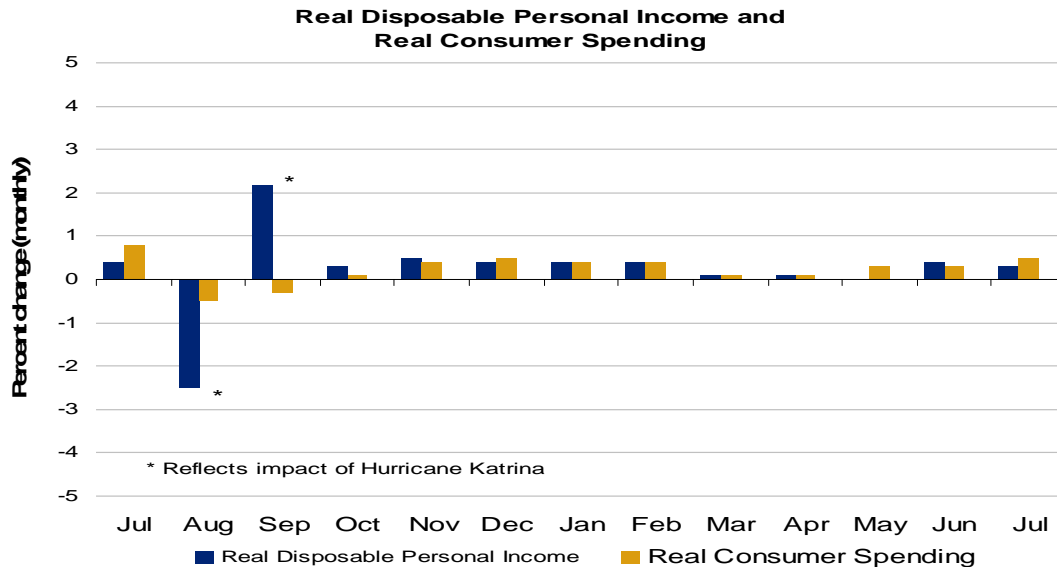


CONSUMER SPENDING ACCELERATED, PERSONAL INCOME GROWTH SLIGHTLY LOWER IN JULY

Real consumer spending increased 0.5 percent in July, compared with 0.3 percent for June, according to estimates released today by the Bureau of Economic Analysis. Real disposable personal income, the amount available for spending or saving, decelerated slightly, increasing 0.3 percent after increasing 0.4 percent.



Consumer Spending and Inflation

The acceleration in real consumer spending reflected accelerations in durable goods, nondurable goods, and services. A key measure of inflation, the Personal Consumption Expenditures (PCE) price index, increased 0.3 percent in July after rising 0.1 percent in June.

Personal Income

Personal income, a broad measure that includes all sources of income, rose 0.5 percent in July, after rising 0.6 percent in June.

- Wages and salaries, the largest component of personal income, increased 0.6 percent in July, the same increase as in June. Growth turned up in private industries, reflecting an upturn in services industries.
- Personal transfer payments increased 0.9 percent after increasing 0.4 percent.
- Dividend income increased 1.0 percent in July, the same increase as in June.
- Interest income fell 0.1 percent after increasing 1.7 percent in June.

BEA 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 the BEA Web site: www.bea.gov. [E-mail alerts](#) are also available.

NOTE: On September 29, 2006, the August estimate of Personal Income will be released.