

# BUSINESS NEWS REPORTS

PERSONAL INCOME - August 1956

FOR RELEASE IN SUNDAY PAPERS, OCTOBER 7, 1956

OBE 56-82

Personal income in August was at a record annual rate of \$328 billion, \$4 billion higher than in July and about \$20 billion above August 1955, the Office of Business Economics, U. S. Department of Commerce announced today.

Four-fifths of the August increase in personal income took place in wages and salaries, with the largest gains occurring in industries in which July income had been affected by the steel strike. Other income components--proprietors' income, property income, and transfer payments--also moved upward.

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.

Payrolls in the primary metals, mining, and transportation industries increased by about \$2 billion in August at an annual rate, making up for a decline of the same amount in July which had resulted from the steel strike. In all other industries combined, the payroll gain was about \$1 billion. Most nonmanufacturing industries showed continuing upward movements. In manufacturing, outside of primary metals, the changes were generally small.

Throughout 1956 wage and salary disbursements have been rising more strongly in nonmanufacturing industries than in manufacturing. Over the eight month period from December 1955 to August 1956, manufacturing payrolls increased by 2 percent while payrolls in other private industries increased by almost 6 percent.

Total personal income for the first 8 months of 1956 was at an annual rate of \$322 billion, compared with \$302 billion in the corresponding period of last year, a rise of 7 percent.

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

Comm--DC--8171

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

	Aug 1956	July 1956	June 1956	Aug 1955	July 1955	June 1955	First eight months 1956	1955	Full year 1955
Total personal income.....	328.2	324.3	324.9	308.7	309.2	306.0	321.8	301.8	306.1
Wage and salary disbursements, total.....	227.1	224.0	225.2	213.4	214.5	210.5	222.6	207.2	210.4
Commodity-producing industries <sup>1/</sup> .....	98.3	95.9	97.5	92.1	92.1	91.4	96.3	89.4	90.9
Distributive industries <sup>1/</sup> .....	60.3	59.9	59.9	56.5	56.1	55.3	59.1	54.4	55.4
Service industries <sup>1/</sup> .....	30.6	30.4	30.2	28.7	28.6	28.1	29.9	27.8	28.2
Government.....	37.9	37.8	37.6	36.1	37.7	35.7	37.3	35.6	35.9
Other labor income.....	7.3	7.3	7.3	7.1	7.1	7.0	7.3	6.9	7.0
Proprietors' and rental income.....	51.0	50.5	50.0	49.0	48.5	49.4	50.0	49.0	49.1
Personal interest income and dividends.....	29.9	29.7	29.6	27.1	26.9	26.7	29.2	26.4	27.3
Transfer payments <sup>2/</sup> .....	18.8	18.6	18.6	17.4	17.5	17.6	18.5	17.5	17.6
Less personal contributions for social insurance <sup>3/</sup> ..	5.9	5.8	5.8	5.3	5.3	5.2	5.8	5.2	5.2
Total nonagricultural income <sup>4/</sup> .....	312.9	309.4	310.3	293.8	294.7	290.4	306.8	286.5	290.9
Total agricultural income.....	15.3	14.9	14.6	14.9	14.5	15.6	15.0	15.3	15.2

<sup>1/</sup> "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.

<sup>2/</sup> Consists mainly of veterans' payments and social insurance benefits.

<sup>3/</sup> Data since January of 1952 represent contributions of both employees and self-employed persons.

<sup>4/</sup> Equals personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.