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PERSONAL INCOME - JULY 1978

Personal income increased \$24.2 billion in July to a seasonally adjusted annual rate of \$1,719.2 billion, according to the Bureau of Economic Analysis, U.S. Department of Commerce. Personal income increased \$12.9 billion in June, \$12.7 billion in May, and \$23.1 billion in April, based on revised figures.

Wages and salaries increased \$11.2 billion in July compared with \$9.0 billion in June. Payrolls in commodity-producing industries increased \$4.5 billion, compared with \$4.2 billion. Distributive industries' payrolls increased \$2.0 billion, compared with \$1.9 billion. Service industries' payrolls increased \$3.7 billion, compared with \$2.0 billion. Government payrolls increased \$1.0 billion in both months.

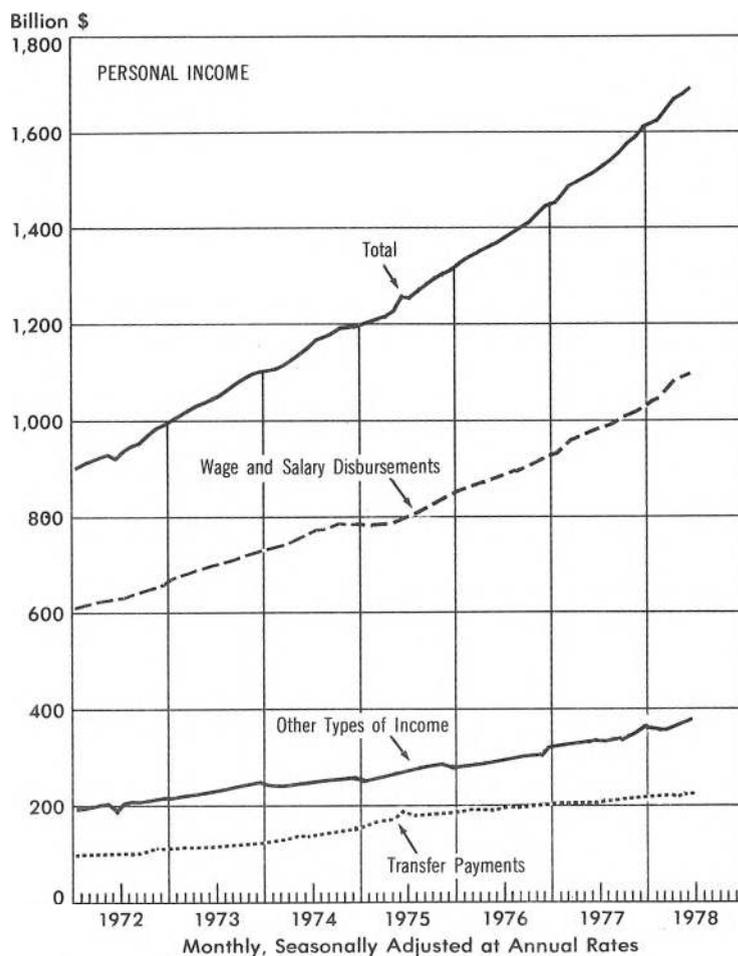
Manufacturing payrolls increased \$3.0 billion in July, compared with \$1.8 billion in June. About three-fourths of the July increase was accounted for by large increases in average hourly earnings. Most of the payroll gain was in durable goods industries; the largest increases were in nonelectrical machinery and motor vehicles.

The income of nonfarm proprietors increased \$1.7 billion in July, compared with \$0.4 billion in June; rental income of persons increased \$2.0 billion, following no change in June. Of the combined \$3.7 billion increase in July in these two components, about \$3.0 billion is attributable to the California property tax reductions that resulted from the approval by voters of Proposition 13. The reductions were effective July 1, 1978. It is assumed that cost savings from the lower taxes were not passed through in the form of rent and price reductions.

Transfer payments increased \$8.2 billion in July, compared with a decline of \$0.6 billion in June. About \$5.7 billion of the July increase resulted from a 6-1/2 percent cost-of-living increase in social security benefits. Farm income declined \$0.9 billion in July compared with an increase of \$0.5 billion in June. All other nonwage income increased \$2.8 billion, compared with \$4.0 billion.

Details of personal income in July and other recent periods are shown in the accompanying tables; additional data appear each month in the Survey of Current Business, a monthly journal of the Bureau of Economic Analysis.

The Survey of Current Business is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. First class mail: annual subscription \$31.00 domestic. Second class mail: annual subscription \$19.00 domestic, \$23.75 foreign; single issue \$1.60 domestic, \$2.00 foreign.



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

CHANGES IN PERSONAL INCOME  
(Billions of dollars)

	1975- 1976	1976- 1977	Seasonally adjusted at annual rates Change from preceding month					
			1978					
			Feb.	Mar.	Apr. r	May r	June r	July p
<b>TOTAL PERSONAL INCOME</b> .....	125.4	148.1	9.5	21.3	23.1	12.7	12.9	24.2
<b>Wage and salary disbursements, total</b> .....	84.2	93.6	9.1	19.3	17.3	4.5	9.0	11.2
Commodity-producing industries .....	32.5	36.2	5.4	9.9	9.6	2.5	4.2	4.5
Manufacturing only .....	26.5	28.8	4.6	5.9	1.9	1.5	1.8	3.0
Distributive industries .....	21.1	22.7	2.9	5.1	3.5	1.2	1.9	2.0
Service industries .....	18.4	21.5	-.1	3.8	3.2	-.2	2.0	3.7
Government and government enterprises .....	12.2	13.2	1.0	.4	.9	.9	1.0	1.0
<b>Other labor income</b> .....	11.9	13.4	1.3	1.3	1.3	1.3	1.3	1.4
<b>Proprietors' income with inventory valuation and capital consumption adjustments, total</b> .....	1.6	11.2	-3.1	-1.5	4.6	3.4	.9	.8
Farm .....	-5.1	1.8	-4.1	-2.9	3.4	2.8	.5	-.9
Nonfarm .....	6.7	9.4	1.0	1.4	1.1	.6	.4	1.7
<b>Rental income of persons with capital consumption adjustment</b> .....	.1	-.1	-.2	-.2	-.3	-.2	.0	2.0
<b>Dividends</b> .....	6.0	5.8	.2	.2	.2	.5	1.0	.2
<b>Personal interest income</b> .....	10.8	14.9	1.8	1.9	1.5	1.7	1.6	1.2
<b>Transfer payments</b> .....	15.7	14.9	.8	1.4	-.6	1.5	-.6	8.2
Old-age, survivors, disability, and health insurance benefits .....	11.4	12.2	.2	1.3	-.1	1.1	-.2	6.9
Government unemployment insurance benefits .....	-1.9	-3.0	-.7	-.3	-1.0	-.6	-.3	--
All other .....	6.2	5.7	1.3	.4	.4	1.1	.0	--
<b>Less: Personal contributions for social insurance</b> .....	5.0	5.5	.5	1.0	.9	.2	.5	.7
<b>Addenda:</b>								
<b>Total nonfarm income</b> .....	128.7	144.9	13.5	24.2	19.5	9.8	12.3	25.0
<b>Total farm income<sup>1</sup></b> .....	-3.4	3.2	-4.1	-2.9	3.7	2.9	.6	-.8

<sup>1</sup> Equals farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.  
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

r = revised      p = preliminary

PERSONAL INCOME  
(Billions of dollars)

	1976	1977	Seasonally adjusted at annual rates					
			1978					
			Feb.	Mar.	Apr. <sup>r</sup>	May <sup>r</sup>	June <sup>r</sup>	July <sup>p</sup>
<b>TOTAL PERSONAL INCOME</b> .....	1380.9	1529.0	1625.0	1646.3	1669.4	1682.1	1695.0	1719.2
Wage and salary disbursements, total .....	890.1	983.6	1047.4	1066.6	1083.9	1088.4	1097.4	1108.6
Commodity-producing industries .....	307.5	343.7	364.4	374.3	383.9	386.4	390.5	395.0
Manufacturing only .....	237.5	266.3	286.5	292.4	294.3	295.9	297.7	300.7
Distributive industries .....	216.4	239.1	256.2	261.3	264.9	266.1	267.9	269.9
Service industries .....	178.6	200.1	215.1	219.0	222.2	222.0	224.0	227.8
Government and government enterprises .....	187.6	200.8	211.6	212.0	213.0	213.9	214.9	215.9
Other labor income .....	77.0	90.4	100.0	101.3	102.7	104.0	105.4	106.7
Proprietors' income with inventory valuation and capital consumption adjustments, total .....	88.6	99.8	104.5	103.0	107.5	110.9	111.8	112.6
Farm .....	18.4	20.2	21.5	18.6	22.0	24.8	25.3	24.4
Nonfarm .....	70.2	79.5	83.0	84.4	85.5	86.1	86.5	88.2
Rental income of persons with capital consumption adjustment .....	22.5	22.5	22.8	22.6	22.3	22.1	22.1	24.1
Dividends .....	37.9	43.7	47.0	47.2	47.4	48.0	49.0	49.2
Personal interest income .....	126.3	141.2	151.4	153.3	154.8	156.5	158.1	159.3
Transfer payments .....	193.9	208.8	219.0	220.3	219.7	221.3	220.7	228.9
Old-age, survivors, disability, and health insurance benefits .....	92.9	105.0	111.8	113.1	113.0	114.1	113.9	120.8
Government unemployment insurance benefits .....	15.5	12.5	10.2	9.9	8.9	8.3	8.0	----
All other .....	85.6	91.3	96.9	97.4	97.8	98.8	98.8	----
Less: Personal contributions for social insurance .....	55.5	61.0	67.0	68.0	68.9	69.0	69.5	70.2
<b>Addenda:</b>								
Total nonfarm income .....	1349.5	1494.4	1588.3	1612.5	1631.9	1641.8	1654.1	1679.1
Total farm income <sup>1</sup> .....	31.4	34.6	36.7	33.8	37.5	40.3	40.9	40.1

<sup>1</sup> Equals farm proprietors' income, farm wages, farm other labor income, and agricultural net interest.

Source: Department of Commerce, Bureau of Economic Analysis.

r = revised

p = preliminary