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PERSONAL INCOME - AUGUST 1971

Personal income advanced $\$8\text{-}\frac{3}{4}$ billion in August to a seasonally adjusted annual rate of \$868 billion, the Commerce Department's Office of Business Economics announced today. The economic policy measures announced on August 15 had a very minor effect on the August figure.

Wage and salary disbursements, at an annual rate of \$581- $\frac{1}{4}$ billion, showed a gain of \$6- $\frac{1}{2}$ billion and accounted for most of last month's income advance. All major industry groups recorded sizable gains. Distributive industries registered a \$1- $\frac{1}{2}$ billion increase, following no change in July; commodity-producing industries were higher by \$1 billion, recovering from a decline of about the same amount in July; and services showed a \$1 billion gain, double the increase for July. The payroll increase was due to a longer average workweek and higher hourly earnings, with employment little changed from July.

In the government sector, Federal civilian payrolls increased \$2- $\frac{1}{2}$ billion because of the postal pay raise. About \$2 billion of this amount represents a one-time bonus payment to employees and the balance was due to an increase in wage rates. These increases were the result of negotiations completed on July 20.

Factory payrolls last month rose \$1- $\frac{1}{2}$ billion after declining in the previous month. Payroll increases were centered in durable goods industries, with transportation equipment and machinery recording the largest gains, while primary metals declined, reflecting the reduction in steel output. Total nondurable industry payrolls were little changed.

Farm income rose due to an increasing volume of marketing and slightly higher livestock and product prices. All other nonwage components moved up by small amounts and contributed \$1- $\frac{1}{4}$ billion to the increase in personal income in August.

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Total personal income in the first 8 months of 1971 averaged \$849-1/4 billion -- \$52 billion or 6-1/2 percent above the comparable period in 1970. For the comparable period in 1970, the over-the-year advance was 7-3/4 percent.

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 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 8 months		June	July	August	June	July	August
	1970	1971	1970	1970	1970	1971	1971	1971
TOTAL PERSONAL INCOME.....	797.3	849.3	801.4	805.3	809.0	870.1	859.2	868.0
Wage and salary disbursements, total.....	538.3	570.0	539.6	543.0	545.1	574.8	574.7	581.3
Commodity-producing industries.....	201.5	205.4	200.7	201.4	201.6	207.5	206.2	207.1
Manufacturing only.....	159.4	160.9	158.8	159.4	158.9	162.4	161.4	162.0
Distributive industries.....	127.8	137.5	128.9	130.1	130.8	138.6	138.6	140.2
Service industries.....	95.4	104.5	95.9	96.8	97.2	105.7	106.3	107.3
Government.....	113.5	122.6	114.1	114.7	115.5	123.0	123.6	126.7
Other labor income.....	30.3	33.3	30.7	30.9	31.2	33.7	33.9	34.1
Proprietors' income:								
Business and professional.....	50.8	51.5	51.4	51.4	51.4	51.6	51.7	51.8
Farm.....	16.6	15.4	16.0	15.2	14.6	15.3	16.1	17.0
Rental income of persons.....	23.2	24.1	23.3	23.3	23.4	24.3	24.4	24.5
Dividends.....	25.0	25.6	24.5	25.1	25.2	25.2	25.6	25.7
Personal interest income.....	63.7	67.5	64.2	64.9	65.6	67.5	68.1	68.6
Transfer payments ¹	77.2	93.2	79.5	79.9	80.8	109.0	96.2	96.5
Less: Personal contributions for social insurance.....	27.8	31.2	27.8	28.2	28.3	31.4	31.5	31.6
Addenda:								
Total nonagricultural income ²	774.3	827.1	778.8	784.3	788.1	848.0	836.4	844.2
Total agricultural income.....	23.0	22.2	22.5	21.1	20.9	22.1	22.9	23.7

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.