

## Personal Income & Spending (March)

- Personal income rose 0.3% in March, slightly below expectations. Wage and salary income increased 0.5% in March, while real disposable income was unchanged in the month.
- Consumer spending rose 0.4% in March in nominal terms and by 0.1% when adjusted for inflation. The level of real PCE in March stands 0.9% at an annual rate above the first-quarter average (real PCE was up 1.0% for the first quarter as a whole).
- Core PCE prices rose 0.2% in March, pushing the year-over-year core PCE inflation rate up to 2.1% from 2.0% in the prior month. The overall PCE deflator rose 0.3% in March (and is up 3.2% over the last year).

	<u>Mar</u>	<u>Feb</u>	<u>Jan</u>	<u>3-Month Change</u>	<u>12-Month Change</u>
Personal Income	0.3%	0.5%	0.3%	4.4%	4.0%
Wage & Salary Income	0.5%	0.3%	0.6%	5.5%	3.3%
Real Disposable Income	0.0%	0.3%	0.1%	1.9%	0.9%
Nonfarm Proprietors' Income	-0.2%	-0.4%	0.9%	1.4%	1.3%
Personal Interest Income	0.0%	0.0%	0.0%	-0.1%	2.4%
PCE	0.4%	0.1%	0.4%	3.9%	5.3%
Real PCE	0.1%	0.0%	0.1%	1.0%	2.0%
- Durables	-0.5%	0.1%	-0.7%	-4.3%	0.2%
- Nondurables	0.2%	0.0%	-0.1%	0.0%	0.4%
- Services	0.2%	-0.1%	0.4%	2.4%	3.1%
Savings Rate	0.2%	0.4%	0.0%	0.0%*	1.5%*
PCE Deflator	0.3%	0.1%	0.3%	2.9%	3.2%
Core PCE Deflator	0.2%	0.1%	0.2%	2.0%	2.1%

\*3- and 12-months ago

**BOTTOM LINE:** There is little new information in this report as the data were released in quarterly form in yesterday's GDP report. The monthly breakdown shows, however, that although core PCE inflation slowed in the first quarter as a whole, core inflation ticked slightly higher at the end of the quarter. Real PCE remained sluggish at the end of the first quarter, suggesting poor momentum heading into the second quarter (although spending is likely to receive a temporary boost from tax rebate checks, which began to hit bank accounts this week).

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