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PERSONAL INCOME - DECEMBER AND YEAR 1970

Personal income advanced \$5-1/4 billion in December to a seasonally adjusted annual rate of \$817-3/4 billion, the Commerce Department's Office of Business Economics announced today. The gain is mostly attributable to wages and salaries which, rebounding from the auto strike, rose \$6-1/4 billion, to \$550-1/4 billion.

Manufacturing payrolls advanced almost \$6 billion, more than half of it due to higher employment. Hours and earnings also contributed to the rise. Still, factory employment in December was 370,000 below September as not all of the striking workers or the workers laid off in related industries had returned. Most of the factory payroll gains were in durable goods, concentrated in the strike-affected industries -- transportation equipment, primary and fabricated metals, machinery, and electrical equipment. Most nondurable goods industries recorded small gains.

In private nonmanufacturing industries, there was little change as a decline in retail trade offset increases in the service industries.

State and local government payrolls continued to move up in line with recent trends, while Federal payrolls were stable over the month.

Dividends declined \$1-1/2 billion in December as yearend disbursements were lower than usual, largely because of the automobile strike. Farm proprietors' income decreased \$1/4 billion, the fifth consecutive decline, as farm prices dropped 2 percent in December. Lower livestock prices were mainly responsible for the income decline. All other nonwage incomes showed small gains.

Personal Income in 1970

Personal income for the full year of 1970 amounted to \$801 billion, a gain of \$52 billion or 7 percent above 1969. It was the smallest year-to-year gain since 1964. The 1969 increase was \$60 billion, or 8-3/4 percent.

Wage and salaries were \$31 billion or 6 percent higher than in 1969, and accounted for 60 percent of the 1970 rise. Wages and salaries increased \$44 billion or 9-1/2 percent in 1969. The 1970 increases were widespread and ranged from 2 percent in the commodity-producing industries to 10 percent in services. Manufacturing payrolls showed a small year-to-year increase of \$1-1/2 billion or 1 percent.

Among nonwage incomes, transfer payments showed the strongest rise -- \$12-1/2 billion or 19 percent -- reflecting the continued expansion in social security benefits and high unemployment insurance payments. Special assistance payments under State and local government also advanced sharply.

Details of personal income for years 1969 and 1970, and for December and selected recent periods are shown in the accompanying table; additional data appear each month in the Survey of Current Business, the monthly magazine published by the 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, at an annual subscription price of \$9, including weekly supplements; single copy, \$1.

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

	Full Year		Oct.	Nov.	Dec.	Oct.	Nov.	Dec.
	1969	1970	1969	1969	1969	1970	1970	1970
TOTAL PERSONAL INCOME.....	748.9	801.0	766.7	770.6	774.3	809.9	812.6	817.8
Wage and salary disbursements, total.....	509.0	540.1	522.7	525.2	528.0	541.8	544.1	550.3
Commodity-producing industries.....	197.5	201.2	201.8	201.9	203.8	196.8	196.8	202.6
Manufacturing only.....	157.5	158.9	160.9	160.0	161.6	154.3	153.6	159.5
Distributive industries.....	119.8	128.4	123.1	124.1	124.1	130.6	131.4	131.0
Service industries.....	87.7	96.6	90.0	91.0	91.6	98.8	99.8	100.0
Government.....	104.1	114.0	107.7	108.1	108.5	115.6	116.1	116.7
Other labor income.....	27.6	30.4	28.3	28.5	28.6	31.3	31.5	31.7
Proprietors' income:								
Business and professional.....	50.5	51.4	50.8	50.5	50.4	51.9	52.0	52.1
Farm.....	16.4	16.2	16.7	16.6	16.6	15.7	15.3	15.0
Rental income of persons.....	22.0	22.7	22.2	22.3	22.4	22.9	23.0	23.1
Dividends.....	24.7	25.2	25.2	25.3	25.0	25.6	25.7	24.1
Personal interest income.....	59.7	65.3	61.2	62.0	62.6	67.0	67.1	67.2
Transfer payments ¹	65.1	77.5	66.3	66.9	67.7	81.7	81.9	82.6
Less: Personal contributions for social insurance	26.0	27.8	26.7	26.7	26.9	28.0	28.1	28.3
Addenda:								
Total nonagricultural income ² ...	726.7	778.6	744.1	747.9	751.6	787.9	791.0	796.6
Total agricultural income	22.2	22.4	22.6	22.7	22.7	21.9	21.6	21.3

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

2 Equals 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

