

BUSINESS NEWS REPORTS

PERSONAL INCOME IN JANUARY 1950

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INSURANCE DIVIDENDS TO VETERANS BOOST JANUARY PERSONAL INCOME

Personal income in January -- exclusive of payment of the special insurance dividend to veterans -- was at an annual rate \$1 billion higher than in December, the Office of Business Economics, U. S. Department of Commerce announced today.

The inauguration of the program for payment of the special dividend from the National Service Life Insurance fund resulted in an extraordinary increase of total personal income from an annual rate of \$211.9 billion in December to \$218.4 billion in January, the Department reported.

In January these National Service Life Insurance dividend payments to veterans of World War II amounted to \$450 million. When put on an annual-rate basis to conform with other personal income data, the payments were at an annual rate of almost \$5½ billion. The Department emphasized that the payment of the special dividend will be substantially completed within a few months, however.

Personal income estimates include wage and salary receipts, the net incomes of proprietorships and partnerships (farm and nonfarm), dividends and interest, net rents received by landlords, and other types of individual income. Annual rates, which facilitate comparison with previous annual totals, represent the seasonally adjusted dollar totals for each month multiplied by 12.

Wage and salary receipts in January, at an annual rate of \$134.1 billion, were approximately the same as in December. In most industries pay rolls in January were unchanged from the previous month. The stability of factory wages in both the durable-goods and nondurable-goods industries was in marked contrast to the sharp declines which occurred in the same period last year.

Increased contributions by employees for social insurance -- reflecting the higher rates under the old age and survivors insurance program -- partly offset other increases in personal income in January. Such contributions, which increased from an annual rate of \$2.2 billion in December to \$2.8 billion in January, are deducted in obtaining the wage-and-salary component of personal income.

Interest and dividends declined from an annual rate of \$18.9 billion in December to \$17.4 billion in January. This drop was concentrated in corporate dividend payments, which in December included a large year-end disbursement by one automobile manufacturing company.

Proprietors' and rental income rose from an annual rate of \$43.5 billion in

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December to \$46.2 billion in January. Most of this increase occurred in the income of farm proprietors, which on a monthly basis exhibits considerable irregularity. The January rise in farm income stemmed mainly from an increase in the seasonally adjusted volume of crops marketed or placed under Government loan. Nonfarm proprietors' income also rose in January, reflecting chiefly larger sales of retail trade establishments.

Transfer payments rose from an annual rate of \$12.8 billion in December to \$18.5 billion in January. Nearly all of this large increase resulted from disbursements of the special National Service Life Insurance dividend.

Details of personal income for December 1949, January 1950, and other recent periods are presented in the following table:

Monthly Personal Income in the United States

(Seasonally adjusted annual rates in billions of dollars)

	Jan. 1950	Dec. 1949	Nov. 1949	Jan. 1949	Dec. 1948	Nov. 1948	Full year 1949 1948	
Total personal income	218.4	211.9	209.4	214.6	217.0	216.6	209.8	211.9
Wage and salary receipts	134.1	134.4	132.5	135.9	137.1	137.5	133.5	133.1
Total employer disbursements	136.9	136.6	134.7	138.2	139.4	139.7	135.7	135.2
Commodity-producing industries ^{1/}	57.4	57.4	56.0	60.5	62.3	62.7	57.3	60.4
Distributive industries ^{1/}	40.2	39.9	39.5	40.3	40.0	39.8	40.2	39.2
Service industries ^{1/}	17.5	17.4	17.4	17.1	16.9	16.9	17.2	16.6
Government	21.8	21.9	21.8	20.3	20.2	20.3	21.0	19.1
Less employee contributions for								
social insurance	2.8	2.2	2.2	2.3	2.3	2.2	2.2	2.1
Other labor income	2.2	2.2	2.2	2.0	2.0	2.0	2.1	2.0
Proprietors' and Rental income	46.2	43.5	44.9	48.5	50.3	49.8	44.8	49.5
Personal interest income and dividends	17.4	18.9	17.4	17.0	16.9	16.9	17.3 ³	16.2
Transfer payments ^{2/}	18.5	12.8	12.4	11.2	10.7	10.4	12.2	11.1
Total nonagricultural income ^{3/}	199.5	194.5	191.3	192.0	193.6	192.8	191.4	188.8
Total agricultural income	18.9	17.4	18.1	22.6	23.4	23.8	18.4	23.1

^{1/} "Commodity-producing industries" consists of Agriculture, Forestry and Fisheries, Mining, Contract construction and Manufacturing. "Distributive industries" consists of Wholesale and retail trade, Transportation and Communication and public utilities. "Service industries" comprises Finance, Insurance and real estate and Services.

^{2/} Consists mainly of veterans' payments and social insurance benefits, including the National Service Life Insurance dividend.

^{3/} Equals personal income exclusive of net income of unincorporated farm enterprises, Farm Wages, Agricultural net rents, Agricultural net interest, and Net dividends paid by agricultural corporations.