

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

file
Social and Economic
Statistics Administration

BUREAU OF
ECONOMIC ANALYSIS

FOR RELEASE THURSDAY, JULY 20, 1972

BEA 72-45

Pauline Cypert: 967-4500

PERSONAL INCOME - JUNE 1972

Personal income at a seasonally adjusted annual rate of \$924.0 billion in June was unchanged from May, according to the Bureau of Economic Analysis, an agency of the Social and Economic Statistics Administration of the U.S. Department of Commerce. This compares with a rise of \$4.6 billion in May.

The lack of growth in personal income in June reflects the damaging effect of the floods in the Northeast. Rental and proprietors' income, the components of income affected by the property damage in total declined \$5 billion dollars at an annual rate.

The effect of the floods was estimated at over \$400 million or \$5 billion dollars at an annual rate. These losses represent damage to houses and to plant and equipment owned by proprietors. When more information is available next month, the estimates of the losses are likely to be revised.

A number of other forms of personal income reported gains in June similar to, or greater than, those recorded in May. Wage and salary disbursements, in particular, increased \$3.3 billion, compared to a rise of \$2.3 billion in May. The increase resulted from a longer work week and higher hourly earnings as employment showed little change in total. In the private sector, the distributive industries advanced \$1.8 billion following no change in the previous month. Commodity-producing industries increased \$.5 billion, compared to \$.8 billion in May. Services rose \$.8 billion, the same rate as in May.

Manufacturing payrolls rose \$.6 billion--about the same rate as May--as a longer work week and increases in hourly earnings more than made up for a sizable drop in employment. Increases in payrolls were widespread with most industries showing small gains.

Personal income in the first half of 1972

Personal income in the first 6 months of 1972 was at a seasonally adjusted annual rate of \$914.7 billion, \$66.7 billion or 8 percent above the \$848 billion average for the first half of 1971.

Wage and salary disbursements at \$614 billion, were up \$49.2 billion or 8.7 percent. Increases ranged from 7.7 percent in commodity-producing industries to 10.3 percent in services. All types of nonwage incomes were higher this year, with the greatest gain scored by government transfer payments which rose \$8.7 billion or 9.5 percent.

Annual revisions

Estimates for May and prior months contained in this release represent revisions of previously published data. These estimates incorporate the results of the annual revisions of the national income and product accounts. The full set of revisions will be published in the July issue of the Survey of Current Business.

Details of personal income in June and other recent periods are shown in Table 1. Table 2 shows BEA estimates of the disbursements of retroactive pay increases approved by the Pay Board that are included in the wage and salary component of personal income. Additional data appear each month in the Survey of Current Business, published by the Bureau of Economic Analysis.

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.

Table 1. - PERSONAL INCOME
(Seasonally adjusted annual rates in billions of dollars)

	Full Year 1971	1st 6 months		June 1971	Jan. 1972	Feb. 1972	Mar. 1972	April 1972	May 1972	June 1972
		1971	1972							
TOTAL PERSONAL INCOME.....	861.4	848.0	914.7	873.4	898.9	908.5	913.6	919.4	924.0	924.0
Wage and salary disbursements, total.....	572.9	564.9	614.1	571.8	602.6	609.0	612.4	617.6	619.9	623.2
Commodity-producing industries.....	206.1	204.3	220.0	206.4	214.8	217.7	220.1	221.7	222.5	223.0
Manufacturing only.....	160.3	159.3	171.3	160.7	165.8	169.3	171.3	173.3	173.8	174.4
Distributive industries.....	138.2	136.0	148.6	137.6	145.5	148.1	148.0	149.4	149.4	151.2
Service industries.....	105.0	102.7	113.3	104.7	111.2	111.6	112.8	113.9	114.7	115.5
Government.....	123.5	121.9	132.3	123.1	131.2	131.7	131.5	132.5	133.2	133.6
Other labor income.....	36.5	35.5	39.3	36.6	38.5	38.8	39.1	39.5	39.8	40.1
Proprietors' income:										
Business and professional.....	52.6	51.8	54.5	52.7	54.0	54.1	54.7	54.9	55.3	54.1
Farm.....	17.3	16.8	18.9	16.9	18.6	19.1	19.5	19.1	18.7	18.4
Rental income of persons.....	24.5	24.2	24.8	24.6	25.1	25.2	25.3	25.5	25.6	22.1
Dividends.....	25.4	25.5	26.1	25.4	26.0	26.1	26.0	26.1	26.3	26.3
Personal interest income.....	69.6	68.8	71.9	69.3	70.8	71.0	71.3	72.0	72.7	73.4
Transfer payments ¹	93.6	91.3	100.0	107.3	97.6	100.0	100.1	99.7	100.9	101.7
Less: Personal contributions for social insurance.....	31.2	30.7	34.9	31.1	34.3	34.7	34.8	35.0	35.1	35.3
Addenda:										
Total nonagricultural income ²	837.2	824.4	888.8	849.8	873.4	882.4	887.1	893.4	898.3	898.5
Total agricultural income.....	24.2	23.6	25.9	23.6	25.6	26.0	26.5	26.0	25.8	25.4

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, Bureau of Economic Analysis.

Table 2. - Retroactive Disbursements^{1/} Included in
 Personal Income
 (Annual rates in billions of dollars)

	First 6 months 1972	Jan 1972	Feb 1972	Mar 1972	Apr 1972	May 1972	June 1972
Wage and salary disbursements, total	1.9	.8	4.5	2.5	1.5	1.0	.9
Commodity-producing industries	.7	---	1.1	1.5	.7	.5	.3
Manufacturing only	.6	---	.8	1.4	.6	.5	.3
Distributive industries	.7	---	2.5	.5	.3	---	.5
Service industries	.1	---	<u>2/</u>	.3	.1	.1	.1
Government	.4	.8	.9	.2	.4	.4	0

Addendum:

Month to month changes in
 total wages and salaries
 excluding retroactive
 disbursements

7.5 2.7 5.4 6.3 2.7 3.4

^{1/} These are estimates prepared by the Bureau of Economic Analysis of the disbursements of retroactive pay increases approved by the Pay Board. These estimates are included in the wage and salary component of personal income in the months in which the disbursements are made. The addendum shows the changes in wages and salaries if the retroactive "lump sum" payments are excluded.

^{2/} Less than \$50 million.

Source: U. S. Department of Commerce, Bureau of Economic Analysis