

BUSINESS NEWS REPORTS

Personal Income -- August 1960

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Personal income in August was at an annual rate of \$407½ billion, little changed from July, the Office of Business Economics, U. S. Department of Commerce announced today.

Wage and salary disbursements, which comprise about two-thirds of total personal income, were at an annual rate of \$275 billion in August, the same as in July. A decline in manufacturing payrolls was offset by gains in trade, the service industries, and government.

The reduction in factory payrolls in August reflected mainly the early changeover in automobile models and further cutbacks in steel production. These developments resulted in lower average weekly hours worked and a decrease in total manufacturing employment on a seasonally adjusted basis. Associated with the reduced employment was a rise in unemployment insurance benefits which accounted for most of the increase in government transfer payments in August.

Among industries showing increased payrolls last month, the largest gains occurred in government. Federal wages and salaries rose \$0.3 billion at annual rate, as August marked the first month of full coverage under the recently enacted Federal pay scale. A moderate advance in State and local disbursements accounted for the remainder of the \$½ billion increase in total government payrolls.

The August decline in net farm income was due primarily to a reduction in cash receipts from farm marketings. Farm marketings had risen to unusually high levels in the second quarter, after having been delayed by bad weather in the first.

Personal income in the first 8 months of 1960 was at an annual rate of \$402 billion, \$21 billion, or 5½ percent, higher than in the first 8 months of 1959. Moderate gains were evident throughout the economy, with farm income the only major industrial component registering a decline.

Details of personal income in August and other recent periods are shown in the following table.

MONTHLY PERSONAL INCOME

(Seasonally adjusted annual rates in billions of dollars)

	Aug. 1960	July 1960	June 1960	Aug. 1959	July 1959	June 1959	1st 8 months 1960	1st 8 months 1959	Full year 1959
TOTAL PERSONAL INCOME	407.6	407.3	406.1	383.3	386.9	386.8	402.0	381.0	383.3
Wage and salary disbursements, total	275.1	275.1	274.0	258.6	261.5	262.1	271.9	256.8	258.2
Commodity-producing industries	111.7	112.8	112.9	105.8	109.3	110.5	112.4	107.2	107.2
Manufacturing only	87.5	88.7	89.2	83.8	86.9	87.6	88.8	84.6	84.7
Distributive industries	72.7	72.4	72.2	69.2	69.0	68.9	71.5	67.7	68.2
Service industries	41.6	41.3	41.1	38.0	37.8	37.4	40.6	36.9	37.5
Government	49.0	48.5	47.8	45.6	45.4	45.4	47.5	45.0	45.3
Other labor income	11.2	11.1	11.0	10.3	10.2	10.1	10.9	10.0	10.1
Proprietors' income:									
Business and professional	36.2	36.2	36.2	35.0	35.1	35.0	35.8	34.5	34.7
Farm	11.5	12.0	12.5	10.7	12.1	12.0	11.5	12.2	11.8
Rental income of persons	12.5	12.5	12.5	12.4	12.4	12.4	12.5	12.3	12.4
Dividends	14.0	13.9	13.9	13.6	13.4	13.3	13.9	13.2	13.4
Personal interest income	27.4	27.1	26.8	23.8	23.5	23.2	26.3	23.0	23.5
Transfer payments ^{1/}	29.1	28.7	28.5	26.7	26.5	26.6	28.4	26.7	27.0
Less: Personal contributions for social insurance	9.4	9.3	9.3	7.8	7.9	7.9	9.2	7.8	7.8
Total nonagricultural income ^{2/}	391.9	391.1	389.3	368.9	371.0	371.0	386.3	364.9	367.6
Total agricultural income	15.7	16.2	16.8	14.4	15.9	15.8	15.7	16.1	15.7

1. Consist mainly of social insurance benefits and veterans' payments.

2. Equals personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.

NOTE: These figures have not been adjusted to include Alaska and Hawaii.