

BUSINESS NEWS REPORTS

PERSONAL INCOME - January 1957

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Personal income in January was at a seasonally adjusted annual rate of \$335 billion, \$1 billion higher than in December, the Office of Business Economics, U. S. Department of Commerce announced today.

Wages and salaries and proprietors' income remained stable from December to January. Dividend payments returned to the November level after a decline in December reflecting a lower than usual volume of year-end extra and special payments. Transfer payments continued to rise. These increases were partly offset by higher personal contributions for social insurance, which are deducted in arriving at 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 stability of total payrolls from December to January reflected a decline of $\frac{1}{2}$ billion in manufacturing and an increase of the same amount in trade and nonrail transportation, where employment increased sharply. Payrolls in other industries were little changed.

Roughly four-fifths of the January decline in manufacturing payrolls was due to a reduced workweek, with the remainder due to lower employment. Average hourly earnings were unchanged as increases in basic pay rates were offset by the curtailment in overtime work at premium rates. On an industry basis the largest declines were in transportation equipment, apparel, textiles, and fabricated metals. Small gains were recorded in paper, printing, food, rubber, and stone, clay, and glass.

The increase in personal contributions for social insurance in January stemmed mainly from the amendment to the social security law last year whereby the contribution rate was raised from 2 percent to $2\frac{1}{4}$ percent of taxable wages, effective in January 1957. Also important in the January rise in personal contributions was the deduction of social security contributions from the pay of military personnel for the first time.

Details of personal income in January and other recent periods are shown in the following table:

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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

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

	Jan. 1957	Dec. 1956	Nov. 1956	Jan. 1956	Dec. 1955	Nov. 1955	Full year	
							1956	1955
Total personal income.....	335.2	334.0	333.5	316.7	317.5	314.5	325.2	306.1
Wage and salary disbursements, total.....	233.0	232.9	231.0	219.0	218.2	217.2	225.1	210.4
Commodity-producing industries ^{1/}	101.8	102.3	101.1	94.8	94.5	94.2	97.7	90.9
Distributive industries ^{1/}	61.4	60.9	60.6	57.9	57.6	57.3	59.5	55.4
Service industries ^{1/}	31.2	31.3	31.1	29.5	29.4	29.3	30.3	28.2
Government.....	38.6	38.4	38.2	36.8	36.7	36.4	37.6	35.9
Other labor income.....	7.5	7.4	7.4	7.3	7.3	7.2	7.3	7.0
Proprietors' and rental income.....	51.2	51.2	51.7	49.4	49.2	49.6	50.5	49.1
Personal interest income and dividends.....	30.6	29.2	30.3	28.5	30.2	28.1	29.4	27.3
Transfer payments ^{2/}	19.6	19.3	19.1	18.2	18.0	17.7	18.7	17.6
Less personal contributions for social insurance ^{3/}	6.7	6.0	6.0	5.7	5.4	5.3	5.8	5.2
Total nonagricultural income ^{4/}	320.0	318.8	317.9	301.6	302.8	299.4	310.0	290.9
Total agricultural income.....	15.2	15.2	15.6	15.1	14.7	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.