

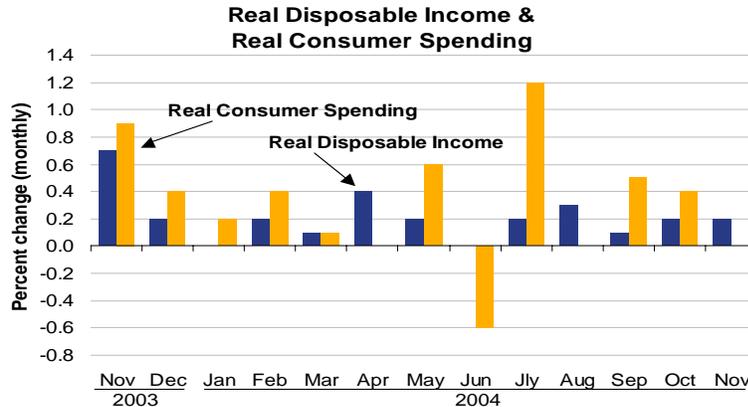


THURSDAY, December 23, 2004

INCOME STEPS UP AND SPENDING SLOWS IN NOVEMBER

Personal Income Estimates

After-tax income received by individuals, adjusted for inflation, increased 0.2 percent in November, and consumer spending leveled off, according to estimates released today by the U.S. Bureau of Economic Analysis. In October, income had increased 0.2 percent and consumer spending had increased 0.4 percent. In November, the slowdown in spending is partly accounted for by a sharp decrease in big-ticket purchases such as motor vehicles.



Since November of last year, real disposable personal income has increased 2.2 percent, and real consumer spending has increased 3.4 percent.

Personal saving was 0.3 percent of disposable personal income in November 2004, up from 0.1 percent in October.

Personal income—the total income received by individuals, before taxes and *not* adjusted for inflation—increased \$30.4 billion (or 0.3 percent) in November after increasing \$62.6 billion (0.6 percent) in October.

- Wages and salaries, the largest component of personal income, increased about \$12 billion in November.
- Current transfer receipts increased about \$8 billion, while personal interest and personal dividend income increased about \$7 billion in November.
- Rental income of persons decreased about \$3 billion, while proprietors' income increased about \$4 billion in November.

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>.

NOTE: Estimates of personal income and outlays for December, along with revised estimates for October and November, will be released on January 31, 2005.

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