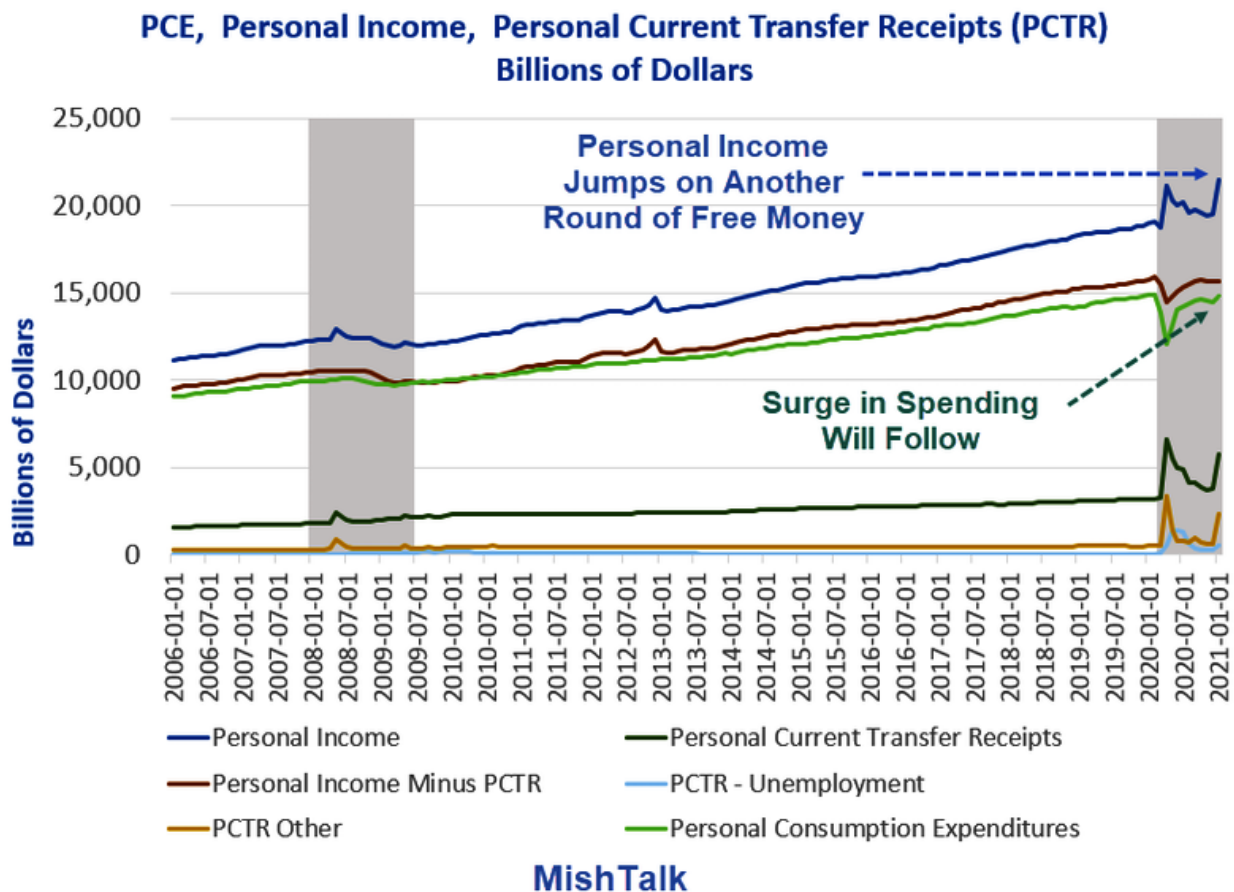



Personal income jumped a whopping 10% in January on another round of free money. With another round of \$895 billion coming soon, spending will surge as more stimulus money floods the system.



Personal Income Jumps 10% In January

The Bea's [Personal Income and Outlays Report](#) for January 2021 notes that personal income increased \$1,954.7 billion (10.0 percent) in January.

Disposable personal income (DPI) increased \$1,963.2 billion (11.4 percent) and personal consumption expenditures (PCE) increased \$340.9 billion (2.4 percent).


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Rise Due to Transfer Payments

The 10% jump in January is due to a jump in transfer payments, notably covid stimulus payments.

Transfer payments are free money or money equivalents from the Federal government.

The category includes food stamps, a relatively stable transfer payment, and Covid stimulus items (one time and ongoing).

There was a "one time" leap in March of 2020 and another "one time" jump in January of 2021. Democrats are angling for another "one time" jump, with some Republicans in agreement.

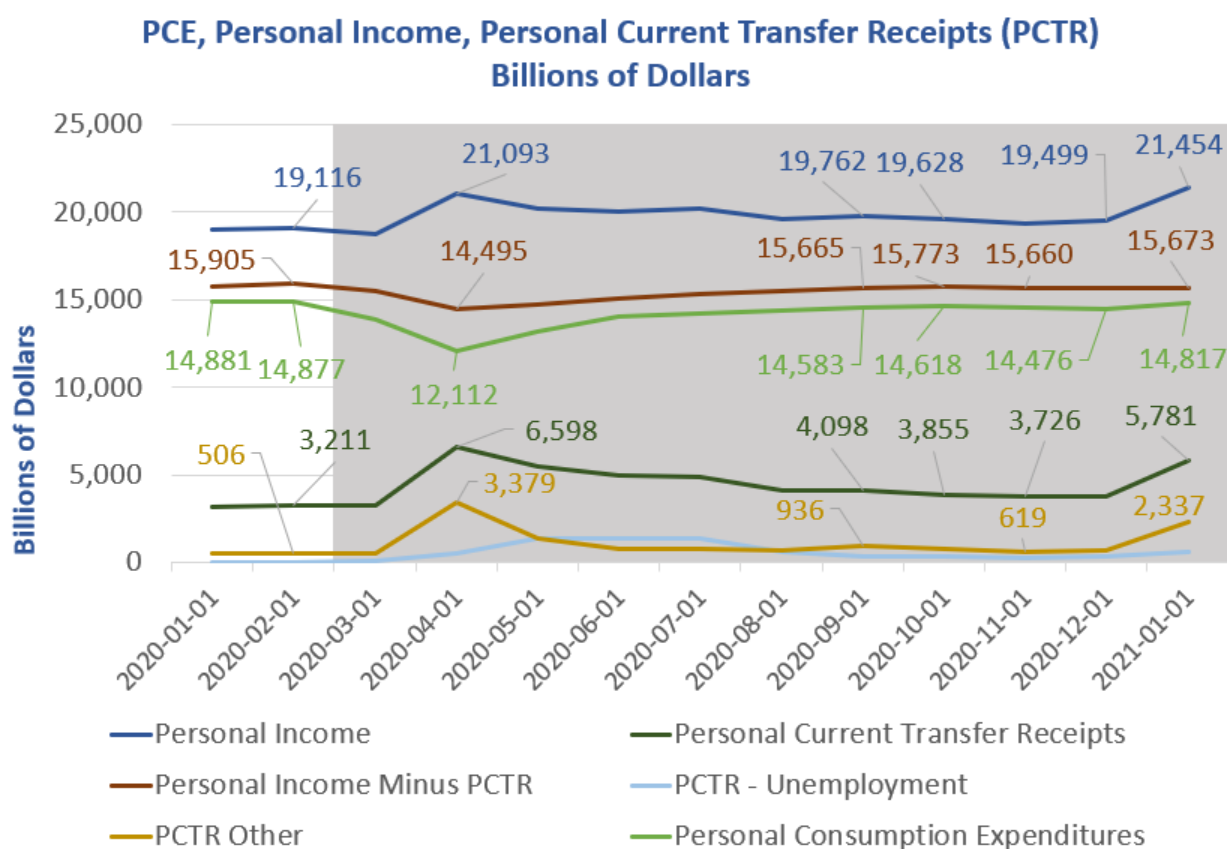
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Personal Income and Outlays Detail



Personal Income minus Transfer Payments (Red Line) is about where it was before the Covid Pandemic hit.

Spending plunged (Light Green Line), then recovered on the first stimulus package.

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Free Money

PCTR Other (Yellow Line), shows another huge surge, mostly unwarranted because it was a shotgun payment to nearly everyone as opposed to being targeted to only those genuinely affected by Covid.

PCTR Other led to the jump in Personal Income (Blue Line). Another spending surge is highly likely.



Not Just Congress

It's not just Congress that is loose with money. On February 23, I commented [The Fed Soothes the Market Today With More Easy Money Talk](#)

Also note that [Powell Disses Inflation and Ignores Questions From Congress About Leverage](#)

Finally, please note Mitt Romney's accurate blast at Biden's stimulus plan. For details, please see [Biden's Stimulus Bill Is a \\$1.9 Trillion Clunker](#)

Yes, the Democrats are angling for yet another round of "*one time*" stimulus free money for all.