

BUSINESS NEWS REPORTS

PERSONAL INCOME - October 1956

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Personal income in October was at an annual rate of \$332½ billion, \$3 billion higher than in September, the Office of Business Economics, U. S. Department of Commerce announced today.

Wages and salaries rose by over \$1½ billion in October, with one-third of the rise occurring in automobile payrolls. Farm proprietors' income at an annual rate was more than \$3/4 billion higher than in the previous month, reflecting the disbursement of soil bank payments. Other income components together accounted for \$½ billion of the October rise.

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 sharp increase in automobile payrolls in October reflected substantial rehiring after the model change-over period. Automobile employment, which had fallen consistently in each of the previous months of this year, returned in October to the level of this past June. Also important in the payroll rise were longer hours and higher average wage rates.

Payroll increases outside the auto industry were widely scattered. Primary metals and fabricated metals showed gains partly connected with the rise in auto activity. Disbursements rose in the textile and apparel industries for the first time since April, principally because of increases in wage rates. In most other manufacturing industries payrolls were roughly stable. Almost all nonmanufacturing industries showed moderate payroll gains, with higher average earnings as the chief factor in the increases.

The rise in farm income in October reflected the sharp increase that took place in the rate of soil bank payments. These payments to farmers had been relatively small in September, the first month of operation of the program. Farm income exclusive of soil bank payments, which exhibits considerable irregularity when measured on a monthly basis, was somewhat lower in October than in the previous month.

(Over)

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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

Nonfarm proprietors' income and investment income continued upward. Transfer payments were higher because of increased railroad retirement benefits and public assistance payments stemming from changes in Federal laws.

Details of personal income in October 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)

| | Oct. | Sept. | Aug. | Oct. | Sept. | Aug. | First ten | | Full |
|--|-------|-------|-------|-------|-------|-------|-----------|--------|-------|
| | 1956 | 1956 | 1956 | 1955 | 1955 | 1955 | months | months | year |
| | | | | | | | 1956 | 1955 | 1955 |
| Total personal income..... | 332.6 | 329.5 | 328.1 | 311.6 | 311.0 | 308.7 | 323.6 | 303.7 | 306.1 |
| Wage and salary disbursements, total..... | 230.2 | 228.5 | 227.1 | 215.3 | 214.7 | 213.4 | 223.9 | 208.8 | 210.4 |
| Commodity-producing industries ^{1/} | 100.3 | 99.1 | 98.3 | 93.3 | 92.8 | 92.1 | 96.9 | 90.1 | 90.9 |
| Distributive industries ^{1/} | 60.6 | 60.5 | 60.3 | 56.7 | 56.9 | 56.5 | 59.4 | 54.9 | 55.4 |
| Service industries ^{1/} | 31.0 | 30.8 | 30.6 | 28.9 | 28.7 | 28.7 | 30.1 | 28.0 | 28.2 |
| Government..... | 38.3 | 38.1 | 37.9 | 36.4 | 36.3 | 36.1 | 37.5 | 35.8 | 35.9 |
| Other labor income..... | 7.4 | 7.3 | 7.3 | 7.2 | 7.2 | 7.1 | 7.3 | 6.9 | 7.0 |
| Proprietors' and rental income..... | 51.9 | 50.9 | 51.0 | 49.1 | 49.4 | 49.0 | 50.3 | 49.0 | 49.1 |
| Personal interest income and dividends..... | 30.2 | 30.0 | 29.8 | 27.9 | 27.6 | 27.1 | 29.4 | 26.7 | 27.3 |
| Transfer payments ^{2/} | 18.9 | 18.7 | 18.8 | 17.4 | 17.4 | 17.4 | 18.6 | 17.5 | 17.6 |
| Less personal contributions for social insurance ^{3/} | 6.0 | 5.9 | 5.9 | 5.3 | 5.3 | 5.3 | 5.8 | 5.2 | 5.2 |
| Total nonagricultural income ^{4/} | 316.8 | 314.4 | 312.8 | 296.9 | 295.9 | 293.8 | 308.5 | 288.5 | 290.9 |
| Total agricultural income..... | 15.8 | 15.1 | 15.3 | 14.7 | 15.1 | 14.9 | 15.1 | 15.2 | 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.