

BUSINESS NEWS REPORTS

PERSONAL INCOME - December 1957 and Total Year

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Personal income in December was at a seasonally adjusted annual rate of \$343 billion, \$2½ billion lower than in the previous month, the Office of Business Economics, U. S. Department of Commerce announced today. The bulk of the decline was in dividends and reflected a less-than-usual volume of year-end extra and special payments.

Wage and salary disbursements declined by \$¾ billion in December to an annual rate of \$239 billion, which was about \$3 billion below the August peak. The major reductions from November to December -- as in other recent months -- occurred in durable-goods manufacturing industries. Nondurables again were off slightly in December, while payrolls outside of manufacturing showed little change.

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 year 1957 as a whole

Personal income for the full year 1957 amounted to a record \$343 billion -- \$16 billion, or 5 percent, higher than in 1956. This represented a gain in money income, and in purchasing power as well since the relative advance exceeded the rise in consumer prices.

Wages and salaries were up by \$1½ billion, government transfer payments by \$2½ billion, and interest receipts by \$1 billion. Smaller increases -- both in dollar and percentage terms -- occurred in nonfarm proprietors' income, dividends, and rental income. Farm income held approximately stable for the second successive year.

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The 1956-57 increase in payrolls, which amounted to about 5 percent, was attributable to somewhat higher employment and higher pay scales as average hours worked were lower.

Aggregate payrolls in private nonmanufacturing industries advanced 6 percent over the previous year, as compared with a rise of $3\frac{1}{2}$ percent in manufacturing. Government payrolls -- Federal, State, and local combined -- were up 5 percent. In terms of individual groups, increases were largest in aircraft manufacturing, wholesale trade, services (excluding domestic), and State and local governments, all of which expanded more than 8 percent. In a few industries -- notably textiles and lumber -- payrolls were lower than in 1956.

Almost two-thirds of the increase in government transfer payments last year resulted from higher old-age benefits. Persons newly covered by the 1955 extension of the social security law became eligible in large numbers for benefit payments last year. Unemployment benefits, which began to rise substantially toward the end of 1957, were responsible for about an eighth of the total increase in transfers.

Details of personal income in December and other recent periods, as well as for the years 1956 and 1957, are shown in the following table.

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

	Dec. 1957	Nov. 1957	Oct. 1957	Dec. 1956	Nov. 1956	Oct. 1956	Full year	
							1957	1956
TOTAL PERSONAL INCOME.....	342.8	345.4	345.9	334.8	334.9	334.1	342.8	326.9
Wage and salary disbursements, total.....	238.8	239.5	240.1	235.3	233.1	231.8	238.8	227.2
Commodity-producing industries <u>1/</u>	100.0	100.9	101.3	102.7	101.2	100.8	102.0	98.3
Distributive industries <u>1/</u>	64.3	64.2	64.3	61.6	61.4	60.8	63.7	60.1
Service industries <u>1/</u>	34.2	34.1	34.0	32.2	31.9	31.8	33.3	31.1
Government.....	40.3	40.3	40.5	38.8	38.6	38.4	39.8	37.9
Other labor income.....	8.0	8.0	8.0	7.7	7.7	7.7	7.9	7.5
Proprietors ² and rental income.....	50.4	50.4	50.8	50.2	50.7	51.3	50.7	49.9
Personal interest income and dividends.....	29.7	31.7	31.7	28.5	30.4	30.2	31.0	29.5
Transfer payments <u>2/</u>	22.7	22.6	22.1	19.0	18.9	18.9	21.2	18.5
Less personal contributions for social insurance <u>3/</u>	6.8	6.8	6.8	5.9	5.9	5.8	6.8	5.7
Total nonagricultural income <u>4/</u>	327.3	330.3	331.0	319.6	319.3	317.7	327.5	311.7
Total agricultural income.....	15.5	15.1	14.9	15.2	15.6	16.4	15.3	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.