

BUSINESS NEWS REPORTS

PERSONAL INCOME - January 1956

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Personal income in January was at an annual rate of \$312½ billion, about \$2½ billion lower than in December, but slightly above the average rate of the fourth quarter of 1955, the Office of Business Economics, U. S. Department of Commerce, announced today. In January 1955 the annual rate of personal income was \$292 billion.

The December-January decline was accounted for mainly by special factors affecting the flow of dividends. The seasonally adjusted annual rate of dividend disbursements in December had been raised about \$2 billion by an unusually large volume of year-end extra and special payments. The return to a more normal rate of dividend disbursements accounted for most of the December-January decline in the personal income total.

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.

Wage and salary disbursements were at an annual rate of \$215½ billion in January, fractionally lower than in December but \$16 billion higher than in January of 1955. The December-January decline in payrolls was concentrated in the auto industry, where hours and employment were reduced from the previous month. In commodity producing industries other than auto manufacturing, the changes in payrolls were smaller and were offsetting. Total payrolls in the distributive and service industries were also unchanged from December.

Income components other than dividends and wages and salaries remained stable in the aggregate from December to January. A rise in transfer payments was offset by higher contributions for social insurance, which are deducted in arriving at personal income.

Details of personal income in January 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)

	Jan. 1956	Dec. 1955	Nov. 1955	Jan. 1955	Dec. 1954	Nov. 1954	<u>Full year</u>	
							1955	1954
Total personal income.....	312.5	314.8	312.0	292.2	293.4	290.8	303.3	287.6
Wage and salary disbursements, total.....	215.5	215.8	215.3	199.3	198.8	198.6	208.5	196.2
Commodity-producing industries ^{1/}	93.6	94.1	94.0	85.4	84.8	85.2	90.5	84.2
Distributive industries ^{1/}	56.9	56.9	56.8	52.9	53.1	52.5	55.1	52.3
Service industries ^{1/}	28.7	28.7	28.5	26.8	26.6	26.6	27.6	25.9
Government.....	36.3	36.1	36.0	34.2	34.3	34.3	35.3	33.8
Other labor income.....	7.2	7.2	7.1	6.8	6.7	6.7	7.0	6.6
Proprietors' and rental income.....	49.8	49.9	50.2	49.1	48.9	48.3	49.1	48.4
Personal interest income and dividends.....	28.0	29.9	27.6	25.0	26.5	24.9	26.8	24.7
Transfer payments ^{2/}	17.7	17.4	17.1	17.0	17.1	16.8	17.2	16.2
Less personal contributions for social insurance ^{3/} ..	5.7	5.4	5.3	5.0	4.6	4.5	5.2	4.5
Total nonagricultural income ^{4/}	297.9	299.9	296.6	276.5	278.1	275.9	288.4	271.9
Total agricultural income.....	14.6	14.9	15.4	15.7	15.3	14.9	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.