

UNITED STATES DEPARTMENT OF
COMMERCE
NEWS
WASHINGTON, D.C. 20230

OFFICE OF
BUSINESS
ECONOMICS

FOR IMMEDIATE RELEASE WEDNESDAY, JUNE 16, 1971

OBE 71-39

PERSONAL INCOME - MAY 1971

Personal income advanced \$6 billion in May to a seasonally adjusted annual rate of \$847-1/2 billion, the Commerce Department's Office of Business Economics announced today. This compares with an April increase of \$4-1/2 billion and equals the average monthly rise so far this year.

A \$4-1/4 billion gain in wage and salary disbursements, to a total of \$571 billion, accounted for about three-fourths of the May personal income advance. All major industry divisions shared in the increase, with commodity-producing industries rising \$1-3/4 billion, distributive industries \$1-1/4 billion, and services about \$1 billion.

Payrolls of manufacturing industries increased \$1-1/2 billion, the largest monthly gain since last December when automotive industry payrolls reflected the return of striking General Motors workers, following a 10-week strike. Increases in employment, weekly hours per employee, and hourly earnings all contributed to the May advance, with hours and earnings each accounting for about 40 percent of the increase. The payroll gains were concentrated in the durable goods industries, with primary metals, electric machinery, and transportation equipment showing the strongest growth. Small increases were also recorded for most nondurable goods industries.

Government payrolls in May increased \$1/2 billion in the State and local sector. Federal Government payrolls have shown little change in the past few months, as small gains in civilian payrolls have been offset by declines in military pay.

Transfer payments rose \$1 billion last month to a total of \$90 billion, with social security benefits and unemployment insurance accounting for about half of the increase. Other nonwage items showed small increases.

Total personal income in the first 5 months of 1971 averaged \$836-3/4 billion--\$46 billion or 5-3/4 percent above the comparable period in 1970. That was somewhat slower than the 8 percent over-the-year advance shown for the first 5 months of 1970.

Details of personal income in May 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)

	First 5 months		March	April	May	March	April	May
	1970	1971	1970	1970	1970	1971	1971	1971
TOTAL PERSONAL INCOME.....	790.5	836.7	787.6	806.0	799.7	836.8	841.4	847.4
Wage and salary disbursements, total.....	535.2	564.0	535.0	539.9	540.5	564.2	566.9	571.2
Commodity-producing industries.....	202.3	204.3	203.9	202.3	200.9	204.5	205.0	206.7
Manufacturing only.....	160.3	160.7	161.3	160.0	159.2	160.8	160.7	162.1
Distributive industries.....	126.2	135.5	126.7	126.0	127.2	135.4	136.5	137.8
Service industries.....	94.5	103.8	94.6	95.1	95.5	103.9	104.5	105.4
Government.....	112.3	120.4	109.8	116.5	116.9	120.4	120.9	121.3
Other labor income.....	29.5	32.3	29.6	29.8	30.0	32.3	32.5	32.7
Proprietors' income:								
Business and professional.....	50.8	52.3	50.7	51.0	51.3	52.3	52.4	52.5
Farm.....	16.9	14.7	17.2	16.9	16.5	14.7	14.7	14.8
Rental income of persons.....	22.6	23.2	22.6	22.6	22.6	23.3	23.4	23.5
Dividends.....	25.2	25.8	25.2	25.2	25.3	25.7	25.7	25.8
Personal interest income.....	63.8	67.8	63.7	64.2	64.5	67.7	67.9	68.1
Transfer payments ¹	74.1	87.4	71.1	84.1	76.6	87.6	88.8	89.9
Less: Personal contributions for social insurance.....	27.5	30.9	27.5	27.7	27.7	30.9	31.0	31.2
Addenda:								
Total nonagricultural income ²	767.5	815.4	764.3	783.0	777.0	815.7	820.0	825.9
Total agricultural income.....	23.0	21.3	23.3	23.0	22.7	21.1	21.3	21.4

1. Consist mainly of social insurance benefits, direct relief 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.