

Retail Trade As a Source of Revenue

Presented by:
Cynthia M. Latta
Managing Director
U.S. Macroeconomic Service
September 2002

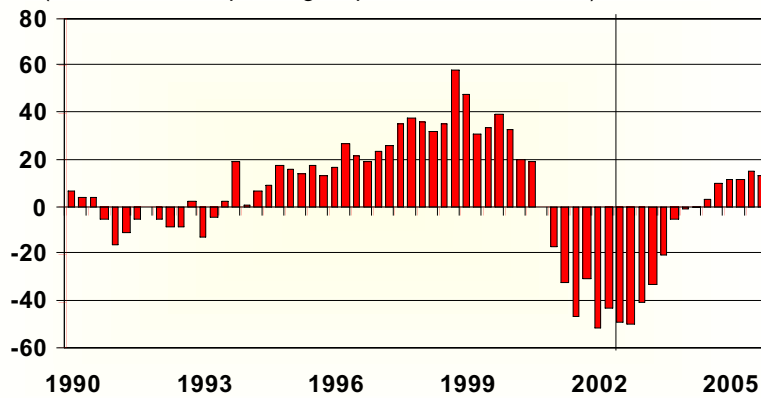


Copyright © 2002 DRI•WEFA, Inc.

1

HELP!!!

(State and local operating surplus, billions of dollars)

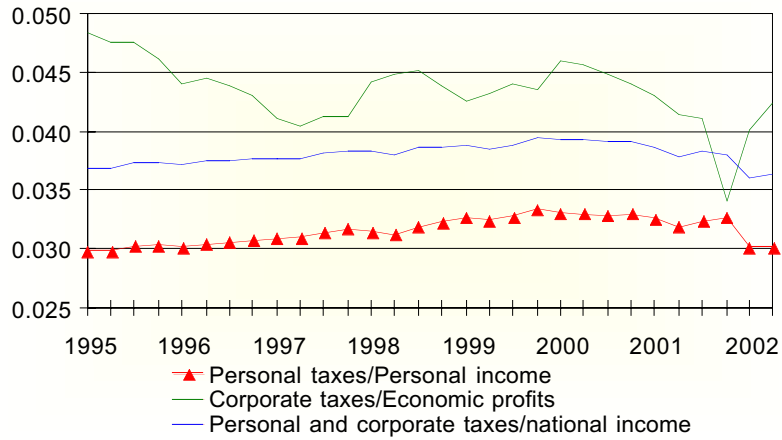


Copyright © 2002 DRI•WEFA, Inc.

2

State Income Tax Systems Have Become Less Productive

(State and local taxes only)

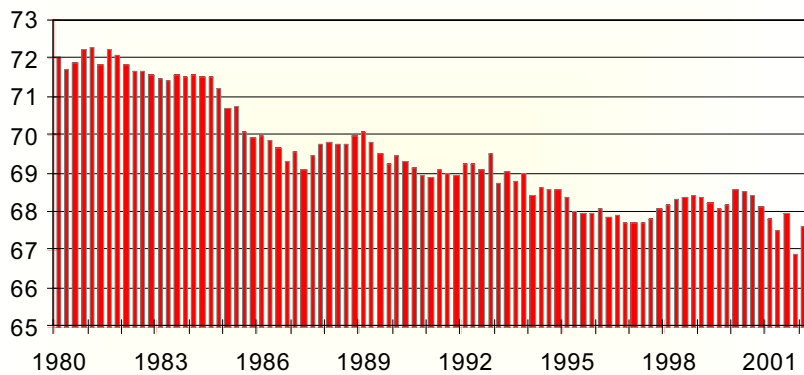


Copyright © 2002 DRI•WEFA, Inc.

3

A Falling Share of Income is Up for Grabs

(Disposable income less debt service, medical spending, other fringes, car lease payments, as percent of disposable income)

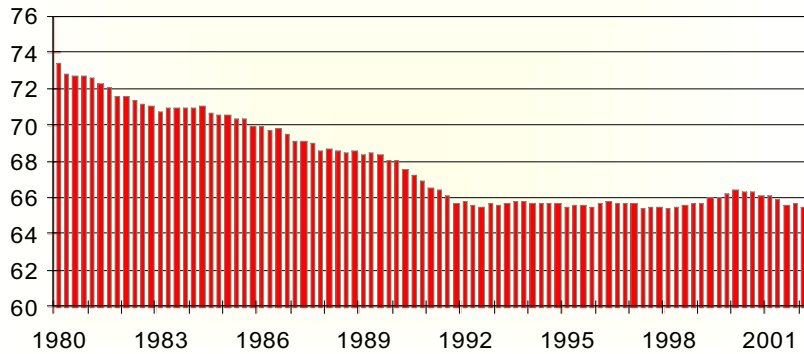


Copyright © 2002 DRI•WEFA, Inc.

4

About 2/3 of Consumer Spending Is Available for Taxation...

(Consumer spending except on motor vehicle leases, free financial services, and medical services and housing as percent of all consumption)

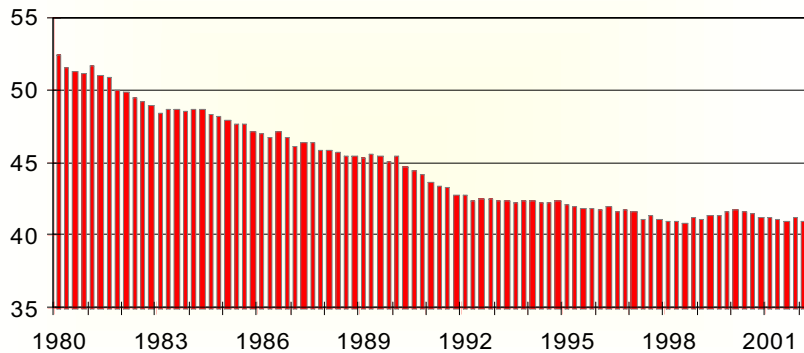


Copyright © 2002 DRI•WEFA, Inc.

5

...But Only If Services are Taxed

(Spending on durables and nondurables as a percent of total consumer spending)

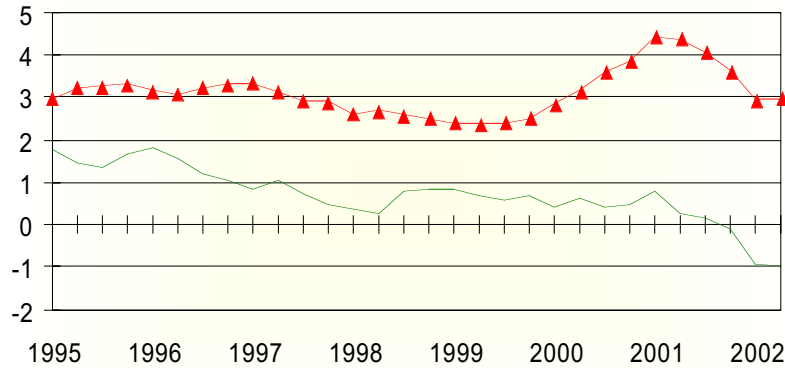


Copyright © 2002 DRI•WEFA, Inc.

6

Prices of Goods Rise More Slowly Than Prices of Services

(Consumer price indexes, percent change from a year earlier)



▲ Services less medical — Commodities less food and energy

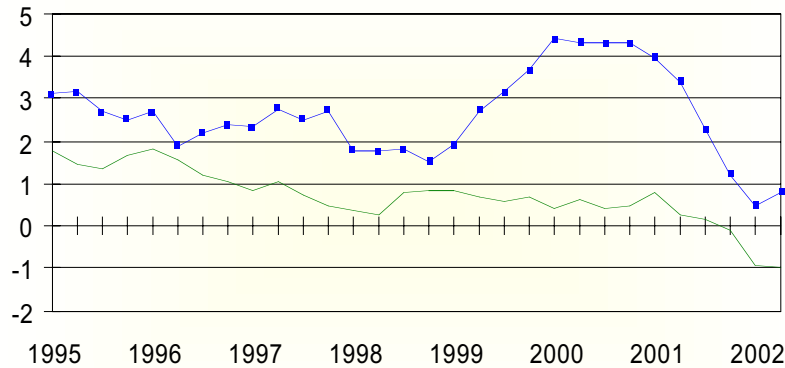


Copyright © 2002 DRI•WEFA, Inc.

7

Prices of Goods Rise More Slowly Than the Cost of Government Services

(Price indexes, percent change from a year earlier)



— Commodities less food and energy —■ State & Local purchases

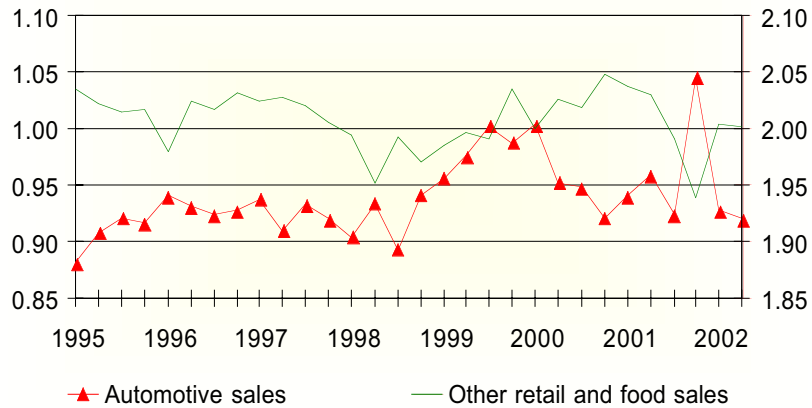


Copyright © 2002 DRI•WEFA, Inc.

8

Good Deals on Vehicles Cannibalize Other Sales

(Monthly retail spending as a percent of annualized disposable income)

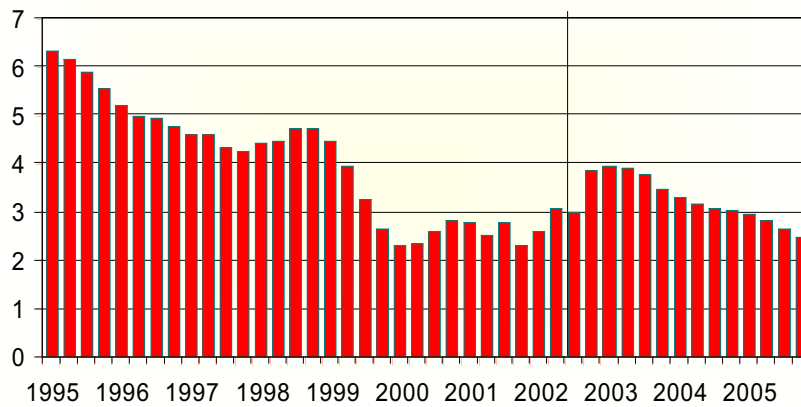


Copyright © 2002 DRI•WEFA, Inc.

9

Consumers Have Begun to Save Again...But For How Long?

(Household saving rate; saving as a percent of disposable income)



Copyright © 2002 DRI•WEFA, Inc.

10