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PERSONAL INCOME - JUNE 1968

Personal income rose \$4-3/4 billion in June to a seasonally adjusted annual rate of \$683 billion (revised basis), the U.S. Department of Commerce announced today. The June advance was somewhat smaller than the \$5-1/2 billion rise in May, but was equal to the average monthly increase for the past 12 months, according to the Department's Office of Business Economics.

A \$4 billion increase in wages and salaries accounted for most of the June income rise. Except for construction, the gains were widespread among the major industries and were especially large in trade and services. Although the May and June increases were about the same in magnitude, they differed in industrial distribution. Manufacturing accounted for about one-third of the June rise but two-thirds of the May increase.

The June rise in manufacturing payrolls came to \$1-1/2 billion, bringing manufacturing payrolls to a seasonally adjusted annual rate of \$145-3/4 billion. Increased employment and wage rates led to larger payrolls in all industries except primary metals. The largest gains were in food, printing, electrical equipment, machinery, transportation equipment, and fabricated metals. The decline in primary metals resulted partly from a strike in the aluminum industry.

Most other major industry groups also recorded substantial increases in wage and salary disbursements. Both trade and services showed rises of \$1 billion at an annual rate. Government payrolls advanced about \$1/2 billion. On the other hand, construction industry payrolls, which have been stable since February, fell by \$1/2 billion.

Nearly all the other income categories also advanced over the preceding month. Interest income was up by \$1/2 billion, while proprietors' income and transfer payments (government payments such as Social Security benefits) experienced smaller gains. Dividends declined almost \$1/2 billion after rising steadily since December 1967.

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Income in the first half of 1968

Personal income in the first 6 months of 1968 was at a seasonally adjusted annual rate of \$670 billion, \$52 billion or 8-1/2 percent higher than the \$618 billion rate in the first half of last year. All major components contributed to the advance.

Wage and salary disbursements were up \$37-1/2 billion or 9 percent. Increases ranged from 7-3/4 percent in the commodity-producing industries to 11-3/4 percent in government.

Transfer payments in the first half of 1968 were up \$6 billion, or 11-3/4 percent, from the same period last year; Social Security and medicare payments accounted for almost three-fourths of the increase. All other nonwage components registered gains that ranged from 2 percent for farm proprietors' income to 10-1/2 percent for interest.

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.

Annual Revisions

Estimates for May and prior months contained in this release and in the attached table represent revisions of previously published data. These estimates incorporate the results of the annual revision of the national income and product accounts that the Office of Business Economics publishes each year in the July Survey of Current Business.

The Survey 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 \$6.00, including weekly supplements; single copy 45 cents.

Details of personal income in June and other recent periods, as well as for the year 1967, are shown in the following table:

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

| | June 1968 | May 1968 | April 1968 | March 1968 | February 1968 | January 1968 | June 1967 | First 6 months | | Full year 1967 |
|--|--------------|-------------|---------------|---------------|------------------|-----------------|--------------|-------------------|-------|----------------------|
| | | | | | | | | 1968 | 1967 | |
| TOTAL PERSONAL INCOME..... | 683.1 | 678.3 | 672.7 | 670.0 | 663.0 | 654.9 | 625.8 | 670.3 | 618.2 | 628.8 |
| Wage and salary disbursements, total | 461.5 | 457.5 | 453.2 | 452.2 | 449.7 | 443.0 | 420.7 | 452.9 | 415.4 | 423.4 |
| Commodity-producing industries | 180.1 | 179.3 | 176.7 | 177.0 | 176.6 | 173.1 | 164.7 | 177.1 | 164.4 | 166.6 |
| Manufacturing only | 145.7 | 144.3 | 141.6 | 142.2 | 141.6 | 140.0 | 133.0 | 142.6 | 132.4 | 134.1 |
| Distributive industries..... | 109.0 | 107.4 | 106.9 | 106.5 | 105.9 | 104.5 | 100.5 | 106.7 | 98.8 | 100.5 |
| Service industries..... | 77.1 | 76.1 | 75.5 | 75.2 | 74.6 | 73.6 | 70.0 | 75.4 | 68.3 | 70.0 |
| Government | 95.3 | 94.7 | 94.2 | 93.4 | 92.6 | 91.9 | 85.5 | 93.7 | 83.9 | 86.3 |
| Other labor income | 26.0 | 25.7 | 25.5 | 25.2 | 25.0 | 24.7 | 23.1 | 25.4 | 22.6 | 23.3 |
| Proprietors' income: | | | | | | | | | | |
| Business and professional..... | 47.9 | 47.8 | 47.6 | 47.5 | 47.2 | 47.1 | 46.5 | 47.5 | 45.9 | 46.3 |
| Farm | 14.8 | 14.8 | 14.8 | 14.8 | 14.6 | 14.4 | 14.4 | 14.7 | 14.4 | 14.4 |
| Rental income of persons..... | 20.9 | 20.9 | 20.8 | 20.7 | 20.7 | 20.6 | 20.3 | 20.8 | 20.2 | 20.3 |
| Dividends | 24.3 | 24.7 | 24.3 | 23.9 | 23.6 | 23.2 | 23.0 | 24.0 | 22.9 | 22.9 |
| Personal interest income | 51.8 | 51.2 | 50.7 | 50.2 | 49.8 | 49.4 | 46.4 | 50.6 | 45.8 | 46.8 |
| Transfer payments ¹ | 58.5 | 58.2 | 58.1 | 57.8 | 54.9 | 54.5 | 51.8 | 57.0 | 51.0 | 51.7 |
| Less: Personal contributions for social insurance | 22.7 | 22.6 | 22.4 | 22.4 | 22.4 | 22.1 | 20.3 | 22.4 | 20.0 | 20.4 |
| Total nonagricultural income²..... | 662.9 | 658.1 | 652.5 | 649.9 | 643.1 | 635.1 | 606.5 | 650.3 | 598.8 | 609.3 |
| Total agricultural income | 20.2 | 20.2 | 20.1 | 20.1 | 20.0 | 19.8 | 19.3 | 20.1 | 19.4 | 19.5 |

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.