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Central Files

THE PRESIDENT HAS SIGNED. *dg*

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

ALAN GREENSPAN, CHAIRMAN
WILLIAM J. FELLNER
GARY L. SEEVERS

February 19, 1975

MEMORANDUM FOR THE PRESIDENT

Subject: Personal Income - January (Seasonally adjusted)

Summary

Personal income increased from December to January at a slow 2.7 percent annual rate, with the rise in transfers alone more than accounting for the increase. Two thirds of the rise in transfers represented increased unemployment insurance benefits. Wages and salaries were off slightly with a large decline in manufacturing offset by increases in service industries and government. Wages and salaries in distributive industries were unchanged. This has been the dominant pattern in personal income month-to-month changes since October. Farm income declined \$2.1 billion in January, the first reflection in this statistic of the decline in prices received by farmers that began in November.

These data were released at 10:00 A.M., Wednesday, February 19.

William J. Fellner
Member

Alan Greenspan
Chairman

Additional details

The level of personal income in January was \$1193.6 billion and the December level was revised to \$1191.0 billion. Wages and salaries were \$765.7 in January and \$766.6 in December.

Manufacturing wages and salaries declined \$4.4 billion in January, about the same as the monthly declines registered since October. Most industries show a decline in January, with the largest declines in primary and fabricated metals, machinery, and transportation equipment. On the assumption that the rise in minimum wages has not shown (or by January has not yet shown) in any employment - reducing effect for workers subject to this legislation, the January payrolls would be \$700 million higher as a result of the rise than they would have been without it. The data on business and professional income and on dividends paid have not yet reflected the recession with declines.