

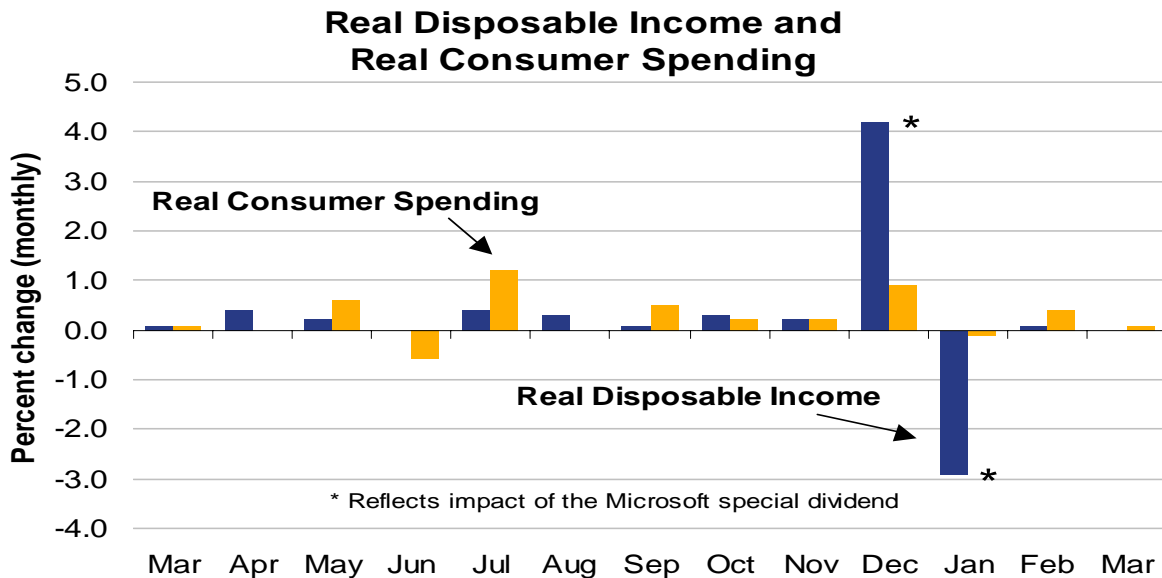


FRIDAY, APRIL 29, 2005

INFLATION-ADJUSTED INCOME AND CONSUMER SPENDING FLAT IN MARCH

Personal Income Estimates

After-tax income received by individuals, adjusted for inflation, was unchanged in March, after increasing 0.1 percent in February, according to estimates released today by the U.S. Bureau of Economic Analysis. Consumer spending increased 0.1 percent in March after increasing 0.4 percent in February. Over the last 12 months, real disposable personal income has increased 3.3 percent and real consumer spending has increased 3.6 percent.



Personal income—the total income received by individuals, before taxes and *not* adjusted for inflation—increased \$48.0 billion (or 0.5 percent) in March. In February, personal income increased \$41.4 billion (or 0.4 percent). Over the last 12 months, personal income, not adjusted for inflation, has increased 6.0 percent.

- Wages and salaries, the largest component of personal income, increased \$19 billion in March.
- Proprietors' income increased \$12.7 billion in March, boosted by an increase in nonfarm income.
- Personal current transfer receipts increased \$10.1 billion in March.

Real consumer spending increased by 0.1 percent in March, including a 2.2 percent increase in the purchase of big-ticket items and a 0.3 percent increase in purchased services. Nondurable goods purchases declined slightly.

Personal saving was 0.4 percent of disposable personal income in March.

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 April, along with revised estimates for January, February, and March will be released on May 27, 2005.

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Bureau of Economic Analysis
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