

# BUSINESS NEWS REPORTS

PERSONAL INCOME -- OCTOBER 1963

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Personal income in October was at a seasonally adjusted annual rate of \$470-1/3 billion, \$3 billion higher than in September, the U. S. Department of Commerce announced today.

The October income total was \$5 billion above the average for the third quarter of this year, and \$22-1/2 billion or 5 percent higher than in October 1962, according to the Department's Office of Business Economics.

About one-third of the \$3 billion increase in October, the largest in the past year and a half, resulted from the military pay raise which went into effect last month. Otherwise, the October advance approximated the monthly average for the first half of the year. The \$2 billion rise in civilian personal income was about evenly divided between wages and non-wage incomes.

Manufacturing wages and salaries in October advanced almost \$1/2 billion. About three-fourths of this rise occurred in the durable goods industries, as a rising level of automobile production was reflected in higher employment, hours, and earnings. There were also small gains in such durable goods industries as stone, clay and glass, fabricated metals, and non-electrical machinery, offset in part by small losses in primary metals and electrical machinery. Most nondurable goods industries reported small increases.

Payrolls in the trade, finance, and service industries moved ahead with increased employment. These, together with higher State and local government payrolls, in the aggregate added \$1/2 billion to total income. Payroll disbursements in agriculture, mining, communications, transportation and the civilian area of the Federal Government showed little change.

Most non-wage components of personal income edged upward in October. Nonfarm proprietors' income was at a higher rate as a result of larger sales in retail and the service trades. Government transfer payments rose almost \$1/2 billion, reflecting an increase in armed forces retirement pay rates and a slight rise in unemployment compensation.

Personal income includes wages and salaries, the net income of proprietorships -- farm and nonfarm -- as well as dividends and interest, net rents received by landlords, 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.

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

	Oct.	Sept.	Aug.	Oct.	Sept.	Aug.	1st 10 months		Full
	1963	1963	1963	1962	1962	1962	1963	1962	year 1962
TOTAL PERSONAL INCOME .....	470.3	467.3	465.1	447.7	445.5	444.6	460.9	440.4	442.1
Wage and salary disbursements, total..	318.1	316.2	314.4	300.1	299.8	299.4	310.9	296.1	297.1
Commodity-producing industries .....	125.9	125.5	124.7	119.4	119.5	119.6	123.3	118.3	118.5
Manufacturing only .....	100.0	99.6	98.7	94.6	95.0	95.1	97.9	94.0	94.2
Distributive industries .....	80.8	80.7	80.2	77.4	77.6	77.1	79.6	76.4	76.6
Service industries .....	50.4	50.2	50.0	47.1	46.8	47.1	49.2	46.2	46.4
Government .....	61.0	59.8	59.5	56.3	55.9	55.6	58.9	55.3	55.6
Other labor income .....	12.8	12.7	12.7	12.3	12.2	12.2	12.6	12.0	12.1
Proprietors' income:									
Business and professional .....	38.1	37.9	37.9	36.8	36.6	36.6	37.5	36.4	36.5
Farm .....	12.7	12.7	12.7	13.3	13.3	13.2	12.9	13.3	13.3
Rental income of persons .....	12.2	12.1	12.1	12.0	12.0	12.0	12.1	12.0	12.0
Dividends .....	18.0	17.8	17.6	16.8	16.6	16.4	17.5	16.4	16.6
Personal interest income .....	33.2	33.0	32.8	30.9	30.6	30.3	32.3	29.8	30.0
Transfer payments <sup>1/</sup> .....	37.2	36.8	36.7	35.8	34.7	34.8	36.8	34.6	34.8
Less: Personal contributions for social insurance .....	12.0	11.9	11.9	10.4	10.2	10.3	11.7	10.2	10.2
Total nonagricultural income <sup>2/</sup> .....	453.3	450.3	448.0	430.1	428.1	427.2	443.5	422.8	424.5
Total agricultural income .....	17.1	17.0	17.1	17.6	17.4	17.4	17.4	17.6	17.6

<sup>1/</sup> Consist mainly of social insurance benefits and veterans' payments.

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

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