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**NEWS**

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BUREAU OF  
ECONOMIC ANALYSIS

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PERSONAL INCOME - DECEMBER AND YEAR 1978

Personal income increased \$18.9 billion in December to a seasonally adjusted annual rate of \$1,804.8 billion, according to the Bureau of Economic Analysis, U.S. Department of Commerce. Personal income increased \$17.6 billion in November and \$23.7 billion in October, based on revised estimates.

Wages and salaries increased \$9.6 billion in December, compared with \$11.7 billion in November. Commodity-producing industries' payrolls increased \$5.1 billion, compared with \$7.1 billion. Distributive industries' payrolls increased \$2.1 billion, compared with \$2.0 billion. Service industries' payrolls increased \$1.4 billion, compared with \$1.3 billion. Government payrolls increased \$0.9 billion, compared with \$1.3 billion.

The slower growth in December in commodity-producing industries was primarily due to manufacturing, which increased \$3.2 billion in December, compared with \$5.7 billion in November. The smaller increase in manufacturing is mainly attributable to a decline in average weekly hours; both employment and average hourly earnings increased, but at a slower rate than in November. Payrolls increased in most industries with primary and fabricated metals, electrical and nonelectrical machinery, and rubber showing the largest gains.

Farm proprietors' income increased \$5.1 billion in December, compared with \$1.1 billion in November. The large December increase resulted primarily from Government payments to grain farmers under the target price provision of the 1977 Food and Agriculture Act.

Transfer payments increased \$0.9 billion in December, compared with \$1.7 billion in November. In November a cost of living increase in veterans' benefits accounted for \$0.6 billion of the increase. Dividend payments increased \$0.9 billion, compared with \$0.5 billion. Other nonwage income increased \$2.9 billion, about the same as last month.

### Personal income in 1978

Personal income for the year 1978 was \$1,707.3 billion, an increase of \$178.4 billion or 11.7 percent over 1977. In 1977 personal income increased \$148.1 billion or 10.7 percent.

The following table shows the percentage increases in the principal components of personal income.

	Percent Change from Preceding Year in Personal Income	
	<u>1977</u>	<u>1978</u>
Total Personal Income	10.7	11.7
Wages and salaries	10.5	11.9
Other labor income	17.4	17.1
Farm proprietors' income	9.9	24.0
Nonfarm proprietors' income	13.3	10.4
Rental income of persons	-0.2	4.0
Dividends	15.2	12.9
Personal interest income	11.8	12.6
Transfer payments	7.7	8.2
Personal contributions for social insurance	9.9	14.3

Details of personal income in December 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.

PERSONAL INCOME  
(Billions of dollars)

	1977	1978 <sup>P</sup>	Seasonally adjusted at annual rates					
			1978					
			July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>P</sup>
<b>TOTAL PERSONAL INCOME</b> .....	1,529.0	1,707.3	1,719.2	1,731.1	1,744.7	1,768.4	1,785.9	1,804.8
<b>Wage and salary disbursements, total</b> .....	983.6	1,100.7	1,108.2	1,111.3	1,120.1	1,137.5	1,149.2	1,158.8
Commodity-producing industries .....	343.7	390.1	395.4	395.7	398.2	404.4	411.5	416.6
Manufacturing only .....	266.3	299.7	301.6	301.0	303.6	308.8	314.5	317.6
Distributive industries .....	239.1	268.7	269.8	271.0	274.1	277.8	279.8	281.9
Service industries .....	200.1	225.8	227.2	228.0	230.3	234.2	235.5	236.9
Government and government enterprises .....	200.8	216.1	215.8	216.7	217.5	221.0	222.4	223.3
<b>Other labor income</b> .....	90.4	105.9	106.7	107.9	109.1	110.4	111.8	113.1
<b>Proprietors' income with inventory valuation and capital consumption adjustments, total</b> .....	99.8	112.9	112.4	115.0	116.2	119.1	120.6	126.0
Farm .....	20.2	25.1	24.0	24.9	26.0	27.1	28.2	33.3
Nonfarm .....	79.5	87.8	88.4	90.1	90.2	92.0	92.4	92.8
<b>Rental income of persons with capital consumption adjustment</b> .....	22.5	23.4	24.3	24.3	24.2	24.3	24.4	24.4
<b>Dividends</b> .....	43.7	49.3	49.2	50.3	50.7	51.3	51.8	52.6
<b>Personal interest income</b> .....	141.2	158.9	159.6	161.9	163.6	165.1	166.3	167.5
<b>Transfer payments</b> .....	208.8	226.0	229.0	230.8	231.5	232.2	233.9	234.8
Old-age, survivors, disability, and health insurance benefits .....	105.0	117.3	120.5	120.9	121.8	121.9	122.4	122.8
Government unemployment insurance benefits .....	12.5	8.9	8.6	8.9	8.6	8.2	8.0	---
All other .....	91.3	99.7	99.9	101.0	101.2	102.2	103.6	---
<b>Less: Personal contributions for social insurance</b> .....	61.0	69.7	70.3	70.4	70.8	71.6	72.0	72.4
<b>Addenda:</b>								
<b>Total nonfarm income</b> .....	1,494.4	1,666.5	1,679.4	1,690.3	1,702.6	1,725.1	1,741.4	1,755.1
<b>Total farm income<sup>1</sup></b> .....	34.6	40.9	39.8	40.8	42.1	43.3	44.5	49.7

<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

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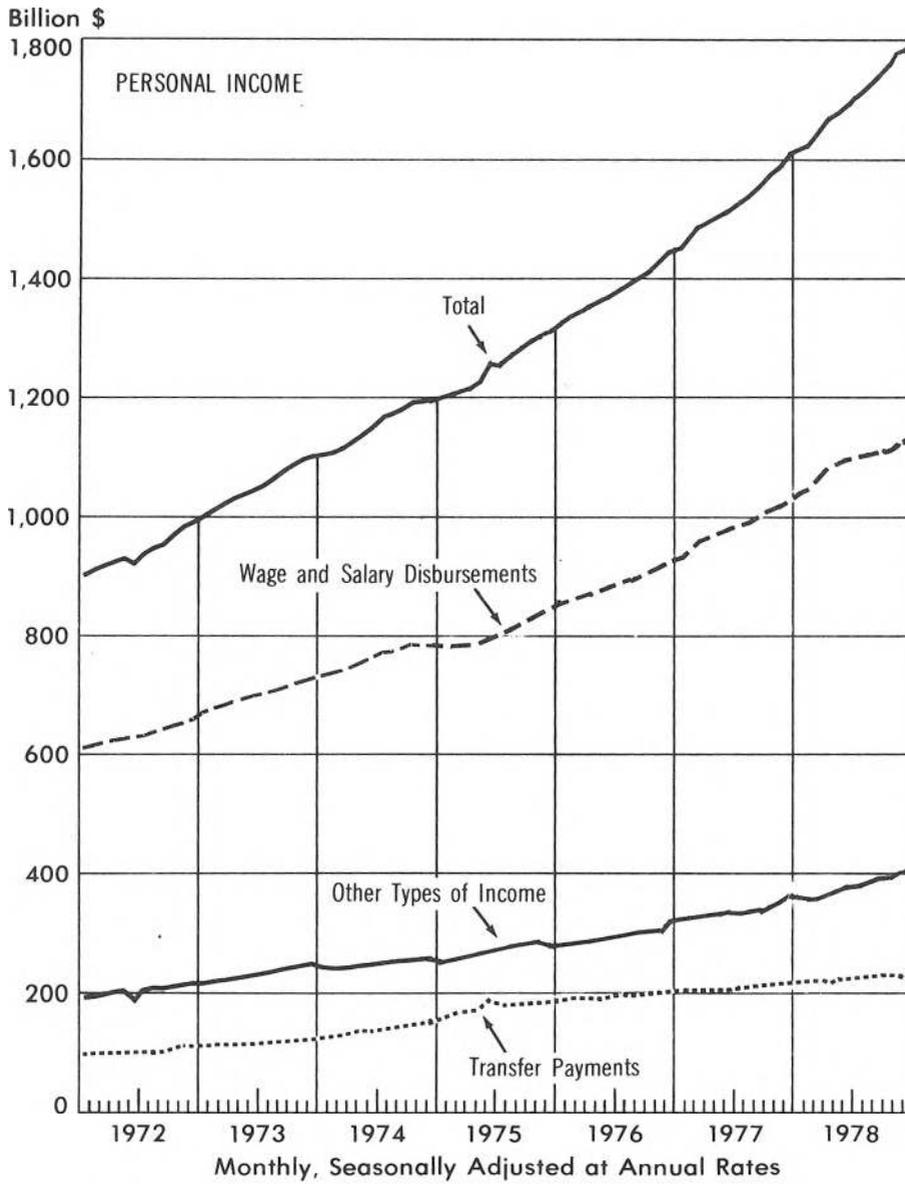
CHANGES IN PERSONAL INCOME  
(Billions of dollars)

	1976-1977	1977-1978 <sup>P</sup>	Seasonally adjusted at annual rates					
			Change from preceding month					
			1978					
			July	Aug.	Sept.	Oct. <sup>r</sup>	Nov. <sup>r</sup>	Dec. <sup>P</sup>
<b>TOTAL PERSONAL INCOME</b> .....	148.1	178.4	23.5	11.9	13.6	23.7	17.6	18.9
<b>Wage and salary disbursements, total</b> .....	93.6	117.0	9.9	3.1	8.8	17.4	11.7	9.6
Commodity-producing industries .....	36.2	46.4	4.5	.3	2.6	6.2	7.1	5.1
Manufacturing only .....	28.8	33.4	3.5	-.6	2.6	5.2	5.7	3.2
Distributive industries .....	22.7	29.6	1.6	1.2	3.1	3.8	2.0	2.1
Service industries .....	21.5	25.8	3.0	.8	2.4	3.9	1.3	1.4
Government and government enterprises .....	13.2	15.3	.9	.9	.8	3.5	1.3	.9
<b>Other labor income</b> .....	13.4	15.5	1.3	1.2	1.2	1.3	1.3	1.3
<b>Proprietors' income with inventory valuation and capital consumption adjustments, total</b> .....	11.2	13.1	.4	2.5	1.2	2.9	1.5	5.4
Farm .....	1.8	4.9	-1.3	.9	1.1	1.1	1.1	5.1
Nonfarm .....	9.4	8.3	1.7	1.6	.1	1.8	.4	.3
<b>Rental income of persons with capital consumption adjustment</b> .....	-.1	.9	2.2	.0	-.1	.1	.1	.1
<b>Dividends</b> .....	5.8	5.6	.2	1.1	.4	.6	.5	.9
<b>Personal interest income</b> .....	14.9	17.8	2.0	2.2	1.7	1.5	1.2	1.2
<b>Transfer payments</b> .....	14.9	17.1	8.2	1.7	.8	.7	1.7	.9
Old-age, survivors, disability, and health insurance benefits .....	12.2	12.3	6.6	.4	.8	.1	.5	.4
Government unemployment insurance benefits .....	-3.0	-3.6	.2	.3	-.3	-.4	-.2	---
All other .....	5.7	8.4	1.4	1.0	.2	1.0	1.4	---
<b>Less: Personal contributions for social insurance</b> .....	5.5	8.7	.7	.1	.4	.8	.5	.4
<b>Addenda:</b>								
<b>Total nonfarm income</b> .....	144.9	172.1	24.7	10.8	12.3	22.5	16.3	13.7
<b>Total farm income<sup>1</sup></b> .....	3.2	6.3	-1.2	1.1	1.3	1.2	1.2	5.2

<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.

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