

BUSINESS NEWS REPORTS

PERSONAL INCOME - July 1956

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Personal income in July was at an annual rate of \$324½ billion, little changed from the June total of \$325 billion, the Office of Business Economics, U. S. Department of Commerce announced today. The wage loss in July resulting from the steel strike was largely offset by increases in other income components.

The steel strike directly affected payrolls not only in the steel industry but also in mining and transportation. On the basis of incomplete information presently available, wage earnings in these three industries in July are estimated to have been at an annual rate roughly \$2 billion lower than in June. Other income payments, however, rose by \$1½ billion in July, resulting in a net reduction from June of only \$½ billion in total personal income.

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 \$1½ billion rise which occurred in July in income components not directly affected by the steel strike was divided about equally between wage and salary disbursements and other types of earnings -- proprietors' income, interest, and dividends. Transfer payments were unchanged from June to July.

Payroll increases were more general in nonmanufacturing than in manufacturing industries. Aside from the strike-affected mining and transportation industries, all major nonmanufacturing industries except construction showed payroll gains from June to July. Among manufacturing industries the principal payroll increases were in nonelectrical machinery, fabricated metals, and electrical machinery.

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

(Over)

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TOTAL MANUFACTURING AND TRADE INVENTORIES, Monthly
WHOLESALESALE'S SALES 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

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

	July 1956	June 1956	May 1956	July 1955	June 1955	May 1955	First seven months 1956	1955	Full year 1955
Total personal income.....	324.5	324.9	322.8	309.2	306.0	304.3	320.9	300.8	306.1
Wage and salary disbursements, total.....	224.0	225.2	223.2	214.5	210.5	208.8	221.9	206.3	210.4
Commodity-producing industries <u>1/</u>	95.9	97.5	96.8	92.1	91.4	90.8	95.9	89.0	90.9
Distributive industries <u>1/</u>	59.9	59.9	59.1	56.1	55.3	54.7	58.9	54.1	55.4
Service industries <u>1/</u>	30.4	30.2	30.0	28.6	28.1	27.9	29.8	27.7	28.2
Government.....	37.8	37.6	37.3	37.7	35.7	35.4	37.2	35.5	35.9
Other labor income.....	7.3	7.3	7.2	7.1	7.0	6.9	7.3	6.8	7.0
Proprietors' and rental income.....	50.6	50.0	50.1	48.5	49.4	49.7	49.8	49.0	49.1
Personal interest income and dividends.....	29.8	29.6	29.4	26.9	26.7	26.5	29.1	26.3	27.3
Transfer payments <u>2/</u>	18.6	18.6	18.7	17.5	17.6	17.6	18.5	17.5	17.6
Less personal contributions for social insurance <u>3/</u> ..	5.8	5.8	5.8	5.3	5.2	5.2	5.8	5.1	5.2
Total nonagricultural income <u>4/</u>	309.7	310.3	307.6	294.7	290.4	288.6	305.9	285.4	290.9
Total agricultural income.....	14.8	14.6	15.2	14.5	15.6	15.7	15.0	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.