



Monthly Expenditures Update

December 2024 | Released January 31, 2025

Expenditures and inflation

From November 2024 to December 2024:

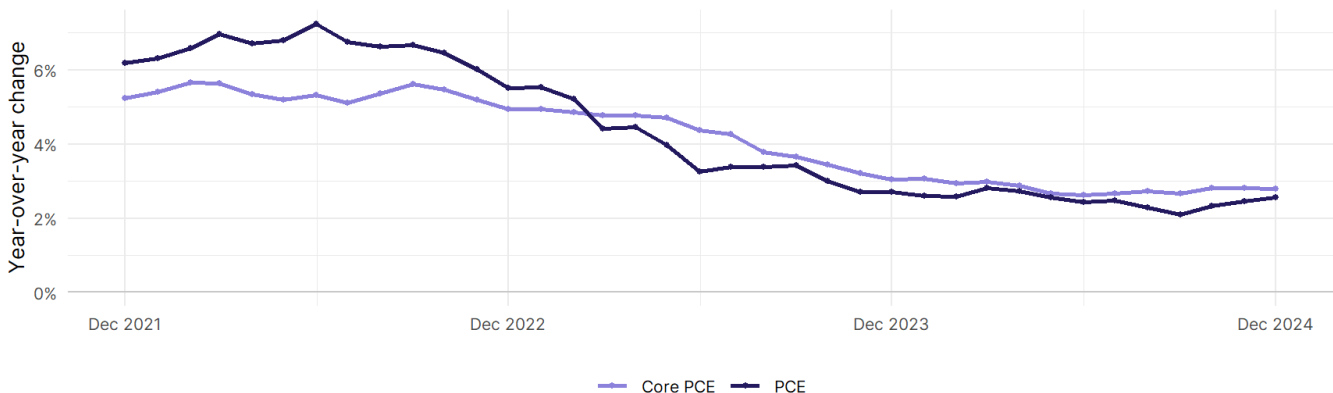
- Headline PCE price index inflation was **0.26 percent**.
- Core PCE price index inflation was **0.16 percent**. This excludes food and energy prices, which tend to be more volatile.
- All services inflation was **0.30 percent**.
- All goods inflation was **0.16 percent**.
 - Durable goods inflation was **-0.42 percent**.
 - Nondurable goods inflation was **0.48 percent**.
- Real personal consumption expenditures (PCE) **increased by 0.40 percent**, or \$65.58 billion.
- Real PCE on all services **increased by 0.26 percent**, or \$28.37 billion.
- Real PCE on all goods **increased by 0.70 percent**, or \$39.27 billion.
 - Real PCE on durable goods **increased by 1.07 percent**, or \$22.7 billion.
 - Real PCE on nondurable goods **increased by 0.51 percent**, or \$17.6 billion.
- The nominal personal savings rate **decreased by 0.3 percentage points to 3.8 percent**.

From December 2023 to December 2024:

- Headline PCE price index inflation was **2.55 percent**, which is higher than the Federal Reserve's target of 2 percent.
- Core PCE price index inflation was **2.79 percent**.

Personal Consumption Expenditures Price Index Inflation

December 2021 to December 2024

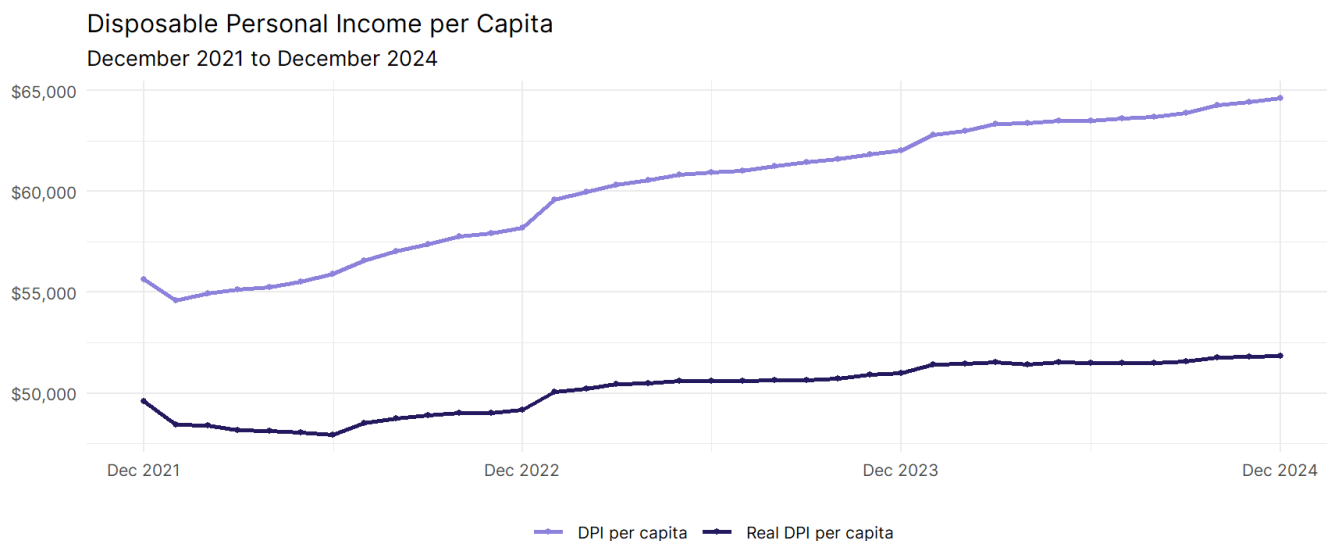


Source: Bureau of Economic Analysis, data is seasonally adjusted

Income and savings

From November 2024 to December 2024:

- Headline personal income **increased by 0.37 percent**, or \$92.01 billion.
- Real disposable personal income per capita **increased by 0.06 percent**, which means that after tax income rose more quickly than prices.



Source: Bureau of Economic Analysis, data is seasonally adjusted

Table 1. Income and Consumption Indicators

	Dec 2024	Nov 2024	Chg. from Nov 2024
Income and outlays growth (m/m)			
Real Disposable Personal Income	0.11%	0.13%	-0.02pp
Real Personal Consumption Expenditures	0.40%	0.47%	-0.07pp
Month-over-month PCE inflation			
Headline	0.26%	0.12%	0.14pp
Core	0.16%	0.11%	0.05pp
Year-over-year PCE inflation			
Headline	2.55%	2.45%	0.10pp
Core	2.79%	2.82%	-0.03pp

Table 2. Cleveland Federal Reserve Forecast

	Cleveland Fed forecast	Actual	Forecast error
Month-over-month PCE inflation			
Headline	0.22%	0.26%	-0.04pp
Core	0.23%	0.16%	0.07pp
Year-over-year PCE inflation			
Headline	2.40%	2.55%	-0.15pp
Core	2.55%	2.79%	-0.24pp

Upcoming releases

Date	Time	Release	Data source
Feb 07	08:30 AM	Monthly Employment Update, January 2025	Bureau of Labor Statistics
Feb 07	10:00 AM	Monthly Debt Update, February 2025	U.S. Treasury
Feb 12	08:30 AM	Monthly Inflation Update, January 2025	Bureau of Labor Statistics
Feb 13	10:00 AM	Monthly Fiscal Update, January 2025	U.S. Treasury
Feb 27	08:30 AM	Monthly GDP Update, Q4 2024 Second Estimate	Bureau of Economic Analysis
Feb 28	08:30 AM	Monthly Expenditures Update, January 2025	Bureau of Economic Analysis

Notes

Source: Bureau of Economic Analysis; JEC Republicans calculations

“pp” = percentage points; “M/M” = month over month; “Y/Y” = year over year

Consistent with the Bureau of Economic Analysis, monthly figures are seasonally adjusted. Discrepancy in change figures is possible due to rounding.