

*Cybert*  
**BUSINESS NEWS REPORTS**

PERSONAL INCOME - July 1955

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Personal income in July was at an annual rate of \$304½ billion, \$3 billion higher than in June, the Office of Business Economics, U. S. Department of Commerce announced today.

Most of the June-July net increase in personal income was attributable to the recent pay raise (including retroactive payments) for Federal Government civilian employees. Private industry payrolls were also higher in July. Farm income, which on a monthly basis exhibits considerable irregularity, was lower.

Personal income estimates include wages and salaries, the net income 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.

Of the \$2½ billion July increase in the annual rate of Federal Government civilian payrolls, about \$½ billion reflected regular pay at higher rates. The remainder represented lump-sum retroactive payments made in July for service extending back to March. These retroactive payments are estimated at about \$140 million. When put on an annual rate basis to conform with other personal income data, they amounted to almost \$1-¾ billion.

Increases in wage rates were also important in the June-July rise in private industry payrolls. In manufacturing, which accounted for half of the \$1 billion rise in private wage and salary disbursements, higher wage rates accounted for virtually all of the increase. Straight-time wage rates were increased in 13 out of the 21 major manufacturing industry groups. With allowance for seasonal influences, the payroll effect of a moderate rise in employment was offset by a decline in average weekly hours.

Personal income in the first seven months of 1955 was at an annual rate of \$298 billion, \$12 billion higher than in the corresponding period of 1954.

Details of personal income in July 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)

	July 1955	June 1955	May 1955	July 1954	June 1954	May 1954	First seven months		Full year
							1955	1954	1954
Total personal income.....	304.7	301.6	301.4	287.1	286.7	286.7	298.2	286.2	287.6
Wage and salary disbursements, total.....	211.6	208.0	207.3	196.6	195.8	195.7	204.7	195.5	196.2
Commodity-producing industries <u>1/</u> .....	91.6	90.9	90.6	83.8	84.2	84.5	88.8	84.4	84.2
Distributive industries <u>1/</u> .....	55.2	54.9	54.5	52.8	52.1	52.1	53.9	52.0	52.3
Service industries <u>1/</u> .....	27.6	27.4	27.4	26.2	25.8	25.5	27.1	25.5	25.9
Government.....	37.2	34.8	34.8	33.8	33.7	33.6	34.9	33.6	33.8
Other labor income.....	7.0	6.9	6.9	6.6	6.6	6.5	6.9	6.5	6.6
Proprietors' and rental income.....	48.0	48.5	48.8	47.6	48.2	48.0	48.7	48.4	48.4
Personal interest income and dividends.....	26.5	26.3	26.1	24.6	24.6	24.5	25.8	24.4	24.7
Transfer payments <u>2/</u> .....	16.9	17.1	17.5	16.1	16.0	16.5	17.2	15.9	16.2
Less personal contributions for social insurance <u>3/</u> .....	5.3	5.2	5.2	4.4	4.5	4.5	5.1	4.5	4.5
Total nonagricultural income <u>4/</u> .....	291.1	287.2	286.6	272.1	272.1	271.0	283.3	270.1	271.9
Total agricultural income.....	13.6	14.4	14.8	15.0	14.6	15.7	14.9	16.1	15.7

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.

3/ Data since January of 1952 represent contributions of both employees and self-employed persons.

4/ Equals personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.