oct.
Personal income	6,951.1	7,358.9	7,721.8	7,783.3	7,805.2	7,837.0	7,840.4	7,940.8

Wage and salary disbursements	3,888.9	4,186.0	4,432.1	4,455.4	4,491.4	4,509.0	4,526.3	4,555.7
Private industries	3,224.4	3,493.2	3,711.3	3,731.9	3,764.2	3,777.6	3,793.2	3,819.2
Goods-producing industries	975.5	1,038.7	1,074.8	1,080.4	1,089.8	1,087.3	1,096.0	1,100.7
Manufacturing	718.8	757.5	774.9	779.0	786.0	785.2	790.4	792.7
Distributive industries	879.1	944.6	996.4	1,003.1	1,009.8	1,013.1	1,014.9	1,019.4
Service industries	1,369.8	1,509.9	1,640.0	1,648.4	1,664.6	1,677.2	1,682.3	1,699.1
Government	664.4	692.8	720.8	723.5	727.2	731.4	733.1	736.5
Other labor income	500.9	515.7	533.0	534.8	536.8	538.6	540.3	542.1
Proprietors' income with IVA and CCAdj	578.6	606.1	646.6	670.8	653.1	656.0	651.9	692.2
Farm	29.5	25.1	27.3	45.0	23.7	21.6	18.9	53.8
Nonfarm	549.1	581.0	619.4	625.8	629.4	634.4	633.0	638.4
Rental income of persons with CCAdj	130.2	137.4	147.3	150.5	146.3	146.2	130.2	152.4
Personal dividend income	333.4	348.3	361.2	363.0	364.9	367.0	369.0	371.1
Personal interest income	854.9	897.8	921.0	926.2	930.4	933.6	936.2	939.2
Transfer payments to persons	962.4	983.6	1,013.0	1,016.4	1,018.1	1,023.2	1,024.1	1,027.2
Old-age, survivors, disability, and health insurance benefits	565.8	578.1	592.5	594.5	596.8	599.4	600.8	602.6
Government unemployment insurance benefits	20.0	19.8	20.1	20.4	20.2	20.4	20.1	20.1
Other	376.6	385.7	400.3	401.5	401.1	403.4	403.3	404.5
Less: Personal contributions for social insurance	298.1	315.9	332.3	333.7	335.7	336.7	337.6	339.3

p Preliminary.
r Revised.
IVA Inventory valuation adjustment.
CCAdj Capital consumption adjustment.

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

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

	1997	1998	Seasonally adjusted at annual rates					
			1999					
			May	June	July	Aug.	Sep.	Oct.
Personal income	6,951.1	7,358.9	7,721.8	7,783.3	7,805.2	7,837.0	7,840.4	7,940.8
Less: Personal tax and nontax payments	968.3	1,072.6	1,139.4	1,149.5	1,159.3	1,151.0	1,170.2	1,175.8
Equals: Disposable personal income	5,982.8	6,286.2	6,582.4	6,633.8	6,645.9	6,686.0	6,670.2	6,765.0
Less: Personal outlays	5,711.7	6,056.6	6,425.6	6,459.6	6,483.4	6,532.9	6,567.4	6,610.2
Personal consumption expenditures	5,524.4	5,848.6	6,202.1	6,231.8	6,256.3	6,304.7	6,337.7	6,378.8
Interest paid by persons	166.7	185.7	198.9	203.3	202.1	203.4	204.8	206.6
Personal transfer payments to the rest of the world (net)	20.6	22.3	24.6	24.6	24.9	24.9	24.9	24.9
Equals: Personal saving	271.1	229.7	156.8	174.2	162.5	153.0	102.8	154.7
Addenda:								
Disposable personal income:								
Chained (1996) dollars /1/	5,884.7	6,125.1	6,328.2	6,380.9	6,377.0	6,400.5	6,364.9	6,441.7
Per capita:								
Current dollars	22,320	23,231	24,131	24,299	24,321	24,444	24,364	24,689
Chained (1996) dollars	21,954	22,636	23,200	23,372	23,337	23,401	23,249	23,509
Population (thousands)	268,046	270,595	272,771	273,011	273,260	273,520	273,773	274,008
Personal saving as a percentage of disposable personal income	4.5	3.7	2.4	2.6	2.4	2.3	1.5	2.3

p Preliminary.

r Revised.

1. Disposable personal income in chained (1996) dollars equals the current-dollar figure divided by the implicit price deflator for personal consumption expenditures.

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

Table 3. -- Personal Income and Its Disposition, Change From Preceding Period
[Billions of dollars]

	1997	1998	Seasonally adjusted at annual rates					
			1999					
			May	June	July	Aug.	Sep.	Oct.
Personal income	403.7	407.8	29.1	61.5	21.9	31.8	3.4	100.4
Wage and salary disbursements	262.4	297.1	21.7	23.3	36.0	17.6	17.3	29.4
Private industries	238.9	268.8	20.6	20.6	32.3	13.4	15.6	26.0
Goods-producing industries	67.3	63.2	4.6	5.6	9.4	-2.5	8.7	4.7

Manufacturing	45.1	38.7	4.4	4.1	7.0	-0.8	5.2	2.3
Distributive industries	56.7	65.5	3.0	6.7	6.7	3.3	1.8	4.5
Service industries	114.9	140.1	12.9	8.4	16.2	12.6	5.1	16.8
Government	23.4	28.4	1.0	2.7	3.7	4.2	1.7	3.4
Other labor income	10.9	14.8	1.7	1.8	2.0	1.8	1.7	1.8
Proprietors' income with IVA and CCAdj	33.9	27.5	-1.8	24.2	-17.7	2.9	-4.1	40.3
Farm	-4.8	-4.4	-2.8	17.7	-21.3	-2.1	-2.7	34.9
Nonfarm	38.6	31.9	1.0	6.4	3.6	5.0	-1.4	5.4
Rental income of persons with CCAdj	0.5	7.2	-1.3	3.2	-4.2	-0.1	-16.0	22.2
Personal dividend income	36.0	14.9	1.9	1.8	1.9	2.1	2.0	2.1
Personal interest income	44.3	42.9	6.7	5.2	4.2	3.2	2.6	3.0
Transfer payments to persons	33.6	21.2	1.7	3.4	1.7	5.1	0.9	3.1
Old-age, survivors, disability, and health insurance benefits	28.2	12.3	0.5	2.0	2.3	2.6	1.4	1.8
Government unemployment insurance benefits	-2.1	-0.2	-0.3	0.3	-0.2	0.2	-0.3	0.0
Other	7.5	9.1	1.4	1.2	-0.4	2.3	-0.1	1.2
Less: Personal contributions for social insurance	17.7	17.8	1.2	1.4	2.0	1.0	0.9	1.7
Less: Personal tax and nontax payments	98.6	104.3	10.1	10.1	9.8	-8.3	19.2	5.6
Equals: Disposable personal income	305.1	303.4	18.9	51.4	12.1	40.1	-15.8	94.8
Less: Personal outlays	306.1	344.9	35.0	34.0	23.8	49.5	34.5	42.8
Personal consumption expenditures	286.9	324.2	33.7	29.7	24.5	48.4	33.0	41.1
Interest paid by persons	16.8	19.0	1.3	4.4	-1.2	1.3	1.4	1.8
Personal transfer payments to the rest of the world (net)	2.4	1.7	0.0	0.0	0.3	0.0	0.0	0.0
Equals: Personal saving	-1.0	-41.4	-16.1	17.4	-11.7	-9.5	-50.2	51.9
Addendum:								
Disposable personal income, chained (1996) dollars	207.0	240.4	19.9	52.7	-3.9	23.5	-35.6	76.8

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

	1997	1998	Seasonally adjusted at annual rates 1999					Sep.	Oct.
			May	June	July	Aug.			
Billions of current dollars									
Personal consumption expenditures	5,524.4	5,848.6	6,202.1	6,231.8	6,256.3	6,304.7	6,337.7	6,378.8	
Durable goods	642.9	698.2	752.0	757.8	753.2	765.8	766.3	770.6	
Nondurable goods	1,641.7	1,708.9	1,826.3	1,829.8	1,836.3	1,854.8	1,869.5	1,878.1	
Services	3,239.8	3,441.5	3,623.8	3,644.1	3,666.8	3,684.1	3,701.9	3,730.1	
Billions of chained (1996) dollars									
Personal consumption expenditures	5,433.7	5,698.6	5,962.6	5,994.2	6,003.3	6,035.5	6,047.6	6,073.9	
Durable goods	657.4	731.5	806.4	815.3	810.9	826.0	826.6	832.8	
Nondurable goods	1,619.9	1,685.3	1,765.1	1,770.5	1,771.7	1,782.4	1,782.4	1,787.9	
Services	3,156.7	3,284.5	3,398.3	3,416.2	3,427.7	3,435.5	3,446.9	3,461.8	
Implicit price deflators (Index numbers, 1996 = 100)									
Personal consumption expenditures	101.67	102.63	104.02	103.96	104.22	104.46	104.80	105.02	
Durable goods	97.79	95.45	93.26	92.95	92.89	92.71	92.71	92.53	
Nondurable goods	101.35	101.40	103.47	103.35	103.65	104.06	104.89	105.04	
Services	102.63	104.78	106.63	106.67	106.98	107.23	107.40	107.75	
Change From Preceding Period Billions of current dollars									
Personal consumption expenditures	286.9	324.2	33.7	29.7	24.5	48.4	33.0	41.1	
Durable goods	26.4	55.3	7.0	5.8	-4.6	12.6	0.5	4.3	
Nondurable goods	67.6	67.2	8.0	3.5	6.5	18.5	14.7	8.6	
Services	192.8	201.7	18.7	20.3	22.7	17.3	17.8	28.2	
Billions of chained (1996) dollars									
Personal consumption expenditures	196.2	264.9	34.0	31.6	9.1	32.2	12.1	26.3	
Durable goods	40.9	74.1	9.8	8.9	-4.4	15.1	0.6	6.2	
Nondurable goods	45.8	65.4	9.7	5.4	1.2	10.7	0.0	5.5	
Services	109.7	127.8	15.1	17.9	11.5	7.8	11.4	14.9	

Table 5.-- Percent Change From Preceding Period in Selected Series
Based on current dollars

Personal income	6.2	5.9	0.4	0.8	0.3	0.4	0.0	1.3
Disposable personal income	5.4	5.1	0.3	0.8	0.2	0.6	-0.2	1.4
Personal consumption expenditures	5.5	5.9	0.5	0.5	0.4	0.8	0.5	0.6
Durable goods	4.3	8.6	0.9	0.8	-0.6	1.7	0.1	0.6
Nondurable goods	4.3	4.1	0.4	0.2	0.4	1.0	0.8	0.5
Services	6.3	6.2	0.5	0.6	0.6	0.5	0.5	0.8

Based on chained (1996) dollars

Disposable personal income	3.6	4.1	0.3	0.8	-0.1	0.4	-0.6	1.2
Personal consumption expenditures	3.7	4.9	0.6	0.5	0.2	0.5	0.2	0.4
Durable goods	6.6	11.3	1.2	1.1	-0.5	1.9	0.1	0.8
Nondurable goods	2.9	4.0	0.6	0.3	0.1	0.6	-0.0	0.3
Services	3.6	4.0	0.4	0.5	0.3	0.2	0.3	0.4

p Preliminary.

r Revised.

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