

## PERSONAL INCOME RISES IN MAY

*American Recovery and Reinvestment Act Boosts Income*

**Personal income** rose 1.4 percent in May. Wages and salaries, the largest component of personal income, fell 0.1 percent in May after increasing 0.1 percent in April.

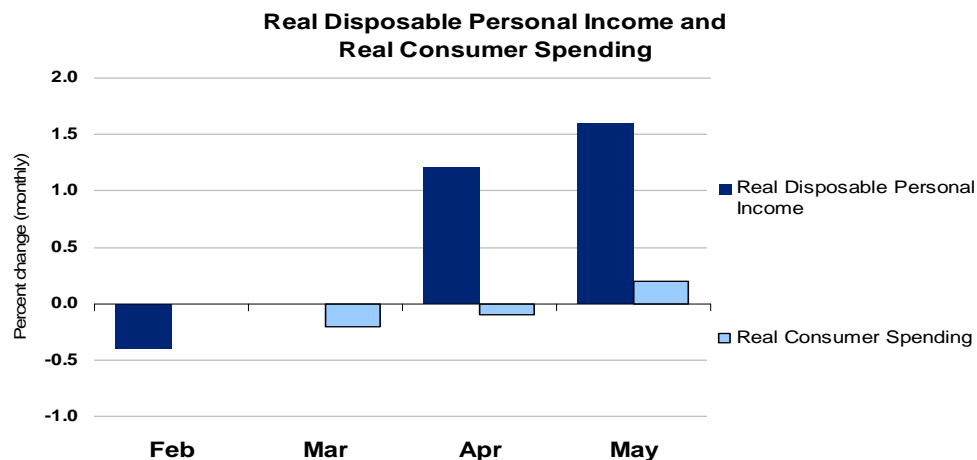
**Real disposable personal income (DPI)**, income adjusted for inflation and taxes, increased 1.6 percent in May. The increase reflects reduced taxes and higher government benefits from the American Recovery and Reinvestment Act (ARRA) of 2009, including one-time payments to recipients of social security and other benefits. Excluding those effects, real DPI increased 0.1 percent in May.

**Real consumer spending** (spending adjusted for price changes) increased 0.2 percent in May, after decreasing 0.1 percent in April. Spending on cars and other vehicles as well as gas turned up.

**PCE prices** rose 0.1 percent in May. Excluding food and energy, prices rose 0.1 percent.

**Personal saving** as a percent of disposable income rose to 6.9 percent in May.

	Average, last 12 months	April	May
Personal Income	0.0 %	0.7 %	1.4 %
Excluding one-time ARRA items		0.7 %	0.1 %
Real DPI	0.0 %	1.2 %	1.6 %
Excluding one-time ARRA items		0.9 %	0.1 %
Real PCE	-0.2 %	-0.1 %	0.2 %
PCE Prices	0.0 %	0.1 %	0.1 %
	12-month average	April	May
Personal Saving Rate	3.5 %	5.6 %	6.9 %



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](http://www.bea.gov). [E-mail alerts](#) are also available.

NOTE: As part of the comprehensive revision of the GDP accounts, revised estimates of personal income and outlays will be released on August 4, 2009. The release will include estimates for June 2009.