

# BUSINESS NEWS REPORTS

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PERSONAL INCOME--MARCH 1964

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FOR IMMEDIATE RELEASE  
FRIDAY, APRIL 17, 1964

OBE 64-20

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Personal income rose \$1-1/2 billion in March to a seasonally-adjusted annual rate of \$480-1/2 billion, the U. S. Department of Commerce announced today.

The March increase was somewhat less than the average monthly rise that has taken place since last summer, according to the Department's Office of Business Economics.

Half of the March rise was in payrolls, which edged upward in the manufacturing and service industries as well as in State and local governments. The rest of last month's personal income increase reflected minor gains in all other types of income except rent.

With the tax cut becoming effective early in March, there was a sharp rise in after-tax personal income available for spending and saving. Tentative estimates put the increase in consumer buying power due to the tax cut at about \$7 billion, at annual rates.

Personal income for the first quarter totaled \$479 billion, up \$25 billion or 5-1/2 percent, from the first quarter of last year. Almost three-fifths of this rise was accounted for by higher private industry payrolls, particularly in manufacturing. Another fifth reflected higher State and local government employment along with an increase in the average pay of Federal Government employees, military and civilian. Among other types of income, there was a marked rise in dividends and continued growth in interest, nonfarm business and professional incomes, and transfer payments. Net rental income showed little change, and there was a sharp relative drop in farm income.

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 March 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)

	Mar.	Feb.	Jan.	Mar.	Feb.	Jan.	1st 3 Mos.		Full Year
	1964	1964	1964	1963	1963	1963	1964	1963	
TOTAL PERSONAL INCOME	480.4	478.8	*(476.1) 478.1	454.8	452.9	*(450.4) 454.0	*(478.1) 479.1	*(452.7) 453.9	463.0
Wage and salary disbursements, total	325.0	324.2	321.7	306.1	304.7	302.8	323.6	304.5	312.3
Commodity-producing industries	128.6	128.4	126.9	120.9	120.1	119.5	128.0	120.1	123.8
Manufacturing only	102.1	101.9	101.1	96.3	95.5	94.7	101.7	95.5	98.3
Distributive industries	82.1	82.1	81.7	78.7	78.6	77.9	82.0	78.4	79.8
Service industries	51.4	51.2	50.9	48.5	48.3	47.8	51.2	48.2	49.5
Government	62.8	62.5	62.2	58.0	57.8	57.6	62.5	57.8	59.3
Other labor income	12.9	12.9	12.8	12.5	12.5	12.3	12.9	12.4	12.6
Proprietors' income:									
Business and professional	38.7	38.6	38.4	37.2	37.2	37.1	38.6	37.2	37.7
Farm	12.3	12.1	12.2	13.3	13.5	13.6	12.2	13.5	12.8
Rental income of persons	12.3	12.3	12.2	12.0	12.0	12.0	12.3	12.0	12.1
Dividends	19.2	19.1	19.0	17.2	17.2	17.0	19.1	17.1	17.8
Personal interest income	34.5	34.3	34.1	31.8	31.7	31.5	34.3	31.6	32.5
Transfer payments <u>1/</u>	37.8	37.7	*(37.9) 39.9	36.2	35.7	*(35.5) 39.1	*(37.8) 38.5	*(35.8) 37.0	36.9
Less: Personal contributions for social insurance	12.4	12.4	12.3	11.5	11.5	11.4	12.3	11.5	11.8
Total nonagricultural income <u>2/</u>	463.7	462.4	*(459.5) 461.6	437.0	434.9	*(432.3) 435.9	*(462.0) 462.7	*(434.7) 435.9	445.7
Total agricultural income	16.7	16.4	16.5	17.8	18.0	18.1	16.6	18.0	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.

\* 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).