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PERSONAL INCOME - AUGUST 1968

Personal income advanced \$5 billion in August to reach a seasonally adjusted annual rate of \$694-1/4 billion, the Commerce Department's Office of Business Economics announced today. This was the fourth consecutive monthly increase of that general size.

Continued strong growth in wage and salary payments has been a principal factor in the steady expansion of personal income. The August payroll rise of \$3-1/2 billion followed a hike of \$3 billion in July and over \$4 billion in each of the two preceding months.

All major industry groups contributed to the August wage and salary advance, with manufacturing, trade, services, and government each accounting for about \$3/4 billion.

Manufacturing payrolls last month climbed to about \$147 billion. The advance was attributable to higher hourly wage rates, since employment was little changed and average weekly hours declined. Most of the increase was in nondurable goods, where all but one industry reported higher payrolls. In durable goods industries, sizable payroll increases in machinery and electrical equipment were partly offset by reductions in transportation equipment and also in primary metals, where the correction of excessive steel inventories caused steel production to fall sharply.

Among nonmanufacturing industries, payrolls and employment were higher in all industry groups except mining, which reported a slight decline.

Nonwage incomes also contributed substantially to the personal income gains of the past 4 months. In August, most components of nonwage income advanced, and together accounted for about \$1-3/4 billion of the entire increase.

More

Personal income in the first 8 months of 1968 averaged \$675-3/4 billion at an annual rate. This was \$54 billion or 8-3/4 percent more than in the comparable period last year. Almost \$40 billion of the 1968 rise stemmed from larger payrolls. And over \$6 billion represented larger transfer payments, which in part reflected the increase in social security benefits earlier this year.

Details of personal income in August and other recent periods are shown in the accompanying table; additional data appear each month in the Survey of Current Business, published by the Department's Office of Business Economics.

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.

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. All dollar figures are adjusted for seasonal variations and are at annual rates (monthly totals multiplied by 12).

| FORM BE-682 (3-7-66) | | U.S. DEPARTMENT OF COMMERCE OFFICE OF BUSINESS ECONOMICS | | | | | | | |
|--|--------------|---|--------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| PERSONAL INCOME (Seasonally adjusted annual rates in billions of dollars) | | | | | | | | | |
| | Aug. 1968 | July 1968 | June 1968 | Aug. 1967 | July 1967 | June 1967 | 1st 8 months | | Full year 1967 |
| | | | | | | | 1968 | 1967 | |
| TOTAL PERSONAL INCOME..... | 694.3 | 689.2 | 683.7 | 634.2 | 629.8 | 625.8 | 675.7 | 621.7 | 628.8 |
| Wage and salary disbursements, total | 468.8 | 465.4 | 462.2 | 426.6 | 423.4 | 420.7 | 456.5 | 417.8 | 423.4 |
| Commodity-producing industries | 181.4 | 180.6 | 179.9 | 167.7 | 165.9 | 164.7 | 178.1 | 165.0 | 166.6 |
| Manufacturing only | 146.7 | 146.0 | 145.6 | 135.3 | 133.3 | 133.0 | 143.5 | 132.9 | 134.1 |
| Distributive industries..... | 110.9 | 109.9 | 109.7 | 101.2 | 100.9 | 100.5 | 107.7 | 99.4 | 100.5 |
| Service industries..... | 78.2 | 77.5 | 77.0 | 70.8 | 70.4 | 70.0 | 76.0 | 68.9 | 70.0 |
| Government | 98.2 | 97.4 | 95.5 | 86.8 | 86.3 | 85.5 | 94.7 | 84.6 | 86.3 |
| Other labor income | 26.5 | 26.3 | 26.0 | 23.7 | 23.4 | 23.1 | 25.6 | 22.8 | 23.3 |
| Proprietors' income: | | | | | | | | | |
| Business and professional..... | 48.1 | 48.0 | 47.9 | 46.6 | 46.5 | 46.5 | 47.6 | 46.1 | 46.3 |
| Farm | 15.1 | 14.9 | 14.8 | 14.6 | 14.3 | 14.4 | 14.8 | 14.4 | 14.4 |
| Rental income of persons..... | 21.0 | 21.0 | 20.9 | 20.4 | 20.3 | 20.3 | 20.8 | 20.2 | 20.3 |
| Dividends | 25.2 | 25.0 | 24.3 | 23.5 | 23.5 | 23.0 | 24.3 | 23.0 | 22.9 |
| Personal interest income..... | 53.2 | 52.5 | 51.9 | 47.2 | 46.8 | 46.4 | 51.2 | 46.1 | 46.8 |
| Transfer payments ¹ | 59.5 | 59.1 | 58.5 | 52.2 | 52.0 | 51.8 | 57.6 | 51.3 | 51.7 |
| Less: Personal contributions for social insurance | 23.2 | 23.1 | 22.9 | 20.6 | 20.5 | 20.3 | 22.7 | 20.1 | 20.4 |
| Total nonagricultural income²..... | 673.7 | 668.9 | 663.4 | 614.4 | 610.5 | 606.5 | 655.6 | 602.2 | 609.3 |
| Total agricultural income | 20.6 | 20.3 | 20.2 | 19.7 | 19.4 | 19.3 | 20.2 | 19.5 | 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.