

# BUSINESS NEWS REPORTS

PERSONAL INCOME - December 1955

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Personal income in December was at an annual rate of \$315 billion, \$3 billion higher than in November and almost \$22 billion higher than the December 1954 figure, the Office of Business Economics, U. S. Department of Commerce announced today.

An unusually large volume of year-end dividend disbursements accounted for two-thirds of the November-December rise in personal income. Higher wages and transfer payments were responsible for most of the remaining increase.

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.

## The year as a whole

For the full year 1955, personal income amounted to \$303½ billion, \$15½ billion or 5½ percent higher than in 1954. Nonagricultural income rose by \$16½ billion while income from agricultural sources declined by about \$1 billion.

Most components showed an uptrend throughout the past year. Wages and salaries, nonfarm proprietors' income, interest, and transfer payments each increased by about 6 percent. Dividend disbursements rose by 12 percent, while net rental income was little changed. Total nonagricultural income advanced 6 percent from 1954 to 1955.

In absolute terms, wages and salaries accounted for three-fourths of the total increase in nonagricultural income. Payrolls rose most sharply in durable-goods manufacturing industries. The only category of payrolls that was lower in 1955 than in 1954 was military, where the reduction was due to a curtailment in number of personnel.

Although total civilian employment rose appreciably from 1954 to 1955, higher average earnings per employee were the main factor in the year-to-year payroll gain. The increase in average earnings reflected primarily higher wage rates, with a longer average work week an important secondary factor.

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MONTHLY PERSONAL INCOME IN THE UNITED STATES  
(Seasonally adjusted annual rates in billions of dollars)

	Dec. 1955	Nov. 1955	Sept. 1955	June 1955	March 1955	Dec. 1954	<u>Full year</u> 1955 1954	
Total personal income.....	315.0	312.0	307.9	301.6	295.7	293.4	303.3	287.6
Wage and salary disbursements, total.....	215.7	215.3	212.4	208.0	202.6	198.8	208.5	196.2
Commodity-producing industries <u>1/</u> .....	94.1	94.0	92.2	90.9	87.8	84.8	90.5	84.2
Distributive industries <u>1/</u> .....	57.0	56.8	56.4	54.9	53.6	53.1	55.1	52.3
Service industries <u>1/</u> .....	28.6	28.5	28.0	27.4	27.0	26.6	27.6	25.9
Government.....	36.0	36.0	35.8	34.8	34.2	34.3	35.3	33.8
Other labor income.....	7.2	7.1	7.1	6.9	6.8	6.7	7.0	6.6
Proprietors' and rental income.....	50.2	50.2	49.7	48.5	48.5	48.9	49.1	48.4
Personal interest income and dividends.....	29.9	27.6	27.1	26.3	25.5	26.5	26.8	24.7
Transfer payments <u>2/</u> .....	17.4	17.1	16.9	17.1	17.4	17.1	17.2	16.2
Less personal contributions for social insurance <u>3/</u>	5.4	5.3	5.3	5.2	5.1	4.6	5.2	4.5
Total nonagricultural income <u>4/</u> .....	299.8	296.6	293.0	287.2	280.9	278.1	288.4	271.9
Total agricultural income.....	15.2	15.4	14.9	14.4	14.8	15.3	14.9	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.

Details of personal income in December and selected months of the past year, as well as for 1954 and 1955 as a whole, are shown in the accompanying table.