

# BUSINESS NEWS REPORTS

PERSONAL INCOME - June 1958

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Personal income in June was at a seasonally adjusted annual rate of \$352 billion, about \$2 billion higher than in May, the Office of Business Economics, U. S. Department of Commerce announced today.

This rise centered in wage and salary disbursements. Government transfer payments were somewhat lower, and other income components showed little change.

Estimates for May and prior months contained in this release represent statistical revisions of previously published data. They incorporate the results of a major reworking of national income, gross national product, personal income, and related series which OBE has just completed. These new estimates, covering the period since 1946, will be presented in summary form in the July 1958 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 wages and salaries occurred in roughly equal amounts in manufacturing, other private industries, and government.

The rise in manufacturing payrolls was the second consecutive monthly increase after ten months of decline. While the small rise in May had resulted from an increase in average hours worked, the June increase reflected advances in both hours and employment. Most major manufacturing groups shared in the gain.

Among private nonmanufacturing industries, payroll increases from May to June took place mainly in retail trade, construction, and services. Higher employment accounted for most of the advance in these industries.

Government wages and salaries rose in June principally because of the military pay raise which went into effect last month and increased the annual  
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rate of military payrolls from about \$9 $\frac{1}{2}$  billion to \$10 billion. The recent pay increase for Federal civilian employees, together with the lump-sum retroactive payments back to January, will be reflected in July personal income.

The June decline in transfer payments resulted from both lower old-age benefits and lower unemployment insurance benefits.

Personal income in the second quarter of 1958 was at an average annual rate of \$350 billion, roughly \$3 billion higher than in the first quarter. About \$2 billion of this increase was in government transfer payments and \$1 billion in farm proprietors' income. Other income components were little changed.

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

*Just stick*

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

	June 1958	May 1958	April 1958	March 1958	Feb. 1958	Jan. 1958	1st 6 months 1958	1957	Full Year 1957
TOTAL PERSONAL INCOME.....	351.8	349.9	348.1	347.1	346.4	348.2	348.6	345.4	347.9
Wage and salary disbursements, total..	235.3	233.1	232.0	232.6	233.2	235.1	233.6	237.0	238.1
Commodity-producing industries <sup>1/</sup> ...	96.4	95.6	95.0	95.3	95.6	97.9	96.0	102.5	102.2
Distributive industries <sup>1/</sup> .....	63.0	62.6	62.4	62.9	63.4	63.5	63.0	62.6	63.3
Service industries <sup>1/</sup> .....	33.6	33.4	33.4	33.3	33.2	33.1	33.3	32.2	32.6
Government.....	42.3	41.5	41.2	41.1	41.0	40.7	41.3	39.6	40.1
Other labor income.....	8.9	8.9	8.9	8.9	9.0	9.1	8.9	8.8	8.9
Proprietors and rental income.....	56.5	56.5	56.1	55.7	55.3	55.1	55.8	54.4	54.8
Personal interest and dividends.....	31.8	31.7	31.7	31.7	31.8	31.8	31.7	31.0	31.1
Transfer payments <sup>2/</sup> .....	26.0	26.4	26.1	24.8	23.8	23.9	25.2	20.8	21.5
Less personal contributions for social insurance <sup>3/</sup> .....	6.7	6.7	6.6	6.6	6.7	6.7	6.7	6.6	6.6
Total nonagricultural income <sup>4/</sup> .....	334.4	332.4	331.0	330.5	330.1	332.5	331.8	330.2	332.7
Total agricultural income.....	17.4	17.5	17.1	16.7	16.3	15.7	16.8	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.