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

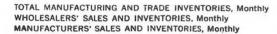
For the full year 1955, personal income amounted to \$303 $\frac{1}{2}$ billion, \$15 $\frac{1}{2}$ billion or $5\frac{1}{2}$ percent higher than in 1954. Nonagricultural income rose by \$16 $\frac{1}{2}$ billion while income from agricultural sources declined by about \$1 billion.

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.





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

	Dec.	Nov.	Sept.	June	March	Dec.	Full year	
	1955	1955	1955	1955	1955	1954	1955	1954
otal 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 1/	94.1	94.0	92.2	90.9	87.8	84.8	90.5	84.2
Distributive industries 1/	57.0	56.8	56.4	54.9	53.6	53.1	55.1	52.3
Service industries 1/	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 2/	17.4	17.1	16.9	17.1	17.4	17.1	17.2	16.2
Less personal contributions for social insurance 3/	5.4	5.3	5.3	5.2	5.1	4.6	5.2	4.5
otal nonagricultural income 4/	299.8	296.6	293.0	287.2	280.9	278.1	288.4	271.9
otal agricultural income	15.2	15.4	14.9	14.4	14.8	15.3	14.9	15.7

^{1/ &}quot;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.