

DEPARTMENT OF COMMERCE
Office of Business Economics

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Total personal income in October fell back from the September level, mainly as a result of a decline in terminal leave bond cashings, the Office of Business Economics, Department of Commerce, announced today.

Total personal income in October was at an annual rate of \$204.5 billion, compared with \$210.9 billion in September. The average level of personal income during the first ten months of 1947 was at an annual rate of \$195.6 billion, 12 percent above the first 10 months of 1946.

When payments on terminal leave account are excluded from the monthly comparison, the other components of personal income show a rise to an annual rate of \$202.6 billion in October, compared with \$199.4 in September. This is the more significant comparison between the two months because of the great fluctuation in terminal leave cashings, and their independence of general business activity.

Increases in personal income in October were centered in proprietors' income, factory and trade pay rolls, and dividend disbursements.

Farm income in general accounted for about half of the gain in the components of personal income other than from terminal leave payments. The increase in farm income resulted from larger farm marketings, particularly of cotton. Nonagricultural proprietors' income also rose, reflecting increased trade volume and manufacturers' shipments.

The increase in factory pay rolls was due to higher employment and a slightly longer work week in durable goods manufacturing industries. The more-than-seasonal employment increase was the main factor in expanded trade pay rolls.

Dividend disbursements during October were at an annual rate of \$6.9 billion, a fifth above the comparable period of last year.

Personal income includes wage and salary receipts, the net income of proprietors and partnerships (farm and non-farm), dividends and interest, net rents received by landlords, and other types of individual income. The annual rate data represent the seasonally adjusted dollar totals for each month multiplied by 12 to facilitate comparison with previous annual totals.

Details of personal income for September and October 1947, October 1946, and the first ten months of 1940, 1946, and 1947 are shown in the following table.