

CONSUMER SPENDING DECLINES IN OCTOBER

Personal income rose 0.3 percent in October, after rising 0.1 percent in September. Wages and salaries, the largest component of personal income, rose 0.1 percent after falling 0.1 percent in September. The effect of Hurricane Ike was small. (See the “Disasters” FAQ on the BEA Web site.) The Economic Stimulus Act of 2008 had a negligible effect on personal income in these months.

Real disposable personal income (DPI), income adjusted for inflation and taxes, rose 1.0 percent in October after remaining flat in September. Excluding the effects of the 2008 Stimulus Act, real DPI grew 0.1 percent in September.

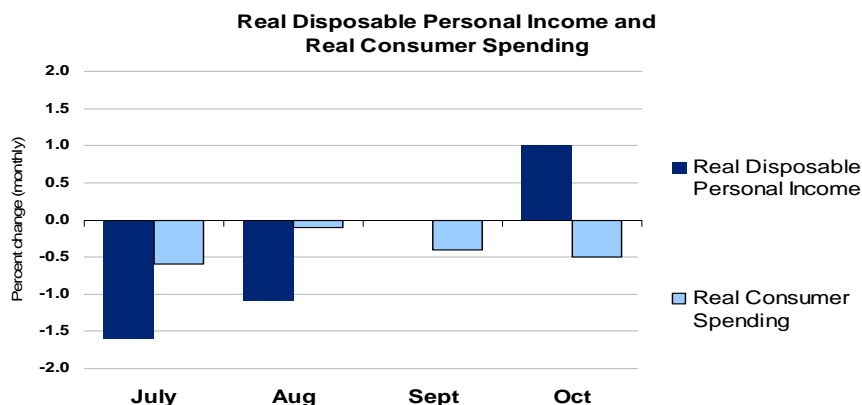
Real consumer spending (personal consumption expenditures) fell 0.5 percent in October, led by reduced spending on motor vehicles and energy.

PCE prices fell 0.6 percent in October. Excluding food and energy, price growth was flat in October.

	Average growth, last 12 months	September	October
Personal Income	0.3%	0.1%	0.3%
Real DPI	0.0%	0.0%	1.0%
Real PCE	-0.1 %	-0.4%	-0.5%
PCE Prices	0.3%	0.1%	-0.6 %

Personal saving as a percent of disposable income was 2.4 percent in October.

	12-month average	September	October
Personal Saving Rate	1.2%	1.0%	2.4%



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 December 24, 2008, the November estimates of Personal Income and Outlays will be released.