

BUSINESS NEWS REPORTS

PERSONAL INCOME -- OCTOBER 1962

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Beatrice Coleman: Worth 7-2222

Personal income in October was at a seasonally adjusted annual rate of \$445-1/2 billion, \$2 billion higher than in September, the Office of Business Economics, U. S. Department of Commerce announced today. The October total is \$22 billion, or 5 percent, above the figure for the corresponding month of last year.

Labor income -- wages and salaries plus fringe benefits -- and transfer payments each rose nearly \$3/4 billion in October. Small increases in other income components also contributed to the advance.

About half of the rise in wages and salaries came from an increase in payrolls of State and local governments. The remainder of the payroll advance reflected mainly small gains in trade, transportation, and the service industries.

Wages and salaries in commodity-producing industries were unchanged in October. In manufacturing, employment was comparatively stable; minor gains in hourly earnings were offset by some decline in the length of the work week. On balance, payrolls held steady at an annual rate of \$94 billion -- the same as in the two previous months -- although there were small shifts among individual industries.

Nearly half of the \$3/4 billion rise in transfer payments resulted from increased compensation for service-connected disabilities of veterans as provided by the last session of Congress. This includes an increase in monthly rates and a lump sum retroactive payment equivalent to a 3-months increase.

Continued expansion in OASI benefit payments and a small increase in unemployment payments accounted for the rest of the rise in transfer income.

Other components of income were up moderately, with the largest advance occurring in dividends, due mainly to an increased special dividend by a large mutual investment company.

Personal income includes wages and salaries, the net income of proprietorships -- farm and nonfarm -- dividends, interest, net rents, and other types of individual income. The annual rates, which are used to facilitate comparison with previous annual totals, represent the seasonally-adjusted dollar totals for each month multiplied by 12.

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

MONTHLY PERSONAL INCOME IN THE UNITED STATES
(Seasonally adjusted annual rates in billions of dollars)

	Oct. 1962	Sept. 1962	Aug. 1962	Oct. 1961	Sept. 1961	Aug. 1961	1st 10 months 1962	1961	Full year 1961
TOTAL PERSONAL INCOME	445.6	443.5	443.0	423.6	419.7	418.3	438.9	413.8	416.4
Wage and salary disbursements, total	298.6	298.0	298.1	283.6	281.4	280.7	295.1	277.1	278.8
Commodity-producing industries.	117.9	117.9	118.1	113.1	111.4	111.6	117.2	109.9	110.8
Manufacturing only	94.0	94.0	94.1	89.4	87.8	88.1	93.6	86.7	87.5
Distributive industries	76.9	76.7	76.6	73.6	73.4	73.2	76.0	72.6	72.9
Service industries	47.1	47.0	47.0	43.9	43.8	43.9	46.1	43.1	43.4
Government	56.7	56.4	56.5	53.0	52.7	52.1	55.8	51.4	51.8
Other labor income	12.5	12.4	12.4	11.5	11.5	11.4	12.3	11.4	11.4
Proprietors' income:									
Business and professional	37.1	37.0	37.0	35.6	35.2	35.1	36.7	34.5	34.8
Farm	13.1	12.9	12.8	13.5	13.1	13.1	12.9	12.9	13.1
Rental income of persons	12.9	12.9	12.9	12.4	12.4	12.3	12.8	12.2	12.3
Dividends	16.3	16.0	15.7	15.3	15.0	14.9	15.8	14.9	15.0
Personal interest income	30.4	30.2	30.0	27.9	27.7	27.5	29.5	27.2	27.4
Transfer payments ^{1/}	35.2	34.5	34.5	33.5	33.1	33.0	34.3	33.2	33.4
Less: Personal contributions for social insurance	10.5	10.4	10.5	9.8	9.7	9.7	10.4	9.6	9.7
Total nonagricultural income ^{2/}	428.3	426.4	425.9	405.9	402.3	401.0	421.7	396.7	399.1
Total agricultural income	17.3	17.1	17.1	17.7	17.4	17.4	17.1	17.1	17.3

^{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.