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PERSONAL INCOME -- FEBRUARY 1964

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Personal income in February was at a seasonally adjusted annual rate of \$478.3 billion, the Department of Commerce announced today.

Income from current economic activity rose \$2 billion, about in line with the average increase obtaining since last summer, according to the Department's Office of Business Economics. The most recent increase was, however, largely offset by the elimination from the February total of the non-recurring veterans' insurance dividend paid in January; personal income from all sources thus showed only a minor increase for the month.

Wages and salaries rose over \$2 billion from January to February, substantially bettering the December to January increase, which was a little short of \$1 billion. The most recent advance centered in the commodity-producing industries which had declined slightly in January. Small gains were noted also for the distribution and service industries and for State and local governments.

Manufacturing payrolls advanced \$3/4 billion. Two-thirds of this rise reflected gains in hours worked per week and the balance stemmed from higher employment. Hourly earnings showed little change last month.

Almost all manufacturing industries showed increases, with the largest gains registered by the apparel, textile, metals, and electrical machinery industries. Payrolls in the transportation equipment industry were off somewhat as a decline in hours worked offset a rise in employment.

Contract construction payrolls were up \$3/4 billion at an annual rate as employment recovered from the effects of the unusually bad weather in January.

The sharp drop in transfer payments last month reflected principally the absence of the special veterans' dividend payment made in January. Apart from this, transfer payments were little changed from January as increases in old age and survivors benefits payments were about offset by reduced unemployment insurance benefits.

Other types of personal income showed little change from the January figure. There were small increases in supplementary labor income, nonfarm proprietors' earnings, interest and rent and a small decline in farm proprietors' income.

(Over)

Personal income averaged \$478 billion during the first two months of this year: this was 5-1/2 percent above the same period a year ago. All income categories, other than farm proprietors' earnings, shared in this advance.

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 February 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)

	Feb. 1964	Jan. 1964	Dec. 1963	Feb. 1963	Jan. 1963	Dec. 1962	Full year	
							1963	1962
TOTAL PERSONAL INCOME	478.3	*(476.1) 478.1	476.0	452.9	*(450.4) 454.0	452.1	463.0	442.1
Wage and salary disbursements, total	323.8	321.7	320.8	304.7	302.8	302.9	312.3	297.1
Commodity-producing industries	128.3	126.9	127.2	120.1	119.5	119.6	123.8	118.5
Manufacturing only	101.8	101.1	101.1	95.5	94.7	94.9	98.3	94.2
Distributive industries	81.9	81.7	81.3	78.6	77.9	78.4	79.8	76.6
Service industries	51.1	50.9	50.8	48.3	47.8	47.7	49.5	46.4
Government	62.5	62.2	61.6	57.8	57.6	57.3	59.3	55.6
Other labor income	12.9	12.8	12.8	12.5	12.3	12.4	12.6	12.1
Proprietors' income:								
Business and professional	38.5	38.4	38.4	37.2	37.1	37.0	37.7	36.5
Farm	12.0	12.2	12.5	13.5	13.6	13.5	12.8	13.3
Rental income of persons	12.3	12.2	12.2	12.0	12.0	12.0	12.1	12.0
Dividends	19.0	19.0	19.8	17.2	17.0	17.7	17.8	16.6
Personal interest income	34.3	34.1	33.8	31.7	31.5	31.3	32.5	30.0
Transfer payments ^{1/}	37.9	*(37.9) 39.9	37.7	35.7	*(35.5) 39.1	35.7	36.9	34.8
Less: Personal contributions for social insurance	12.4	12.3	12.1	11.5	11.4	10.3	11.8	10.2
Total nonagricultural income ^{2/}	462.1	*(459.5) 461.6	459.2	434.9	*(432.3) 435.9	434.1	445.7	424.5
Total agricultural income	16.2	16.5	16.8	18.0	18.1	18.0	17.3	17.6

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.

* Figures in parentheses for January 1964 exclude stepped-up rate of Government life insurance dividend payments to veterans in the amount of \$2.1 billion (\$172 million multiplied by 12 to put on annual rate basis). Figures in parenthesis for January 1963 exclude stepped-up rate of Government life insurance dividend payments to veterans and a special dividend to all WW II veterans holding NSLI policies in the amount of \$3.6 billion (\$298 million multiplied by 12 to put on annual rate basis).