

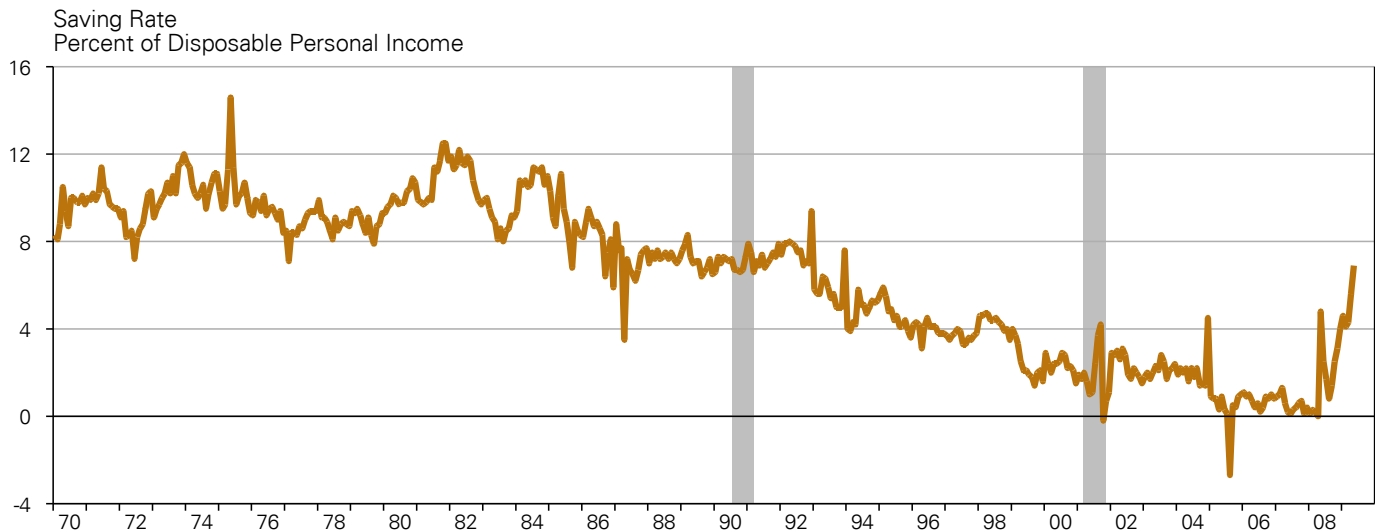
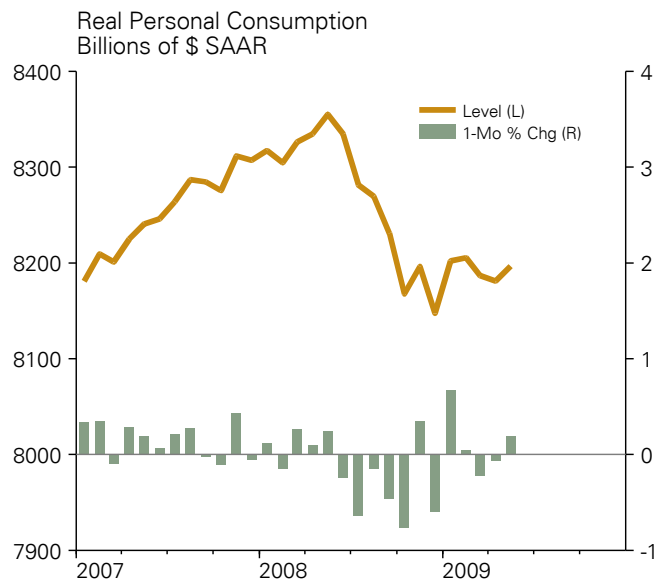
Personal income was boosted by increases in transfer payments and reductions in personal current taxes initiated by the American Recovery and Reinvestment Act of 2009. Excluding the effects of ARRA, disposable personal income increased a modest 0.2%, but remained 1.3% below the May 2008 level. Wage and salary disbursements decreased 0.1% for the seventh decline in the last eight months.

Personal income was boosted in May by the American Recovery and Reinvestment Act. Excluding ARRA effects, income growth remained modest. Spending remains sluggish as households raised saving to 6.9% of disposable personal income.

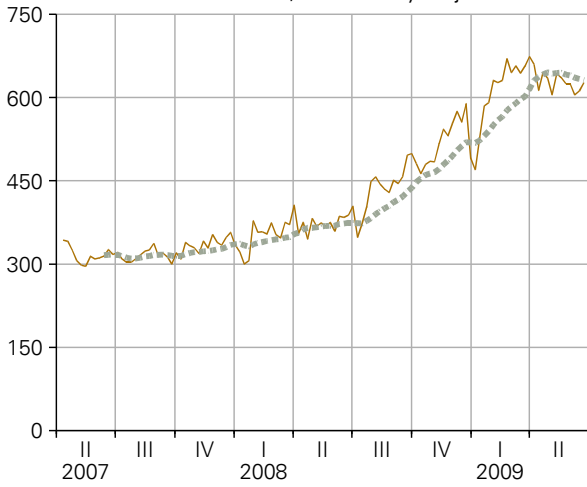
Personal consumption expenditures increased 0.3% after essentially no change in April and a 0.3% decrease in March. The saving rate increased to 6.9% of disposable personal income – the highest monthly rate since December 1993. The saving rate was zero in April 2008. The steep drop in spending and rise in saving suggests that households view recent declines in income as more than transitory and might restrain spending even as economic recovery takes hold and incomes rise. Unseasonable weather in June and a rise of approximately one-third in the price of gasoline from April to June undermined retail sales during the month.

Consumer attitudes improved modestly in June, according to the Reuters/University of Michigan survey. Expectations were little changed from May, whereas assessments of current conditions recovered to the highest level since September 2008.

Jim Coons



Initial Claims for Unemployment Insurance
Thousands Per Week, Seasonally Adjusted



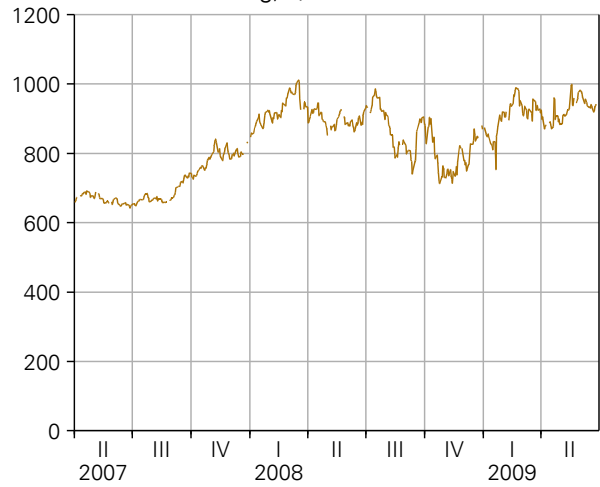
U. S. Dollar Exchange Rate
FRB Major Currency Index, 1973 = 100



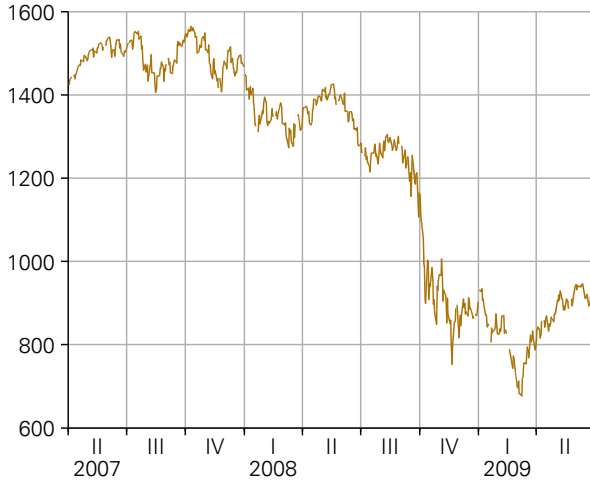
Price of Oil
West Texas Int, \$/bbl



Price of Gold
London PM Fixing, \$/oz



S&P 500 Stock Prices
Daily Close, Index 1941-43 = 10



Mortgage Loan Originations
MBA Purchase Index 3/16/90=100 SA

