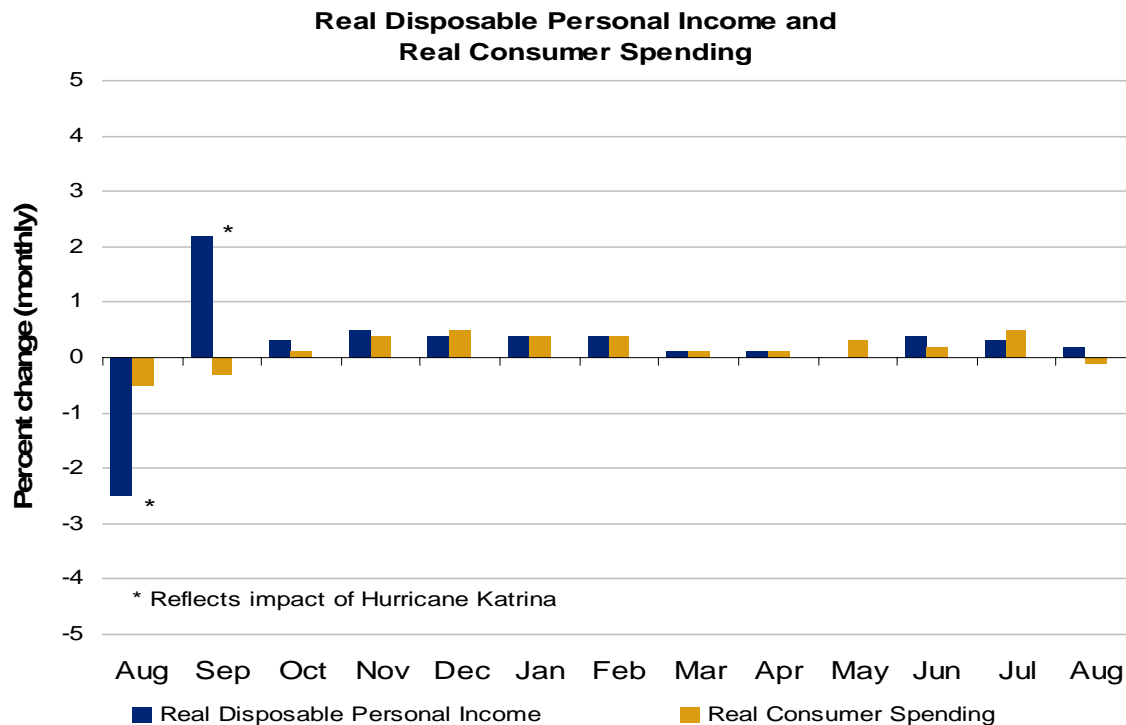


PERSONAL INCOME GROWTH SLOWS IN AUGUST, CONSUMER SPENDING FELL

Real disposable personal income, the amount available for spending or saving, decelerated slightly in August, increasing 0.2 percent after increasing 0.3 percent in July. Real consumer spending decreased 0.1 percent after increasing 0.5 percent, according to estimates released today by the Bureau of Economic Analysis.



Personal Income

Personal income, a broad measure that includes all sources of income, rose 0.3 percent in August, after rising 0.5 percent in July.

- Wages and salaries, the largest component of personal income, increased 0.1 percent in August, after increasing 0.6 percent in July.
- Proprietors' income increased 0.5 percent in August after decreasing 0.4 percent in July.

Consumer Spending and Inflation

A downturn in purchases of motor vehicles and parts more than accounted for the downturn in real consumer spending in August and most of the increase in July.

A key measure of inflation, the Personal Consumption Expenditures (PCE) price index, increased 0.2 percent in August after increasing 0.3 percent in July.

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 October 30, 2006, the September estimate of Personal Income will be released.