

UNITED STATES DEPARTMENT OF
COMMERCE

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Washington, D.C.

Office of
Business Economics

OBE 67-42

FOR IMMEDIATE RELEASE
TUESDAY, AUGUST 15, 1967

Personal Income - July 1967

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Personal income rose \$4-1/2 billion in July to reach a total of \$627 billion at seasonally adjusted annual rate, the U. S. Department of Commerce announced today. It was the second straight month of strong gains in this key economic indicator, as personal income had risen in June by a like amount, the Department's Office of Business Economics noted.

Wage and salary disbursements in July rose \$3 billion to a seasonally adjusted annual rate of \$424 billion. Gains in commodity-producing and distributive payrolls were about the same as in June, but the advance in service and government payrolls was somewhat smaller.

Within the commodity-producing industries, sharp increases in construction employment raised July payrolls by \$1/2 billion at an annual rate, as against no increase in June. Manufacturing payrolls rose by almost \$1/2 billion, following a \$3/4 billion gain in June.

Payrolls in the durable goods industries rose at about the same rate as in June despite a strike in the shipbuilding industry and an early start of the automobile model changeover. However, payrolls in nondurable goods manufacturing, which had contributed about \$1/2 billion to the June rise, remained unchanged in July.

Among the nonwage components of personal income, the growth of farm proprietors' income, dividends, interest, and transfer payments from June to July was somewhat greater than between May and June. Other nonwage incomes rose at about the same pace last month as they had during the previous month.

Personal income in the first 7 months of 1967 averaged \$617-1/2 billion at seasonally adjusted annual rates, \$43 billion or 8 percent above the average for the same 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 July and other recent periods are shown in the following table:

PERSONAL INCOME
(Seasonally adjusted annual rates in billions of dollars)

	July 1967	June 1967	May 1967	July 1966	June 1966	May 1966	First 7 months		Full year 1966
							1967	1966	
TOTAL PERSONAL INCOME.....	627.1	622.6	618.2	584.7	581.1	576.1	617.6	574.3	584.0
Wage and salary disbursements, total	423.9	420.9	417.2	397.1	393.9	389.5	417.5	387.3	394.6
Commodity-producing industries	166.2	165.2	164.3	159.6	159.5	157.7	165.4	156.6	159.3
Manufacturing only	133.4	133.0	132.2	128.2	128.1	126.5	132.9	125.5	128.1
Distributive industries	101.5	100.4	99.3	94.8	93.7	92.9	99.5	92.5	93.9
Service industries	69.9	69.5	68.6	63.8	63.4	62.7	68.2	62.4	63.5
Government	86.2	85.7	85.0	78.8	77.3	76.2	84.5	75.8	77.9
Other labor income	23.3	23.1	22.8	20.9	20.7	20.5	22.7	20.3	20.8
Proprietors' income:									
Business and professional.....	43.7	43.6	43.4	43.3	43.5	43.2	43.4	43.1	43.2
Farm	14.4	14.3	14.4	16.0	15.6	16.0	14.5	16.5	16.1
Rental income of persons.....	20.2	20.1	20.0	19.4	19.3	19.3	20.0	19.3	19.4
Dividends	23.6	23.3	23.1	21.6	21.6	21.7	22.8	21.5	21.5
Personal interest income	46.5	46.1	46.0	42.5	42.2	41.9	45.7	41.4	42.4
Transfer payments ¹	51.9	51.6	51.5	42.4	41.8	41.4	51.2	42.1	43.9
Less: Personal contributions for social insurance	20.4	20.3	20.1	18.3	17.5	17.3	20.1	17.4	17.9
Total nonagricultural income².....	607.5	603.2	598.8	563.9	560.7	555.3	598.0	553.0	563.1
Total agricultural income	19.6	19.4	19.5	20.8	20.4	20.7	19.6	21.3	20.9

¹Consist mainly of social insurance benefits and veterans' payments.

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

Source: U.S. Department of Commerce, Office of Business Economics.