

# BUSINESS NEWS REPORTS

PERSONAL INCOME - June 1957  
and First Half of 1957 Compared with Like Period of 1956

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Personal income in June was at an annual rate of \$344 billion, almost \$1 billion higher than in May, the Office of Business Economics, U. S. Department of Commerce announced today.

The June rise in income occurred in wage and salary disbursements. Other types of income were little changed from May.

Estimates for May and prior months contained in this release represent statistical revisions of previously published data. They incorporate the results of the usual annual detailed accounting of the national income, national product and related series which OBE completes each year in July. These estimates, covering 1954 and later years, will be presented in comprehensive form in the July 1957 National Income Number of the Survey of Current Business, monthly magazine of the Office of Business Economics.

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 June increase in payrolls was widely scattered among industries. Over one-third of the gain occurred in manufacturing, about one-third in other private industries, and less than a third in government, principally State and local.

In line with recent trends most of the increase in manufacturing payrolls occurred in the earnings of salaried personnel, as salaried employment rose. Production workers' payrolls were only slightly higher, as gains in average weekly earnings somewhat more than offset the effect of a continuing decline in employment.

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OBE BUSINESS NEWS REPORTS REGULARLY AVAILABLE —

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

Outside of manufacturing, June payrolls were higher in all industries except transportation and construction. Higher average earnings were more important than employment increases in accounting for the nonmanufacturing gains.

In the second quarter as a whole, wages and salaries were at an annual rate \$2.3 billion higher than in the first quarter. Taking all industries together, the rise can be attributed entirely to higher hourly earnings. The payroll effect of slightly higher employment in the second quarter was more than canceled out by reduced hours of work.

For the first half of 1957 personal income was at an annual rate of \$340 billion, compared with \$322 billion in the like period of 1956, an increase of about  $5\frac{1}{2}$  percent. This represented a gain in purchasing power as well since taxes and prices combined went up by a lesser relative amount.

Details of personal income in June 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)

	June 1957	May 1957	April 1957	June 1956	May 1956	April 1956	First six months		Full year 1956
							1957	1956	
TOTAL PERSONAL INCOME.....	343.8	342.9	340.6	326.8	325.2	323.7	340.1	321.9	326.9
Wage and salary disbursements, total.....	239.2	238.3	237.1	227.3	225.6	225.2	237.0	223.5	227.2
Commodity-producing industries <u>1/</u> .....	102.8	102.4	102.4	98.1	97.7	97.7	102.2	96.6	98.3
Distributive industries <u>1/</u> .....	63.6	63.4	62.7	60.3	59.6	59.6	62.9	59.2	60.1
Service industries <u>1/</u> .....	33.1	33.0	32.9	31.0	30.7	30.5	32.7	30.4	31.1
Government.....	39.7	39.5	39.1	37.9	37.6	37.4	39.3	37.3	37.9
Other labor income.....	7.9	7.8	7.8	7.5	7.5	7.4	7.8	7.4	7.5
Proprietors' and rental income.....	50.8	50.8	50.6	49.7	50.0	49.5	50.5	49.5	49.9
Personal interest income and dividends.....	31.2	31.2	31.0	29.5	29.4	29.1	31.0	29.0	29.5
Transfer payments <u>2/</u> .....	21.5	21.6	20.8	18.5	18.4	18.2	20.5	18.1	18.5
Less personal contributions for social insurance <u>3/</u> ....	6.8	6.8	6.7	5.7	5.7	5.7	6.7	5.7	5.7
Total nonagricultural income <u>4/</u> .....	328.3	327.5	325.3	312.0	309.8	308.8	324.8	306.8	311.7
Total agricultural income.....	15.5	15.4	15.3	14.8	15.4	14.9	15.3	15.1	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.