

BUSINESS NEWS REPORTS

PERSONAL INCOME, MARCH 1950

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Personal income in March, inclusive of the special insurance dividend payments to veterans, was at an annual rate of \$222.7 billion, \$3.6 billion higher than in February, the Office of Business Economics, U. S. Department of Commerce announced today.

The Department emphasized that three-fourths of the February-March rise in personal income was due to special factors -- the resumption of coal mining operations following the settlement of the labor-management dispute and increased payments to veterans from the National Service Life Insurance fund.

After allowance for these special factors, personal income increased from February to March by an annual rate of \$1 billion. All major components except proprietors' income contributed to this increase. A slight increase in nonfarm proprietors' income was more than offset by a drop in the income of farm proprietors.

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

Total wage and salary receipts in March, at an annual rate of \$135.2 billion, were \$2.1 billion higher than in the previous month. About \$1.4 billion of the rise occurred in mining with the return of the soft coal miners to work. Small increases were reported in durable-goods manufacturing, railroad, retail trade, and farm pay rolls. Wages in the durable-goods manufacturing industries in March, although slightly below the same month of last year, were higher than in any month since then. Total wage and salary receipts were higher in March than in any other month since January 1949.

Transfer payments rose from an annual rate of \$22.1 billion in February to \$23.5 billion in March. The rise resulted very largely from increased N.S.L.I. dividend payments. These payments amounted to \$788 million in February and \$887 million in March. When expressed at annual rates to conform with other personal income data, the payments were at annual rates of \$9.5 billion in February and \$10.7 billion in March. By the end of March about three-fourths of the scheduled \$2.8 billion disbursement of veterans' dividends had actually been paid out.

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Proprietors' and rental income declined from an annual rate of \$44.1 billion in February to \$43.7 billion in March. This decrease was concentrated in the income of farm proprietors, which, on a monthly basis, exhibits considerable irregularity. The March reduction in farm income stemmed from a decrease in the seasonally adjusted volume of crops marketed or placed under Government loan. However, farm proprietors' volume of crops marketed or placed under Government loan. However, farm proprietors' income in the first quarter of 1950 was about the same as in the last quarter of 1949.

Details of personal income data for March 1950, March 1949, and other recent periods are shown in the following table.

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Monthly Personal Income in the United States

(Seasonally adjusted annual rates in billions of dollars)

	March 1950	Feb. 1950	Jan. 1950	March 1949	Feb. 1949	Jan. 1949	Full year 1949	1948
Total personal income	222.7	219.1	218.1	210.2	211.3	214.6	209.8	211.9
Wage and salary receipts	135.2	133.1	133.7	132.3	134.0	135.9	133.5	133.1
Total employer disbursements	138.0	135.8	136.5	134.6	136.3	138.2	135.7	135.2
Commodity-producing industries ^{1/}	58.4	56.5	57.1	57.4	59.4	60.5	57.3	60.4
Distributive industries ^{1/}	40.2	39.9	40.1	39.4	39.5	40.3	40.2	39.2
Service industries ^{1/}	17.8	17.8	17.6	17.3	17.0	17.1	17.2	16.6
Government	21.6	21.6	21.7	20.5	20.4	20.3	21.0	19.1
Less employee contributions for								
social insurance	2.8	2.7	2.8	2.3	2.3	2.3	2.2	2.1
Other labor income	2.4	2.2	2.2	2.1	2.1	2.0	2.1	2.0
Proprietors' and rental income	43.7	44.1	46.5	46.2	46.6	48.5	44.8	49.5
Personal interest income and dividends ...	17.9	17.6	17.4	17.0	17.0	17.0	17.3	16.2
Transfer payments ^{2/}	23.5	22.1	18.3	12.6	11.6	11.2	12.2	11.1
Total nonagricultural income ^{3/}	206.7	202.7	198.7	190.5	191.0	192.0	191.4	188.8
Total agricultural income	16.0	16.4	19.4	19.7	20.3	22.6	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 communications 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.