

## PERSONAL INCOME RISES IN MAY

*Effects of Economic Stimulus Act Reflected*

**Personal income** rose 1.9 percent in May, after increasing 0.3 percent in April. The increase stemmed largely from the Economic Stimulus Act of 2008, which raised government social benefits. Wages and salaries, the largest component of personal income, increased 0.3 percent, after decreasing 0.1 percent in April.

**Real disposable personal income (DPI)**, income adjusted for inflation and taxes, rose 5.3 percent in May after rising 0.1 percent in April. The increase also reflected the Act, which also reduced personal taxes. Excluding these effects, real DPI would have been unchanged in May and decreased 0.1 percent in April.

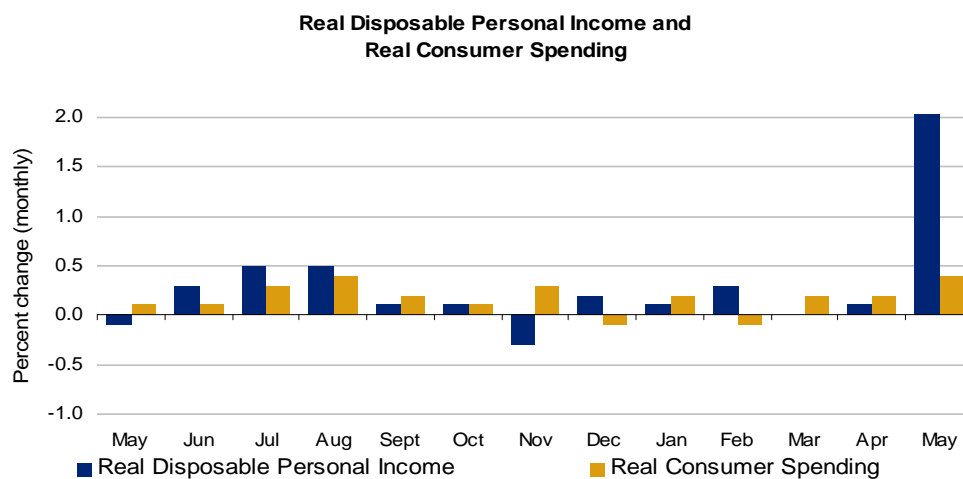
**Real consumer spending** (personal consumption expenditures) increased 0.4 percent in May after increasing 0.2 percent in April. Spending on household energy services was strong.

**Prices**, as measured by the personal consumption expenditures (PCE) price index, increased 0.4 percent in May, compared with a 0.2 percent increase in April.

**Personal saving** as a percent of disposable personal income was 5.0 percent in May.

	Average growth, last 12 months	April	May
Personal Income	0.5%	0.3%	1.9%
Real DPI	0.6%	0.1%	5.3%
Real PCE	0.2%	0.2%	0.4%
PCE Prices	0.3%	0.2%	0.4%

	12-month average	April	May
Personal Saving Rate	0.7%	0.4%	5.0%



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 annual revision of the national income and product accounts, revised estimates of personal income and outlays covering January 2005 through May 2008 will be released along with preliminary estimates for June 2008 on August 4.