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PERSONAL INCOME - APRIL 1968

Personal income advanced \$3-1/2 billion to a seasonally adjusted annual rate of \$670 billion in April, the U.S. Department of Commerce announced today. The April rise was about half as large as the increase in the previous two months, according to the Department's Office of Business Economics.

Several transitory factors were important in the slower growth of personal income last month as compared with February and March. In April, the growth of wages and salaries was held down by the strike in the communications industry and the disturbances in the cities. In contrast, during February, payrolls received a boost from the increase in minimum wages and in March, transfer payments reflected for the first time in 1968 the increase in Social Security benefit payments.

Private sector wages and salaries rose at an annual rate of nearly \$1 billion in April -- somewhat less than the advance in the preceding month. The slower rate of expansion in April was attributable mainly to the "distributive industries." Payrolls in this category showed a decline for the first time in several years as 200,000 telephone employees were on strike during the latter part of the month, and both employment and average weekly hours declined in retail trade.

Manufacturing payrolls rose about \$1/2 billion in April to a seasonally adjusted annual rate of \$142-1/2 billion. Substantial increases in employment and higher hourly earnings were partly offset by a shorter workweek. Nearly all of the increase was in durable goods industries, and reflected to a large extent the return of employees to work after strike settlements in the glass container and copper mining and smelting industries.

Service payrolls advanced again in April, with a strong rise of \$3/4 billion for the third consecutive month. Government payrolls also moved up \$3/4 billion; about two-thirds of the advance was in the payrolls of State and local governments.

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Transfer payments rose \$3/4 billion in April as compared with a \$3-1/2 billion increase in March, when the increase in Social Security payment first appeared in monthly benefit checks. Increases in property incomes added about \$1 billion to the April income flow, while proprietors' incomes were little changed.

Personal income in the first four months of 1968 totaled \$661-3/4 billion at annual rates -- \$48 billion or 7-3/4 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, 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 April and other recent periods are shown in the following table:

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

	April 1968	March 1968	Feb. 1968	April 1967	March 1967	Feb. 1967	First 4 months		Full year 1967
							1968	1967	
TOTAL PERSONAL INCOME.....	670.1	666.5	659.4	616.5	615.6	612.6	661.8	613.8	626.4
Wage and salary disbursements, total	453.1	451.4	449.0	416.7	416.2	414.2	449.0	415.2	423.8
Commodity-producing industries	178.0	177.4	176.8	165.0	165.6	165.2	176.4	165.5	167.2
Manufacturing only	142.5	141.9	141.5	132.5	132.9	132.7	141.4	132.9	134.4
Distributive industries	106.6	107.1	106.7	99.1	99.1	98.6	106.4	98.8	100.9
Service industries	75.2	74.5	73.8	68.2	67.6	66.9	74.1	67.3	69.5
Government	93.2	92.4	91.6	84.5	84.0	83.4	92.1	83.6	86.3
Other labor income	25.8	25.5	25.2	22.6	22.4	22.2	25.3	22.3	23.2
Proprietors' income:									
Business and professional	44.5	44.5	44.4	43.3	43.1	43.2	44.4	43.2	43.6
Farm	15.5	15.6	15.4	14.4	14.3	14.6	15.5	14.6	14.8
Rental income of persons	20.6	20.6	20.5	20.0	19.9	19.8	20.6	19.8	20.1
Dividends	24.0	23.6	23.2	22.8	22.6	22.3	23.4	22.4	22.8
Personal interest income	50.6	50.1	49.5	45.8	45.5	45.2	49.7	45.4	46.5
Transfer payments ¹	58.8	58.1	54.7	51.0	51.7	51.1	56.4	50.9	51.9
Less: Personal contributions for social insurance	22.8	22.8	22.6	20.1	20.1	20.0	22.6	20.0	20.4
Total nonagricultural income².....	649.3	645.6	638.7	596.9	596.2	593.0	641.0	594.1	606.5
Total agricultural income	20.8	20.9	20.7	19.5	19.5	19.6	20.8	19.7	19.9

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 Dollars

