

Cypert
BUSINESS NEWS REPORTS

PERSONAL INCOME - July 1958

FOR RELEASE IN THURSDAY A.M. PAPERS AUGUST 14, 1958

OBE 58-61

Marilyn J. Young: STerling 3-9200
Ext. 2222

Personal income in July -- without inclusion of the lump-sum retroactive salary payments to Federal employees -- was at an annual rate of \$354½ billion, up about \$2½ billion from June, the Office of Business Economics, U. S. Department of Commerce announced today.

Of this annual-rate increase, approximately \$1 billion was in private-industry wages and salaries; \$½ billion was in transfer payments; and somewhat less than \$1 billion was accounted for by Federal payrolls as the recently enacted pay increase for civilian employees became effective. Other types of income were little changed.

During July, an estimated \$380 million was paid out to Federal employees under the retroactive feature of the pay increase, covering service back to January. When put on an annual rate basis to conform with other personal income data, these disbursements amounted to \$4½ billion and brought the overall annual rate of personal income for July to \$359 billion. Because the retroactive payments were made fully in July, the personal income annual rate for that month includes a nonrecurring \$4½ billion which has dropped out in August.

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 increase in private-industry payrolls from June to July stemmed from moderately higher employment, hours, and wage rates. On an industry basis, advances occurred in durable-goods manufacturing, wholesale and retail trade, contract construction, and services.

The rise in transfer payments in July resulted from the beginning of payments under the Temporary Unemployment Compensation Act. This law makes possible additional unemployment benefits for workers who have exhausted their rights under the regular State programs. July benefits under the regular programs were down fractionally from June.

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

COMM--DC--4,7083

OBE BUSINESS NEWS REPORTS REGULARLY AVAILABLE—

MONTHLY PERSONAL INCOME IN THE UNITED STATES

(Seasonally adjusted annual rates in billions of dollars)

	July 1958	June 1958	May 1958	July 1957	June 1957	May 1957	First seven months		Full year
							1958	1957	1957
TOTAL PERSONAL INCOME.....	358.9	352.0	349.9	351.8	350.7	348.6	350.1	346.3	347.9
Wage and salary disbursements, total.....	242.4	235.8	233.1	240.5	240.0	238.4	234.9	237.5	238.1
Commodity-producing industries <u>1/</u>	97.1	96.6	95.6	103.3	103.4	102.6	96.2	102.7	102.2
Distributive industries <u>1/</u>	63.5	63.3	62.6	64.0	63.9	63.3	63.1	62.8	63.3
Service industries <u>1/</u>	33.8	33.6	33.4	32.8	32.6	32.5	33.4	32.3	32.6
Government.....	48.0	42.4	41.5	40.4	40.2	40.0	42.3	39.7	40.1
Other labor income.....	9.0	8.9	8.9	9.1	9.0	8.9	9.0	8.8	8.9
Proprietors ¹ and rental income.....	56.1	56.2	56.5	55.6	54.9	54.7	55.8	54.6	54.8
Personal interest income and dividends.....	31.9	31.8	31.7	31.7	31.6	31.4	31.7	31.1	31.1
Transfer payments <u>2/</u>	26.5	26.0	26.4	21.7	21.8	21.8	25.4	20.9	21.5
Less personal contributions for social insurance <u>3/</u>	7.0	6.7	6.7	6.7	6.6	6.6	6.7	6.6	6.6
Total nonagricultural income <u>4/</u>	342.2	335.1	332.4	336.2	335.6	333.3	333.4	331.1	332.7
Total agricultural income.....	16.7	16.9	17.5	15.6	15.1	15.3	16.7	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.