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PERSONAL INCOME - AUGUST 1967

Personal income advanced \$4-1/2 billion in August to a seasonally adjusted annual rate of \$631 billion, the U. S. Department of Commerce announced today. August was the third consecutive month to show a large rise in personal income, the Office of Business Economics noted.

A strong gain in wages and salaries was the main feature of the August advance.

Wage and salary payments, at a seasonally adjusted annual rate of \$426-1/2 billion, rose \$3-1/2 billion as compared with a gain of \$2-1/4 billion in July. More than half of the August increase occurred in manufacturing; the remainder was divided about equally among distributive, service, and government payrolls.

Factory payrolls registered their largest increase so far this year to reach a seasonally adjusted annual rate of \$135 billion. Employment, hours, and pay rates all contributed to the advance, with higher employment responsible for about two-thirds of the increase. Within the individual manufacturing industries large gains were reported in transportation equipment, and in the rubber industry as strikers returned to work. Moderate advances occurred in machinery, electrical equipment, fabricated metals, and textiles, but there were declines in the food, apparel, and primary metals industries.

While most nonmanufacturing payrolls moved ahead in line with substantial gains in employment, construction and mining were down slightly because of lower employment. Payrolls in the distributive and service industries and in government each moved up about \$1/2 billion at annual rates.

Apart from payrolls, the largest rise in personal income occurred in farm proprietors' income, which showed an increase of almost \$1/2 billion for the second consecutive month - following several months of little change. The recent improvement was due mainly to a step-up in the volume of farm marketings. Interest income continued its long-term rise. Other nonwage components edged upward or remained unchanged.

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Personal income in the first 8 months of 1967 averaged \$619 billion at annual rates. This is an increase of \$43 billion or 7-1/2 percent over the corresponding period of 1966.

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 August and other recent periods are shown in the following table:

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

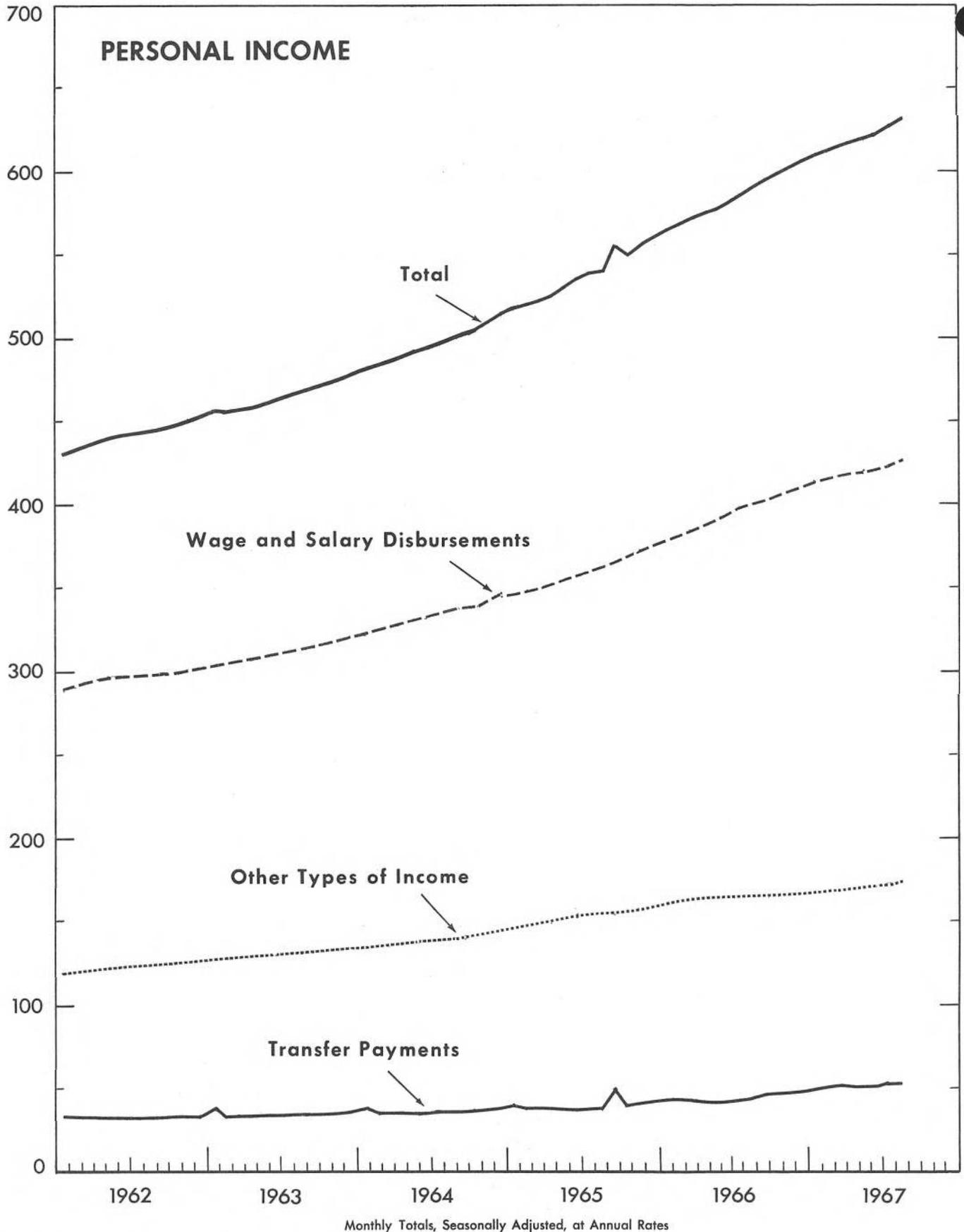
	August 1967	July 1967	June 1967	August 1966	July 1966	June 1966	First 8 months		Full year 1966
							1967	1966	
TOTAL PERSONAL INCOME.....	631.2	626.7	622.6	589.1	584.7	581.1	619.2	576.1	584.0
Wage and salary disbursements, total	426.6	423.1	420.9	399.8	397.1	393.9	418.6	388.9	394.6
Commodity-producing industries	167.5	165.8	165.2	161.2	159.6	159.5	165.6	157.2	159.3
Manufacturing only	134.9	132.9	133.0	130.0	128.2	128.1	133.1	126.0	128.1
Distributive industries	101.9	101.3	100.4	94.8	94.8	93.7	99.8	92.8	93.9
Service industries	70.1	69.6	69.5	64.3	63.8	63.4	68.4	62.6	63.5
Government	87.0	86.4	85.7	79.4	78.8	77.3	84.8	76.3	77.9
Other labor income	23.6	23.3	23.1	21.1	20.9	20.7	22.8	20.4	20.8
Proprietors' income:									
Business and professional	43.8	43.7	43.6	43.3	43.3	43.5	43.4	43.1	43.2
Farm	15.1	14.7	14.3	15.9	16.0	15.6	14.6	16.4	16.1
Rental income of persons	20.2	20.2	20.1	19.4	19.4	19.3	20.0	19.3	19.4
Dividends	23.6	23.5	23.3	21.5	21.6	21.6	22.9	21.5	21.5
Personal interest income	46.7	46.4	46.1	42.8	42.5	42.2	45.8	41.6	42.4
Transfer payments ¹	52.1	52.1	51.6	43.8	42.4	41.8	51.3	42.4	43.9
Less: Personal contributions for social insurance	20.5	20.4	20.3	18.4	18.3	17.5	20.2	17.5	17.9
Total nonagricultural income².....	610.8	606.9	603.2	568.3	563.9	560.7	599.5	554.9	563.1
Total agricultural income	20.3	19.8	19.4	20.8	20.8	20.4	19.7	21.2	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.

Billion \$



Monthly Totals, Seasonally Adjusted, at Annual Rates