

**BUSINESS NEWS REPORTS**

PERSONAL INCOME - May 1957

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Personal income in May was at a seasonally adjusted annual rate of \$340 $\frac{1}{2}$  billion, \$1 billion higher than in April and \$17 $\frac{1}{2}$  billion above May of last year, the Office of Business Economics, U. S. Department of Commerce announced today.

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 bulk of the May income rise was in government transfer payments. These payments have risen sharply this spring as farm operators and certain other groups, newly covered by the social security law in 1955, are this year becoming eligible in large numbers to receive old-age benefits. Accentuating the steepness of the recent increase in monthly disbursements is the fact that first checks to new claimants usually cover several months' payments.

Most other components of personal income were relatively stable from April to May. Wage and salary disbursements, after seasonal allowances, were little changed in the aggregate, as moderate gains in nonmanufacturing industries offset declines in manufacturing.

Payroll increases in nonmanufacturing industries reflected higher employment and average earnings, and occurred in trade, construction, finance, and State and local governments. Roughly three-fifths of the decline in manufacturing payrolls resulted from fewer hours worked and two-fifths from lower employment. Industry-wise the principal declines were in the durable goods sector -- in transportation equipment, nonelectrical machinery, and fabricated metals. Most other industries showed slight declines or no change. Electrical machinery, chemicals, and tobacco were somewhat higher.

The May rate of personal income was \$4 billion higher than in the first quarter of this year. Wages and salaries were up by more than \$1 billion, property income -- dividends, interest, and business income -- by somewhat less than \$1 billion, and transfer payments by about \$2 billion.

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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)

	May	April	Mar.	May	April	Mar.	First five months	
	1957	1957	1957	1956	1956	1956	1957	1956
Total personal income.....	340.4	339.3	338.1	322.8	321.7	318.6	337.9	319.4
Wage and salary disbursements, total.....	234.7	234.9	234.5	223.2	222.9	220.3	234.1	220.9
Commodity-producing industries <u>1/</u> .....	101.6	102.2	102.0	96.8	96.8	95.1	101.8	95.6
Distributive industries <u>1/</u> .....	62.1	61.8	62.0	59.1	59.1	58.4	61.8	58.5
Service industries <u>1/</u> .....	31.7	31.7	31.5	30.0	29.8	29.6	31.5	29.7
Government.....	39.3	39.2	39.0	37.3	37.2	37.2	39.0	37.1
Other labor income.....	7.6	7.5	7.5	7.2	7.2	7.2	7.5	7.2
Proprietors' and rental income.....	51.7	51.6	51.6	50.1	49.7	49.5	51.6	49.7
Personal interest income and dividends.....	31.3	31.1	30.9	29.4	29.1	28.8	30.9	28.9
Transfer payments <u>2/</u> .....	21.8	20.9	20.3	18.7	18.6	18.5	20.5	18.5
Less personal contributions for social insurance <u>3/</u> ..	6.7	6.7	6.7	5.8	5.8	5.7	6.7	5.7
Total nonagricultural income <u>4/</u> .....	325.1	324.0	322.7	307.6	306.8	304.0	322.6	304.3
Total agricultural income.....	15.3	15.3	15.4	15.2	14.9	14.6	15.3	15.1

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

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.