

BUSINESS NEWS REPORTS

PERSONAL INCOME -- SEPTEMBER 1964

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F. Beatrice Coleman: Worth 7-4430

Personal income was at a seasonally adjusted annual rate of \$497 billion in September, \$2.2 billion higher than in August and \$28 billion above a year ago, the U. S. Department of Commerce announced today.

This latest rise was about equal to the average monthly increase for the first eight months of this year, according to the Department's Office of Business Economics.

The September advance centered in wages and salaries which, at an annual rate of \$336-1/2 billion, were \$1.8 billion above the August figure. Personal interest continued its long-term upward trend; other income components were little changed over the month.

The payroll gains were widespread by industry and resulted from a rise in nonfarm employment together with somewhat higher average hourly earnings. The third annual step of the Federal minimum wage law which became effective in September contributed to the higher earnings.

Manufacturing payrolls at \$104-1/2 billion were up about \$3/4 billion at an annual rate. Most of this rise occurred in the durable goods industries, particularly primary metals and transportation equipment. Employment, hours and earnings all contributed to the advance.

Federal Government payrolls on balance were stable. A \$.2 billion military pay increase which became effective last month was offset by a drop in Federal civilian payrolls. The latter had been boosted in August by a retroactive pay increase. Payrolls of State and local government moved upward again as employment in this sector continued to expand.

Payrolls up in third quarter

The September rise brought third quarter personal income to a seasonally adjusted annual rate of \$494-1/2 billion, \$6-1/2 billion above the second quarter. Most of the gain was in wages and salaries. Private payrolls were up \$4 billion as both employment and average earnings increased. Government salaries rose by \$1-1/2 billion.

Disposable personal income in the third quarter rose \$5.4 billion to an annual rate of \$437 billion, about in line with the gain in personal income. Consumer spending advanced more than \$8 billion; personal saving fell back from the very high second quarter rate of more than 8 percent to about 7-1/2 percent.

For the first nine months of 1964 personal income was at a seasonally adjusted annual rate of \$488 billion, \$27 billion or 5.9 percent above the comparable period last year.

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.

Details of personal income in September 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)

	Sept. 1964	Aug. 1964	July 1964	Sept. 1963	Aug. 1963	July 1963	1st 9 Months 1964	9 Months 1963	Full Year 1963
TOTAL PERSONAL INCOME	497.1	494.9	491.4	468.9	466.1	464.0	487.8	460.6	464.1
Wage and salary disbursements, total	336.4	334.6	331.8	316.0	314.0	312.9	328.8	309.9	312.1
Commodity-producing industries	131.6	130.8	129.9	125.0	123.6	123.7	128.8	122.6	123.3
Manufacturing only	104.6	103.8	103.0	99.4	98.0	98.2	102.3	97.4	98.0
Distributive industries	86.1	85.7	85.2	81.5	80.9	80.5	84.2	79.8	80.3
Service industries	53.3	52.9	52.6	49.9	50.0	49.8	52.2	49.0	49.3
Government	65.4	65.1	64.1	59.7	59.4	59.0	63.6	58.6	59.2
Other labor income	14.3	14.2	14.2	13.3	13.2	13.1	14.0	13.0	13.1
Proprietors' income:									
Business and professional	39.6	39.6	39.5	37.9	37.8	37.6	39.1	37.4	37.6
Farm	12.7	12.6	12.4	12.9	12.9	12.9	12.6	13.0	13.0
Rental income of persons	12.4	12.4	12.4	12.4	12.3	12.3	12.4	12.3	12.3
Dividends	19.9	20.0	20.0	18.0	17.8	17.7	19.7	17.6	18.0
Personal interest income	36.5	36.2	36.0	33.7	33.4	33.0	35.7	32.5	32.9
Transfer payments <u>1/</u>	38.1	38.0	37.8	36.6	36.6	36.3	38.1	36.6	36.7
Less: Personal contributions for social insurance	12.9	12.8	12.7	11.8	11.9	11.9	12.5	11.7	11.8
Total nonagricultural income <u>2/</u>	479.8	477.8	474.4	451.6	448.8	446.6	470.7	443.1	446.6
Total agricultural income	17.3	17.1	16.9	17.3	17.3	17.4	17.1	17.4	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.

BUSINESS NEWS REPORTS

PERSONAL INCOME -- OCTOBER 1964

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F. Beatrice Coleman: WOrth 7-4430

Personal income in October was at a seasonally adjusted annual rate of \$498.6 billion, up $\$3/4$ billion from the September rate, the U. S. Department of Commerce announced today. This was the smallest rise so far this year, as the effects on employment and income of a strike in some automobile plants offset large gains in non-auto incomes, according to the Department's Office of Business Economics.

The auto strike cut payrolls in the transportation equipment and metals industries. The information now available suggests that wages and salaries in these industries in October were roughly $\$1-1/2$ billion, at an annual rate, below September.

During October there was a rise of approximately $\$2-1/4$ billion in income components not directly affected by the automobile strike, with $\$1-1/2$ billion of that amount accounted for by nonmanufacturing payrolls. Almost all major industries showed gains as employment and earnings continued to expand. Government payrolls were up over $\$1/2$ billion, including retroactive wage increases totaling $\$.3$ billion.

The $\$3/4$ billion aggregate rise in non-payroll income components consisted of continued small gains in interest, transfer payments, non-farm proprietors' income and rent.

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.

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. 1964	Sept. 1964	Aug. 1964	Oct. 1963	Sept. 1963	Aug. 1963	1st 10 Months		Full Year
							1964	1963	1963
TOTAL PERSONAL INCOME	498.6	497.9	494.9	472.7	468.9	466.1	488.9	461.8	464.1
Wage and salary disbursements, total	337.3	337.2	334.6	318.2	316.0	314.0	329.7	310.7	312.1
Commodity-producing industries	131.0	132.1	130.8	125.4	125.0	123.6	129.1	122.8	123.3
Manufacturing only	103.7	105.1	103.8	99.7	99.4	98.0	102.5	97.7	98.0
Distributive industries	86.6	86.3	85.7	81.8	81.5	80.9	84.4	80.0	80.3
Service industries	53.7	53.4	52.9	50.0	49.9	50.0	52.3	49.1	49.3
Government	66.0	65.4	65.1	61.0	59.7	59.4	63.8	58.8	59.2
Other labor income	14.4	14.3	14.2	13.4	13.3	13.2	14.0	13.0	13.1
Proprietors' income:									
Business and professional	39.8	39.7	39.6	38.2	37.9	37.8	39.2	37.5	37.6
Farm	12.7	12.7	12.6	13.2	12.9	12.9	12.6	13.0	13.0
Rental income of persons	12.5	12.4	12.4	12.4	12.4	12.3	12.4	12.3	12.3
Dividends	19.9	19.9	20.0	18.5	18.0	17.8	19.8	17.7	18.0
Personal interest income	36.8	36.5	36.2	34.0	33.7	33.4	35.8	32.7	32.9
Transfer payments ^{1/}	38.2	38.0	38.0	37.1	36.6	36.6	38.1	36.6	36.7
Less: Personal contributions for social insurance	13.0	12.9	12.8	12.1	11.8	11.9	12.6	11.8	11.8
Total nonagricultural income ^{2/}	481.3	480.6	477.8	455.1	451.6	448.8	471.8	444.3	446.6
Total agricultural income	17.3	17.2	17.1	17.6	17.3	17.3	17.1	17.4	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.