

BUSINESS NEWS REPORTS

PERSONAL INCOME - JUNE 1964

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Personal income rose \$1-1/2 billion in June to a seasonally-adjusted annual rate of \$489 billion, the U.S. Department of Commerce announced today.

The June advance was about the same as the increase reported for May, according to the Department's Office of Business Economics.

The rise last month reflected principally a \$1 billion expansion in wage and salary disbursements to a total of \$330 billion. Small advances were reported for most nonwage incomes, while transfer payments were off moderately.

Higher payrolls were reported for all industry groups: larger manufacturing wages and salaries reflected advances in durable goods employment and average hours; increases in construction, trade, services, and State and local governments reflected continued expansion in employment.

Among other income categories, there were increases in proprietors' income, interest, dividends, and other labor income.

The June rise brought second quarter personal income to a seasonally adjusted annual rate of \$488 billion, \$7 billion above the first quarter. With the tax cut being fully effective on the second quarter's earnings, personal tax and nontax payments declined \$5 billion, despite the rise in taxable income. Disposable personal income accordingly rose \$12 billion to an annual rate of \$431 billion.

Although the increase in consumption expenditures -- \$6 billion -- was the second highest quarterly rise in 2-1/2 years, it did not match the unusual income increase, and personal savings rose \$6 billion. The personal savings rate was over 8 percent during the second quarter -- 1 percentage point above the rate a quarter earlier.

Income in the First Half of 1964

Personal income in the first 6 months of 1964 was at a seasonally-adjusted annual rate of \$484 billion, 6 percent above the \$458 billion recorded during the same period last year. All major components shared in this advance, except farm proprietors' income.

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Nearly all major industries participated in the \$18 billion advance in wages and salaries; increases ranged from \$6 billion in the commodity producing lines to \$3 billion in the service industries. Roughly one-half of the overall increase in private wages and salaries was the result of improved employment.

Government payrolls rose \$4-1/2 billion, reflecting higher pay rates for Federal military and civilian employees, and both higher employment and higher pay rates for State and local government.

Transfer payments in the first 6 months of 1964 were up \$1-1/2 billion or 4-1/2 percent from the same period a year earlier. Half of this rise occurred in old age and survivors' benefit payments. Declines amounting to \$1/2 billion were noted in unemployment insurance benefits and in dividends paid on GI life insurance. Most other transfer payments showed small increases.

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.

Annual Revision

Estimates for May and prior months contained in this release and its attached table represent statistical revisions of previously published data. They incorporate the results of the annual detailed accounting of the national income, national product, and related series which OBE completes each year in July. June data are on the new basis.

Detailed figures for the period 1959 through 1963, and summary measures covering the first half of 1964, will appear in the forthcoming July National Income Number of the Survey of Current Business, monthly magazine of the Office of Business Economics.

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

The Survey of Current Business is available from Field Offices of the Department of Commerce or from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, at an annual subscription price of \$4.00, including weekly supplements; single copy 30 cents.

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MONTHLY PERSONAL INCOME IN THE UNITED STATES

(Seasonally adjusted annual rates in billions of dollars)

	June 1964	May 1964	April 1964	June 1963	May 1963	April 1963	1st 6 Months 1964 1963		Full Year 1963
TOTAL PERSONAL INCOME	489.2	487.8	486.6	462.7	460.2	457.6	484.4	457.7	464.1
Wage and salary disbursements, total	329.8	328.7	327.7	311.9	310.4	308.1	326.0	307.7	312.1
Commodity-producing industries	129.1	128.7	128.8	123.8	123.1	121.8	127.8	121.8	123.3
Manufacturing only	102.6	102.3	102.3	98.3	97.9	96.9	101.5	96.9	98.0
Distributive industries	84.4	84.2	83.7	80.0	79.8	79.3	83.4	79.2	80.3
Service industries	52.6	52.3	52.1	49.3	49.0	48.7	51.8	48.6	49.3
Government	63.8	63.4	63.0	58.7	58.4	58.3	62.9	58.2	59.2
Other labor income	14.1	14.0	13.9	13.0	13.0	12.9	13.8	12.9	13.1
Proprietors' income:									
Business and professional	39.3	39.1	39.0	37.4	37.3	37.2	38.9	37.2	37.6
Farm	12.7	12.6	12.5	12.7	12.8	12.9	12.6	13.0	13.0
Rental income of persons	12.4	12.4	12.4	12.3	12.3	12.3	12.4	12.3	12.3
Dividends	19.9	19.8	19.8	18.4	17.4	17.4	19.6	17.5	18.0
Personal interest income	35.9	35.7	35.5	32.6	32.4	32.2	35.4	32.1	32.9
Transfer payments <u>1/</u>	37.7	38.0	38.2	36.2	36.4	36.3	38.2	36.6	36.7
Less: Personal contributions for social insurance	12.6	12.5	12.5	11.8	11.7	11.7	12.4	11.6	11.8
Total nonagricultural income <u>2/</u>	471.9	470.7	469.7	445.5	442.9	440.1	467.3	440.2	446.6
Total agricultural income	17.2	17.1	17.0	17.2	17.3	17.4	17.1	17.5	17.5

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.