

BUSINESS NEWS REPORTS

PERSONAL INCOME - May 1956

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Personal income in May was at an annual rate of \$323 billion, \$1 $\frac{1}{4}$ billion higher than in April, the Office of Business Economics, U. S. Department of Commerce announced today. The Department noted that personal income in the first five months of 1956 was 7 percent higher than in the corresponding period of 1955.

The May gain in personal income was scattered among the various major types of income. Wages and salaries were slightly higher than in April. Proprietors' income increased more sharply than in recent months, largely reflecting an increase in the sales of retail proprietors. Interest, dividends, and transfer payments continued upward trends.

Estimates for April and prior months contained in this release represent statistical revisions of previously published data. They incorporate the results of the usual annual revisions of the national income, national product and related series which OBE completes each year in July. Detailed estimates for the period 1952 through 1955, which furnish the latest data now available, will appear in the July 1956 National Income Number of the Survey of Current Business, monthly magazine of the Office of Business Economics.

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.

Private industry payrolls, which had shown an unusually large increase of \$2 $\frac{1}{2}$ billion between March and April, increased only fractionally from April to May.

In April, payrolls in manufacturing and nonmanufacturing industries had each increased by well over \$1 billion from the March level. In the manufacturing sector, half of the increase took place in the electrical and non-electrical machinery industries and was largely attributable to the ending of a major work stoppage. At the same time payrolls rose in all other manufacturing industries except autos. Payroll increases were also general among nonmanufacturing industries and were especially pronounced in construction, trade, and mining.

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TOTAL MANUFACTURING AND TRADE INVENTORIES, Monthly
WHOLESALESALES AND INVENTORIES, Monthly
MANUFACTURERS' SALES AND INVENTORIES, Monthly

PERSONAL INCOME, Monthly
CASH DIVIDEND PAYMENTS, Monthly
NATIONAL INCOME AND PRODUCT, Quarterly

PLANT AND EQUIPMENT SURVEY, Quarterly
FOREIGN GRANTS AND CREDITS, Quarterly
BALANCE OF INTERNATIONAL PAYMENTS, Quarterly

In May payrolls in most private industries remained close to their April levels or showed slight increases. Auto payrolls, however, continued the decline that began last December. Smaller declines took place in three other durable goods manufacturing industries -- primary metals, fabricated metals, and nonelectrical machinery. Construction payrolls continued to advance as in recent months.

According to preliminary indications, private payrolls increased in June by about \$1 billion, with almost all of the increase in nonmanufacturing industries.

Details of personal income in May and other recent periods are shown in the following table.

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

	May 1956	April 1956	March 1956	Feb. 1956	Jan. 1956	May 1955	First five months 1956	1955	Full year 1955
Total personal income.....	323.0	321.7	318.6	317.1	316.7	304.3	319.4	298.1	306.1
Wage and salary disbursements, total.....	223.3	222.9	220.3	218.9	219.0	208.8	220.9	203.9	210.4
Commodity-producing industries ^{1/}	96.8	96.8	95.1	94.7	94.8	90.8	95.7	87.9	90.9
Distributive industries ^{1/}	59.1	59.1	58.4	57.9	57.9	54.7	58.5	53.5	55.4
Service industries ^{1/}	30.0	29.8	29.6	29.5	29.5	27.9	29.7	27.4	28.2
Government.....	37.4	37.2	37.2	36.8	36.8	35.4	37.1	35.1	35.9
Other labor income.....	7.2	7.2	7.2	7.2	7.3	6.9	7.2	6.8	7.0
Proprietors' and rental income.....	50.3	49.7	49.5	49.7	49.4	49.7	49.7	49.0	49.1
Personal interest income and dividends.....	29.3	29.1	28.8	28.7	28.5	26.5	28.9	26.1	27.3
Transfer payments ^{2/}	18.7	18.6	18.5	18.3	18.2	17.6	18.5	17.4	17.6
Less personal contributions for social insurance ^{3/}	5.8	5.8	5.7	5.7	5.7	5.2	5.7	5.1	5.2
Total nonagricultural income ^{4/}	307.8	306.8	304.0	301.5	301.6	288.6	304.3	282.7	290.9
Total agricultural income.....	15.2	14.9	14.6	15.6	15.1	15.7	15.1	15.4	15.2

^{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.