

# BUSINESS NEWS REPORTS

PERSONAL INCOME -- November and Full Year 1958

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James W. McNally: STerling 3-9200  
Ext. 3501

Personal income in November was at a seasonally adjusted annual rate of \$360 billion, \$2½ billion higher than in October, the Office of Business Economics, U. S. Department of Commerce announced today.

The November rise in income occurred in wage and salary disbursements as operations in several durable-goods manufacturing industries were resumed at an accelerated pace following work stoppages of the previous month. Other types of income were little changed.

The rise in durable-goods manufacturing payrolls from October to November resulted chiefly from increased employment, with wage rates and average hours worked also higher. About two-thirds of the payroll gain was accounted for by the automotive industry as many of the plants entered into full production with overtime schedules, after the settlement of industrial disputes which had curtailed output. Most of the remaining increases in wages and salaries in the durable goods group occurred in the metals and machinery industries, which had also been affected by strikes in October.

Aggregate payrolls for nondurable-goods manufacturing industries showed little change in November. Nonmanufacturing payrolls were up slightly, principally because of gains in wholesale and retail trade.

Transfer payments registered a fractional decrease as unemployment benefits under both the Temporary Unemployment Compensation Act and regular State programs declined.

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.

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## The year 1958

Personal income in the year 1958, as is clear from the 11-month and November comparisons in the following table, will reach a record total of more than \$353 billion. This represents an increase of more than \$5 billion, or  $1\frac{1}{2}$  percent over the total for 1957. With consumer prices about  $2\frac{1}{2}$  percent higher and personal tax payments substantially unchanged, real purchasing power did not quite match the 1957 aggregate.

Personal income during 1958 has increased in practically every month since February, reversing the downward movement that began in the autumn of 1957. By June, the  $1\frac{1}{2}$  percent decline that had occurred from August 1957 to February 1958 had been cancelled, and by November total personal income had registered a further gain of 2 percent.

Government transfer payments accounted for most of the rise in total personal income from 1957 to 1958. Unemployment insurance benefits increased sharply during the recession, cushioning the decline of production incomes; reflecting the economic recovery, these payments have tapered since August. Benefits paid under the old-age and survivors insurance program were also higher in 1958 than in 1957, mainly as a result of extensions in coverage that took effect this past spring.

Proprietors' and rental incomes increased in 1958, principally as a result of the rise in the net incomes of farmers. These have moved up for the year as a whole due to higher livestock prices and larger marketings of crops.

Wage and salary payments in 1958 were in the aggregate somewhat below 1957. With disbursements in the government and services industries higher, and in the distributive trades maintained, the reduction was concentrated in commodity producing industries, particularly manufacturing. Commodity-producing industry payrolls, which had borne the brunt of the recession, have increased by more than \$5 billion at annual rates from their low of \$95 billion in April 1958, but are still somewhat less than their pre-recession high of \$103 $\frac{1}{2}$  billion.

Details of personal income for November and other recent periods are shown in the attachment.

MONTHLY PERSONAL INCOME IN THE UNITED STATES

(Seasonally adjusted annual rates in billions of dollars)

	Sept. 1958	Oct. 1958	Nov. 1958	Sept. 1957	Oct. 1957	Nov. 1957	First eleven months		Full year
							1958	1957	1957
TOTAL PERSONAL INCOME.....	357.8	357.5	360.0	351.4	350.6	350.2	352.9	348.0	347.9
Wage & salary disbursements, total.....	239.4	239.0	241.5	240.2	238.6	238.0	236.6	238.2	238.1
Commodity-producing industries.....	98.4	97.7	99.8	102.4	101.5	101.0	97.0	102.4	102.2
Distributive industries.....	63.6	63.7	64.0	64.2	63.5	63.6	63.3	63.2	63.3
Service industries.....	33.9	33.9	34.1	32.9	32.9	32.9	33.6	32.5	32.6
Government.....	43.5	43.7	43.6	40.7	40.7	40.5	42.6	40.1	40.1
Other labor income.....	9.2	9.2	9.3	9.1	9.2	9.2	9.0	8.9	8.9
Proprietors' and rental income.....	57.0	57.3	57.4	55.4	55.1	54.8	56.3	54.8	54.8
Personal interest and dividends.....	31.9	31.9	31.9	31.8	31.8	31.8	31.8	31.4	31.1
Transfer payments <u>1/</u> .....	27.0	26.9	26.7	21.5	22.6	23.0	25.9	21.3	21.5
Less personal contributions for social insurance.....	6.8	6.8	6.8	6.6	6.6	6.6	6.7	6.6	6.6
Total nonagricultural income <u>2/</u> .....	340.9	340.7	343.2	336.1	335.7	335.2	336.2	332.8	332.7
Total agricultural income.....	16.9	16.8	16.8	15.3	14.9	15.0	16.7	15.2	15.2

1. Consist mainly of social insurance benefits and veterans' payments.

2. Equals personal income exclusive of net income of unincorporated farm enterprises, farm wages, agricultural net interest, and net dividends paid by agricultural corporations.