

**BUSINESS NEWS REPORTS**

PERSONAL INCOME, MAY 1950

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Personal income in May—other than the special insurance dividend payments to veterans—was at an annual rate of \$212.2 billion compared with \$209.7 billion for April, the Office of Business Economics, U. S. Department of Commerce, announced today.

The Department's series measuring total personal income, which includes disbursements from the National Service Life Insurance Fund, declined slightly in May to an annual rate of \$213.3 billion from \$213.8 billion in the previous month. The N.S.L.I. dividend payments declined in May to \$95 million from a total of \$345 million in April.

Expressed at annual rates to make them comparable with other personal income data, the payments amounted to \$1.1 billion in May as against \$4.1 billion in April. By the end of May almost 95 percent of the \$2.8 billion veterans' dividend had actually been paid out.

The April-May rise of \$2.5 billion in personal income, exclusive of the special payments to veterans, reflected expansions in pay rolls and proprietors' income.

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 disbursements in May rose to an annual rate of \$139.2 billion, higher than in any previous month. Most of the \$1.1 billion increase over April occurred in the durable-goods manufacturing industries, where the settlement of a labor management dispute in the automobile industry accounted for part of the substantial pay roll rise. Pay rolls in nondurable-goods manufacturing industries and in contract construction also increased from April to May.

Income of proprietors, including both farm and nonfarm, increased about \$1.7 billion at an annual rate from April to May. The rise in farm proprietors' income, \$1.1 billion, reflected larger receipts from livestock marketings. Both higher prices and an expanded volume of marketings were contributing factors. The rise in nonagricultural proprietors' income reflected primarily increased retail sales.

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Details of the personal income estimates for April and May 1950 and for other recent periods are shown in the following table. The data for April 1950 and earlier periods represent revisions of previously published estimates. Complete data on a revised basis, beginning with 1946, on personal income and related series on national income and gross national product will appear in the July 1950 Survey of Current Business, official monthly magazine of the Office of Business Economics.

Monthly Personal Income in the United States  
(Seasonally adjusted annual rates in billions of dollars)

	May 1950	April 1950	March 1950	Feb. 1950	Jan. 1950	May 1949	First five months		Full year
							1950	1949	1949
Total personal income .....	213.3	213.8	219.3	215.4	214.6	207.6	215.2	208.0	206.1
Wage and salary receipts .....	136.4	135.3	133.6	131.5	132.2	132.7	133.7	132.8	132.0
Total employer disbursements .....	139.2	138.1	136.4	134.2	135.0	134.9	136.5	135.0	134.2
Commodity-producing industries <sup>1/</sup> .....	60.3	59.1	57.7	55.8	56.7	57.1	57.9	58.3	57.0
Distributive industries <sup>1/</sup> .....	39.5	39.7	39.6	39.3	39.5	40.1	39.5	39.5	39.4
Service industries <sup>1/</sup> .....	18.3	18.2	18.1	18.1	17.9	17.6	18.1	17.2	17.4
Government .....	21.1	21.1	21.0	21.0	20.9	20.4	21.0	20.0	20.1
Less employee contributions for social insurance .....	2.8	2.8	2.8	2.7	2.8	2.2	2.8	2.2	2.2
Other labor income .....	3.4	3.3	3.3	3.0	3.0	2.9	3.2	2.8	2.9
Proprietors' and rental income .....	41.5	39.8	40.2	41.0	43.5	42.6	41.2	43.2	41.7
Personal interest income and dividends ...	17.9	18.2	18.0	17.7	17.5	17.1	17.9	17.2	17.2
Transfer payments <sup>2/</sup> .....	14.1	17.2	24.2	22.2	18.4	12.3	19.2	12.0	12.3
Total nonagricultural income <sup>3/</sup> .....	197.2	198.7	203.7	199.0	195.2	188.7	198.8	189.0	188.2
Total agricultural income .....	16.1	15.1	15.6	16.4	19.4	18.9	16.4	19.0	17.9

<sup>1/</sup> "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.

<sup>2/</sup> Consists mainly of veterans' payments and social insurance benefits, including the National Service Life Insurance dividend.

<sup>3/</sup> 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.