

# SURVEY OF CURRENT BUSINESS



**SURVEY OF CURRENT BUSINESS**

**CONTENTS**

**THE BUSINESS SITUATION 1**

*National Income and Product Accounts Tables 11*

**Selected National Income and Product Account Tables, 1979-80 22**

**Revised State Personal Income, 1969-80 29**

**State Personal Income 72**



**U.S. Department of Commerce**

**Bureau of Economic Analysis**

**George Jaszi / Director**

**Allan H. Young / Deputy Director**

**Carol S. Carson / Editor-in-Chief, Survey of Current Business**

**Manuscript Editor: Dannelet A. Grosvenor**

**Managing Editor: Patti A. Trujillo**

**Staff Contributors to This Issue: Kenneth P. Berkman, Leo M. Bernstein, Robert L. Brown, David W. Cartwright, Edwin J. Coleman, Gerald F. Donahoe, Douglas R. Fox, Eric R. Johnson, Daniel J. Larkins, Elizabeth H. Queen, Edward I. Steinberg.**

**SURVEY OF CURRENT BUSINESS.** Published monthly by the Bureau of Economic Analysis of the U.S. Department of Commerce, Editorial correspondence should be addressed to the Editor-in-Chief, Survey of Current Business, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.

*First-Class mail.*—Domestic only: Annual subscription \$46.00. Single copy: \$5.00.

*Second-class mail.*—Annual subscription: \$22.00 domestic; \$27.50 foreign. Single copy: \$1.90 domestic; \$2.40 foreign.

*Foreign air mail rates available upon request.*

Mail subscription orders and address changes to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Make checks payable to Superintendent of Documents.

Second-class postage paid at Washington, D.C. and at additional mailing offices.

**CURRENT BUSINESS STATISTICS**

**General S1**

**Industry S22**

**Footnotes S37**

**Subject Index (Inside Back Cover)**

The Secretary of Commerce has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through September 1, 1983.

**U.S. DEPARTMENT OF COMMERCE DISTRICT OFFICES**

**ALA., Birmingham 35205**  
908 S. 20th St. 254-1331

**ALASKA, Anchorage 99501**  
632 6th Ave. 265-5307

**ARIZ., Phoenix 85073**  
201 N. Central Ave. 261-3285

**CALIF., Los Angeles 90049**  
11777 San Vicente Blvd. 824-7591

**CALIF., San Francisco 94102**  
450 Golden Gate Ave. 556-5868

**COLO., Denver 80202**  
19th & Stout St. 837-3246

**CONN., Hartford 06103**  
450 Main St. 881-7000

**FLA., Miami 33130**  
25 West Flagler St. 350-5267

**GA., Atlanta 30309**  
1365 Peachtree St. N.E. 881-7000

**GA., Savannah 31402**  
222 U.S. Courthouse & P.O. Bldg.  
232-4321

**HAWAII, Honolulu 96850**  
300 AlaMoana Blvd. 546-8691

**ILL., Chicago 60603**  
Rm. 1406 Mid Continental Plaza Bldg.  
353-4450

**IND., Indianapolis 46204**  
46 East Ohio St. 269-6214

**IOWA, Des Moines 50309**  
210 Walnut St. 284-4222

**LA., New Orleans 70130**  
441 Stuart St. 589-6546

**MD., Baltimore 21202**  
415 U.S. Customhouse 962-3560

**MASS., Boston 02116**  
441 Stuart St. 232-9312

**MICH., Detroit 48226**  
445 Federal Bldg. 226-3650

**MINN., Minneapolis 55401**  
218 Federal Bldg. 725-2133

**MO., St. Louis 63105**  
120 S. Central 425-3302

**NEBR., Omaha 68102**  
1815 Capitol Ave. 221-3665

**NEV., Reno 89503**  
777 W. 2d St. 781-5203

**N.J., Newark 07102**  
4th Floor Gateway Bldg. 645-6214

**N. MEX., Albuquerque 87102**  
505 Marquette Ave., N.W. 766-2386

**N.Y., Buffalo 14202**  
111 W. Huron St. 846-1191

**N.Y., New York 10007**  
26 Federal Plaza 264-0624

**N.C., Greensboro 27402**  
203 Federal Bldg. 378-5345

**OHIO, Cincinnati 45202**  
550 Main St. 684-2944

**OHIO, Cleveland 44114**  
666 Euclid Ave. 522-4750

**OREG., Portland 97204**  
1220 S.W. 3rd Ave. 221-3001

**PA., Philadelphia 19106**  
600 Arch St. 597-2850

**PA., Pittsburgh 15222**  
1000 Liberty Ave. 644-2850

**P.R., San Juan 00918**  
659 Federal Bldg. 753-4555

**S.C., Columbia 29204**  
2611 Forest Dr. 765-5345

**TENN., Memphis 38103**  
147 Jefferson Ave. 591-2812

**TEX., Dallas 75242**  
1100 Commerce St. 749-1515

**TEX., Houston 77002**  
515 Rusk St. 226-4231

**UTAH, Salt Lake City 84138**  
125 South State St. 524-5116

**VA., Richmond 23240**  
8010 Federal Bldg. 782-2246

**WASH., Seattle 98109**  
Rm. 706 Lake Union Bldg. 442-5000

**W. VA., Charleston 25301**  
500 Quarrier St. 343-6181

**WIS., Milwaukee 53202**  
517 E. Wisconsin Ave. 291-3473

**WYO., Cheyenne 82001**  
2100 Central Ave. 778-2800

# the BUSINESS SITUATION

AFTER three quarters of uneven advance, real GNP declined 2 percent at an annual rate in the second quarter of 1981.<sup>1</sup> The decline was substantially smaller than that in the second quarter of last year, when in a sharp recession real GNP plummeted 10 percent, but was about the same size as that in the second quarter of 1979, when GNP growth was interrupted by a decline of 1½ percent.

Final sales declined 5 percent at an annual rate in the second quarter of 1981. Every major component—personal consumption expenditures, residential and nonresidential fixed investment, net exports, and government purchases—declined after increasing in the first quarter. A swing in inventories from decumulation in the first quarter to accumulation in the second partly offset the decline in final sales (chart 1). On the basis of inferences drawn from estimates of components making up the four-fifths of GNP for which monthly source data are available, it appears that real GNP peaked in January—

1. The second-quarter GNP estimates are based on the following major data sources: For *personal consumption expenditures (PCE)*, retail sales, and unit auto and truck sales through June; for *nonresidential fixed investment*, the same information for autos and trucks as for PCE, manufacturers' shipments of machinery and equipment for April and May, April and May construction put in place, and investment plans for the quarter; for *residential investment*, April and May construction put in place, and housing starts for April and May; for *change in business inventories*, April and May book values for manufacturing and trade, and unit auto inventories through June; for *net exports of goods and services*, April and May merchandise trade, and fragmentary information on investment income for the quarter; for *government purchases of goods and services*, Federal unified budget outlays for April and May, State and local construction put in place for April and May, and State and local employment through June; and for *GNP prices*, the Consumer Price Index for April and May, the Producer Price Index through June, and unit value indexes for exports and imports for April and May. Some of these source data are subject to revision.

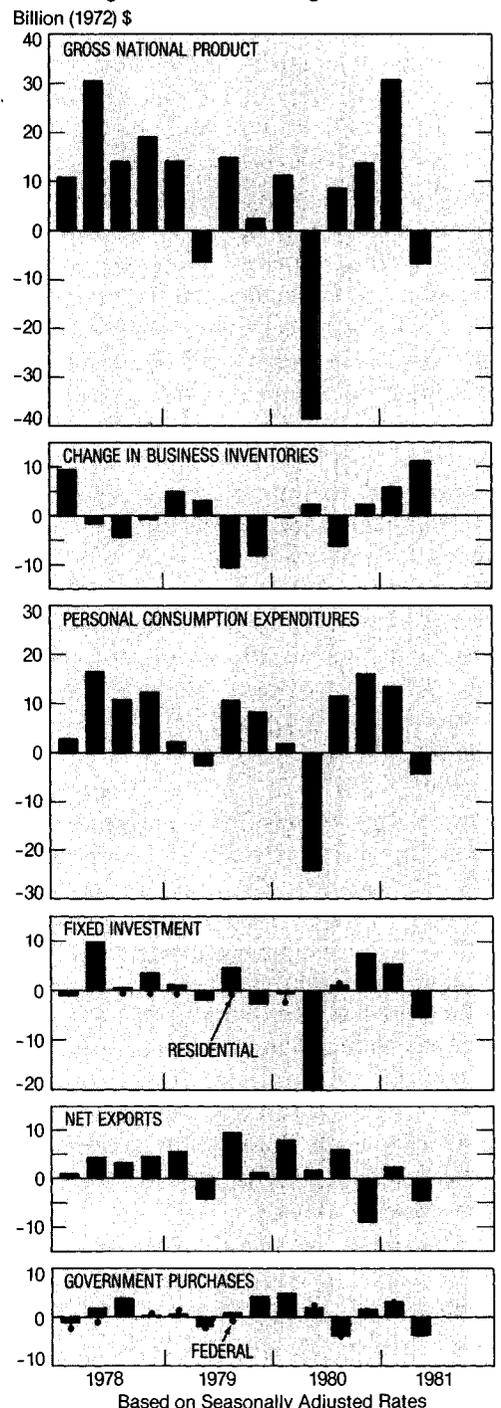
February, weakened through May, and—even more tentatively—stabilized in June.

*Prices.*—GNP prices as measured by the fixed-weighted price index increased 7½ percent at an annual rate in the second quarter, compared with 10 percent in the first. Food and energy prices were major factors in the deceleration. These prices affect the change in business inventories, exports, imports, personal consumption expenditures (PCE), and government purchases lines of table 1, because they have food and/or energy components. Table 2 presents a quantification of the prices of the food and energy components of GNP and their effect on GNP prices. The price of GNP less food and energy increased at an annual rate of 8½ percent in the second quarter compared with 9 percent in the first.

Both export and import prices increased less in the second quarter than in the first. In export prices, a drop in the price of the food, feed, and beverage category was a major factor. In import prices, which have a negative weight in the calculation of GNP prices, the increase in the price of imported petroleum was much less than in the first quarter.

The second-quarter increase in PCE prices, at an annual rate of 6½ percent, was substantially less than the first-quarter increase and was the smallest increase since the first quarter of 1978. The second-quarter deceleration was due to food and energy prices. Food prices were unchanged after a 6½-percent increase in the first quarter. A 2-percent decline in the price of food consumed at home was offset by a 6-percent increase in the price of restaurant meals. For food consumed at home, declines in prices of meat, poultry, non-

CHART 1  
Real Product:  
Change From Preceding Quarter



U.S. Department of Commerce, Bureau of Economic Analysis

81-7-1

alcoholic beverages, sugar, and imported foods more than offset increases in the prices of dairy and bakery products, and fruits and vegetables.

Three of the four energy components contributed to sharp deceleration of the increase in PCE energy prices to an annual rate of 8 percent. The price of gasoline increased 2½ percent after a 45-percent increase in the first quarter; fuel oil increased 16½ percent and electricity increased 10 percent, after increases of 76 percent and 15½ percent. (Gasoline prices declined each month in the second quarter, and fuel oil prices declined in 2 of the 3 months; the small monthly declines, however, did not offset the effect of the previous quarter's large monthly increases, so that, on a quarterly basis, their prices increased.) First-quarter price increases were largely due to crude oil price increases by OPEC members and other foreign sources in December, and the decontrol of domestic crude oil and petroleum products in January. Second-quarter prices were affected by cuts in contract prices and premiums by some foreign crude oil producers, declines in spot market crude oil prices to below contract prices, and reductions in U.S. refiners' "posted" price offerings—all traceable to a worldwide glut of crude oil. Also, there was competitive price cutting among gasoline retailers in many regions of the country.

Prices of PCE on other than food and energy increased 8½ percent at an annual rate, compared with 8 percent in the first quarter. The acceleration was accounted for by new car prices, which reflected a cash rebate program in the first quarter and price increases by manufacturers in the second. Other PCE prices combined increased at about the same rate in both quarters; clothing prices increased somewhat more and furniture and household equipment prices increased less, but most others increased at about the same rate.

Quarterly changes in the prices of residential investment are sometimes difficult to explain, but the deceleration in the second quarter is consistent with the soft market for new homes described later. With this exception, prices of components included in "other" in table

Table 1.—Fixed-Weighted Price Indexes

	Index numbers (1972=100) seasonally adjusted				Percent change from preceding quarter at annual rates		
	1980		1981		1980	1981	
	III	IV	I	II	IV	I	II
<b>Gross national product</b> .....	185.1	189.7	194.4	197.9	10.4	10.2	7.6
Less: Change in business inventories.....							
<b>Equals: Final sales</b> .....	185.0	189.6	194.3	197.9	10.4	10.3	7.6
Less: Exports.....	219.1	226.6	232.9	236.4	14.5	11.7	6.1
Plus: Imports.....	308.7	315.5	324.4	327.5	9.0	11.8	3.9
<b>Equals: Final sales to domestic purchasers</b> .....	190.8	195.4	200.2	203.8	10.0	10.3	7.3
Personal consumption expenditures.....	186.3	190.8	195.8	198.9	10.1	10.9	6.5
Food.....	195.1	202.6	205.7	205.7	16.1	6.4	0
Energy <sup>1</sup> .....	320.3	325.2	353.3	360.2	6.3	39.2	8.1
Other personal consumption expenditures.....	171.3	175.0	178.4	182.0	8.9	8.0	8.4
Other.....	198.4	203.1	207.7	212.1	9.7	9.5	8.7
Nonresidential structures.....	221.0	224.1	229.0	234.1	5.8	9.0	9.2
Producers' durable equipment.....	185.8	189.4	193.9	199.1	7.9	9.9	11.3
Residential.....	223.1	224.3	229.7	232.5	2.1	10.1	5.0
Government purchases.....	192.1	198.2	202.7	207.0	13.3	9.3	8.9

1. Gasoline and oil, fuel oil and coal, electricity, and gas.

1 increased at rates similar to those in the first quarter: nonresidential structures at 9 percent (annual rate), the same as in the first quarter; producers' durable equipment at 11½ percent, somewhat more than in the first quarter; and government purchases at 9 percent, a little less.

This review of component prices indicates that the deceleration in GNP price increases was not widespread; for most components, prices increased at about the same rate in both quarters. Moreover, these rates represent decelerations only relative to rates that characterized the quarters of 1979 and early 1980.

Inflation must be viewed not only in terms of product prices, but also in terms of the costs of the factors of pro-

duction; among these, wage costs are the most important. There are several measures of wage costs. The Hourly Earnings Index has the advantage that it excludes the effects of overtime pay in manufacturing and of changes in the industrial mix of employment. Increases in this index have decelerated sharply, from a peak of 10.3 percent (seasonally adjusted at an annual rate) in the fourth quarter of 1980, to 9.7 percent in the first quarter of this year, and to 7.9 percent in the second quarter. Increases had been above 8 percent in all quarters since the second quarter of 1979.

*Employment and unemployment.*—The payroll measure of employment, which had increased 412,000 in the first

Table 2.—Selected Fixed-Weighted Price Indexes: Change From the Preceding Quarter at Seasonally Adjusted Annual Rates

	1979				1980				1981	
	I	II	III	IV	I	II	III	IV	I	II
GNP.....	9.3	8.9	8.8	10.3	9.7	9.3	9.0	10.4	10.2	7.6
Food components.....	15.3	6.6	5.0	7.9	3.2	4.1	17.1	18.6	7.3	-1
Energy components.....	18.5	36.9	34.9	27.8	40.7	13.1	2.0	2.3	36.4	14.0
GNP less food.....	8.3	9.4	9.5	10.8	10.8	10.2	7.8	9.1	10.7	8.9
GNP less energy.....	8.8	7.6	7.5	9.3	8.0	9.1	9.5	10.9	8.6	7.1
GNP less food and energy.....	7.6	7.8	7.9	19.5	8.9	9.9	8.3	19.8	8.9	8.5

NOTE.—Inasmuch as GNP is a sum of final products, the estimates in this table do not take into account the effect on the prices of final products of changes in the prices of the food and energy that are costs of production.

1. Includes pay raises for Federal employees, which added 0.3 and 1.4 percentage points to the increase in GNP prices in the fourth quarters of 1979 and 1980, respectively.

2. Consists of all components for which separate estimates are prepared. The major component that is not included is purchases of food by the Federal Government other than transactions by the Commodity Credit Corporation that are treated like purchases.

3. Consists of all components for which separate estimates are prepared. The major components that are not included are (1) exports of energy, (2) the gasoline and motor oil portions of inventories of gasoline service stations, and (3) the energy portions of inventories of businesses that do not produce energy for sale.

Table 3.—Selected Labor Market Indicators

[Seasonally adjusted]

	1980			1981		Change from preceding quarter			
	II	III	IV	I	II	1980: III	1980: IV	1981: I	1981: II
<b>Household survey</b>									
Civilian labor force (thousands).....	104,693	104,982	105,173	105,800	106,768	289	191	627	968
Employment.....	97,040	97,061	97,276	98,012	98,868	21	215	736	856
Unemployment.....	7,652	7,921	7,897	7,788	7,900	269	-24	-109	112
Job losers.....	4,071	4,357	4,232	3,863	4,041	286	-125	-369	178
On layoff.....	1,716	1,758	1,538	1,275	1,338	42	-220	-263	63
Other job losers.....	2,355	2,598	2,693	2,589	2,702	243	95	-104	113
Job leavers, reentrants, and new entrants..	3,645	3,610	3,665	3,872	3,902	-35	55	297	30
Unemployment rate (percent):									
Total.....	7.3	7.5	7.5	7.4	7.4	.2	0	-.1	0
Adult men.....	6.2	6.6	6.3	6.0	6.1	.4	-.3	-.3	.1
Adult women.....	6.4	6.4	6.7	6.6	6.6	0	.3	-.1	0
Teenagers.....	17.9	18.4	18.3	19.1	19.2	.5	-.1	.8	.1
<b>Establishment survey</b>									
Employment, nonfarm payroll (thousands)...	90,450	90,213	90,820	91,232	91,501	-237	607	412	269
Goods producing.....	25,678	25,306	25,594	25,670	25,721	-372	288	76	51
Construction.....	4,381	4,319	4,385	4,398	4,334	-62	66	13	-64
Manufacturing:									
Durables.....	12,165	11,911	12,060	12,086	12,239	-254	149	26	153
Nondurables.....	8,115	8,064	8,098	8,095	8,145	-51	34	-3	50
Distributive <sup>1</sup> .....	25,456	25,529	25,585	25,721	25,833	73	56	136	112
Services <sup>2</sup> .....	22,939	23,177	23,399	23,619	23,842	238	222	220	223
Government.....	16,377	16,201	16,242	16,222	16,105	-176	41	-20	-117
Average weekly hours, private nonfarm:									
Total.....	35.2	35.2	35.3	35.3	35.4	0	.1	0	.1
Manufacturing.....	39.5	39.4	39.8	39.9	40.2	-.1	.4	.1	.3

1. Transportation and public utilities, and wholesale and retail trade.  
2. Services, and finance, insurance, and real estate.

Source: Bureau of Labor Statistics.

quarter, increased only 269,000 in the second (table 3). On a monthly basis, employment was virtually flat from April to June, even though the settlement of the coal strike added about 150,000 to June. Employment increased in the second quarter in services (223,000), distributive industries (112,000), and manufacturing (203,000); in manufacturing, the increase was substantially larger than in the first quarter, and in the services and distributive industries, increases were about the same in both quarters. Decreases were registered in government (117,000, largely as a result of the loss of Comprehensive Employment and Training Act jobs at the State and local level) and construction (64,000), after little change in the first quarter. Average weekly hours in the private nonfarm economy were up 0.1 to 35.4; manufacturing hours were up 0.3 to 40.2.

The household measure of employment increased 856,000 in the second quarter, after an increase of 736,000 in the first. Unemployment, which had declined 109,000 in the first quarter, increased an equal amount in the second, and the unemployment rate, which had declined 0.1 percentage points, held

steady at 7.4 percent. During the quarter, the rate moved up from 7.3 percent in April to 7.6 percent in May, and back to 7.3 percent in June. Earlier-than-usual school closings may have exaggerated the seasonally adjusted changes in the rates for May and June.

*Costs and productivity.*—Table 4 adapts the information on real product, employment, and hours to focus on costs and productivity in the business economy other than farm and housing. Productivity—as measured by real

Table 4.—Real Gross Product, Hours, and Compensation in the Business Economy Other Than Farm and Housing

[Percent change from preceding quarter at annual rates based on seasonally adjusted estimates]

	1980		1981	
	III	IV	I	II
Real gross product.....	2.9	7.3	8.2	-3.6
Hours.....	-1.0	7.6	3.1	-1.9
Compensation.....	8.5	17.9	15.5	16.6
Real gross product per hour..	4.0	-.3	4.9	-1.8
Compensation per hour.....	9.7	9.6	12.0	8.6
Unit labor cost.....	5.4	9.8	6.8	10.6

1. The second-quarter estimates of hours and compensation incorporate the recent Bureau of Labor Statistics (BLS) benchmark revision of monthly employment, hours, and earnings. However, the seasonal factors used to adjust the employment, hours, and earnings that underlie the hours and compensation estimates in this table differ from those used by BLS to adjust the published employment, hours, and earnings.

gross product per hour—declined in the second quarter, as real product declined more than hours. The increase in compensation decelerated sharply, due to the decline in hours and to two special factors that had raised compensation in the first quarter. These factors were the increase in the minimum wage from \$3.10 to \$3.35 per hour and the increase in employer contributions for social insurance. (Effective January 1, the social security tax rate increased from 6.13 percent to 6.65 percent and the taxable wage base increased from \$25,900 to \$29,700.) Excluding these factors, the increase in compensation per hour was 8½ percent at an annual rate in both the first and second quarters. Unit labor costs increased 10½ percent, compared with 7 percent in the first quarter.

### Personal income and its disposition

The second-quarter weakening in production resulted in much smaller increases in wage and salary disbursements and in proprietors' income (table 5).<sup>2</sup> The deceleration in wages and salaries—from a \$45 billion increase to a \$23 billion increase—was pervasive; all major component industries contributed. Wages and salaries in construction and in mining, which are included in "other" commodity-producing industries, declined after increasing in the first quarter. The downswing in construction wages and salaries—from a \$3 billion increase to a \$1½ billion decline—mirrored the fall-off in construction activity in the second quarter. The downswing in mining wages and salaries—from a \$1½ billion increase to a \$1½ billion decline—largely reflected the coal strike. Other private wages and salaries increased \$22½ billion, compared with \$37 billion in the first quarter. Only about \$2 billion of the deceleration was accounted for by the first-quarter increase in the minimum wage. Government wages and salaries increased \$3 billion, \$1 billion less than in the first quarter. The deceleration

2. Quarterly estimates in the national income and product accounts are expressed at seasonally adjusted annual rates, and quarterly changes in them are differences between these rates.

largely reflected a decline in State and local employment due to the wind-down of programs funded by the Comprehensive Employment and Training Act.

Farm proprietors' income swung from a \$3½ billion decline in the first quarter to a \$3 billion increase in the second. The swing was largely due to livestock prices, which declined sharply in the first quarter and partly recovered in the second, and to the first increase in the real volume of crop marketings in a year. After a \$1½ billion increase in the first quarter, nonfarm proprietors' income declined slightly, reflecting construction activity and retail trade.

Personal interest income increased \$12½ billion in the second quarter, compared with \$19 billion in the first. Rising interest rates on Federal securities held by persons or by financial intermediaries on their behalf were responsible for both increases. In the second

quarter, these interest rates rose less than in the first.

Total personal income slowed less—from an increase of \$63½ billion to one of \$48 billion—than did the components just reviewed, because personal contributions for social insurance, which are deducted in deriving personal income, increased about \$10 billion less than in the first quarter. The first-quarter increase was largely due to the January 1 increases in the tax rate and in the wage base for social security.

Disposable personal income increased \$37½ billion, compared with \$51 billion in the first quarter. The increase in personal outlays, of which PCE is the preponderant part, was less than that in disposable income, and personal saving increased \$17 billion. The personal saving rate moved up 0.7 percentage point to 5.3 percent, the first increase in a year (chart 2).

Real disposable personal income increased 1½ percent at an annual rate. Increases in the previous three quarters had ranged from 3 to 4 percent. The smaller increase was more than accounted for by current-dollar income, which increased 8 percent compared with 11 to 13½ percent earlier; the slowing in PCE price increases was a partial offset.

*PCE.*—Real PCE declined 2 percent at an annual rate in the second quarter, following three consecutive quarters of strong increases (table 6). The downswing was primarily due to motor vehicles, which fell sharply after a large increase in the first quarter. PCE other than on motor vehicles increased 2 percent compared with 3½ percent in the first quarter. Other durables turned down; a decline in furniture and equipment reflected flagging construction activity and home sales. Nondurables—mirroring food, and clothing and shoes—increased less than in the first quarter. Gasoline and oil declined, continuing a 2-year downtrend that was interrupted only in the fourth quarter of 1980. Services, in contrast, increased more than in the first quarter, largely due to an upswing in PCE on electricity and natural gas; expenditures on home heating had been held down in the first quarter by unseasonably warm weather.

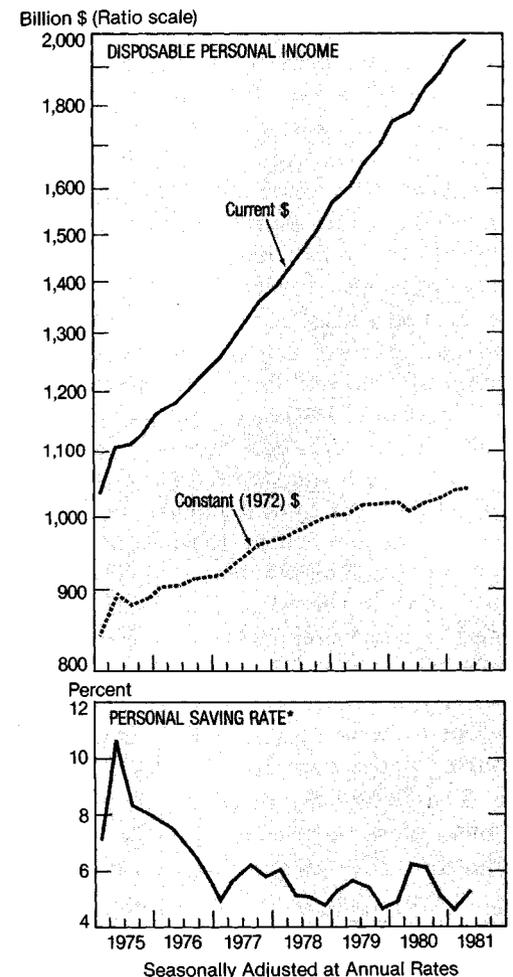
**Table 5.—Personal Income and Its Disposition: Change from Preceding Quarter**

(Billions of dollars, based on seasonally adjusted annual rates)

	1980: IV	1981	
		I	II
Wage and salary disbursements.....	56.0	45.1	23.0
Manufacturing.....	18.2	12.4	8.8
Other commodity-producing.....	5.7	4.9	-2.7
Distributive.....	11.4	11.4	5.9
Services.....	11.3	12.5	7.9
Government and government enterprises.....	9.4	3.9	3.2
Proprietors' income.....	4.3	-1.9	2.2
Farm.....	.3	-3.5	2.8
Nonfarm.....	3.9	1.6	-6
Personal interest income.....	7.9	19.0	12.6
Transfer payments.....	3.2	5.7	4.3
Other income.....	5.8	6.8	6.6
Less: Personal contributions for social insurance.....	3.1	11.0	.7
<b>Personal income.....</b>	<b>74.1</b>	<b>63.6</b>	<b>48.0</b>
Less: Personal tax and nontax payments.....	17.7	12.8	10.4
Impact of legislation.....	-.6	-2.8	-1.3
Other.....	18.3	15.6	11.8
<b>Equals: Disposable personal income.....</b>	<b>56.4</b>	<b>50.8</b>	<b>37.6</b>
Less: Personal outlays.....	70.2	59.5	20.5
<b>Equals: Personal saving.....</b>	<b>-13.8</b>	<b>-8.7</b>	<b>17.1</b>
Addenda: Special factors—			
Federal pay raise.....	6.1	.1	-----
Minimum wage.....	-----	2.0	-----
Cost-of-living increases in Federal transfer payments.....	2.5	1.1	1.3
Social security (in personal contributions for social insurance):			
Base change.....	-----	2.3	-----
Rate change.....	-----	6.7	-----

The sharp downswing in PCE on motor vehicles was accounted for by new car sales. In terms of units, sales of new passenger cars, which are sales to business and other final users as well as to consumers, totaled 7.8 million (seasonally adjusted annual rate) in the second quarter, down from 10.2 million in the first (chart 3). First-quarter sales had been boosted by extensive cash rebate programs, but the second-quarter drop was too severe to reflect merely a shift in sales between the two quarters. Second-quarter sales were affected by the slowdown in the growth of real disposable income, by an increase in new car prices, and by a continued rise in finance rates. Domestic manufacturers' average price increases ranged from 2

**CHART 2**  
**Disposable Personal Income and Personal Saving Rate**



\*Personal saving as a percentage of disposable personal income.

to 3½ percent per unit, and finance rates on selected consumer auto installment loans by commercial banks reached a record 16.0 percent.

The drop in new car sales was spread across all size categories. Intermediate and compact sales—on which the bulk of the rebates had been offered—fell from 2.2 to 1.6 million, and from 2.0 to 1.3 million, respectively. Subcompact

car sales declined from 1.8 to 1.5 million, and full-size car sales from 1.3 to 1.2 million. Imported car sales fell from 2.7 to 2.2 million, but, because domestic sales dropped even more, the import share of the market rose to a record 28½ percent.

### Investment

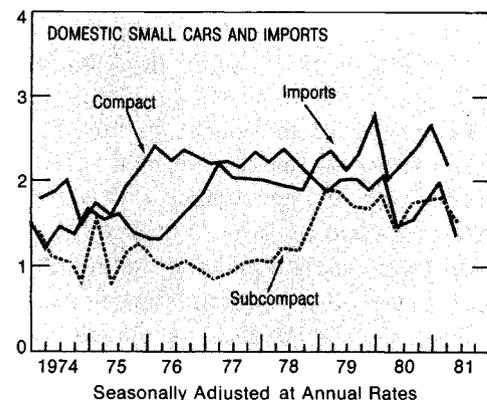
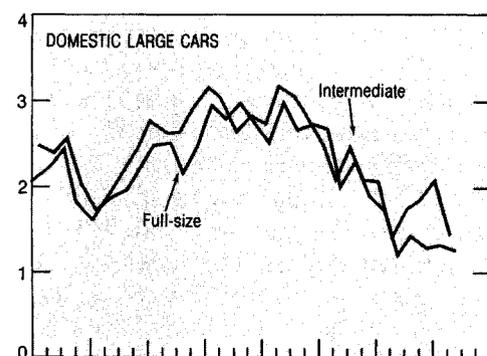
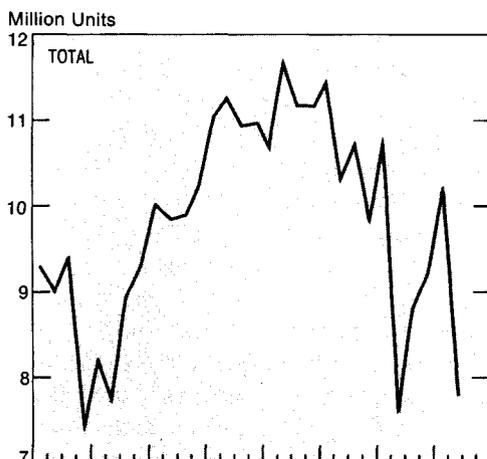
Real nonresidential fixed investment declined 6 percent at an annual rate in the second quarter, after increasing 13½ percent in the first (table 7). Structures and producers' durable equipment both contributed to the downswing.

Investment in structures declined slightly, following a 16½-percent increase in the first quarter. The flattening can be attributed to declines in commercial building and, to a lesser extent, in industrial and institutional building. Public utility construction was up, following a prolonged decline, and petro-

leum exploration and drilling resumed an uptrend that had been interrupted in the first quarter.

Investment in both motor vehicles and other producers' durable equipment declined, after increasing in the first quarter. The downswing in motor vehicles was in purchases of autos, which had been boosted in the first quarter by the cash rebate programs. Unit truck sales, which are sales to all final users, were down slightly from 2.4 million (seasonally adjusted annual rate) in the first quarter to 2.3 million. The decline was concentrated in sales of imported trucks. Sales of domestic trucks have been weak since the second quarter of 1980. The downswing in purchases of other producers' durable equipment centered in computers, which declined after a sharp increase in the first quarter. An increase in communications equipment was a partial offset.

**CHART 3**  
**Retail Sales of New Passenger Cars**



Note.—The components may not add to the total because each category was separately adjusted for seasonal variation.

Data: Motor Vehicle Manufacturers Association of the United States, Inc. and Ward's Automotive Reports; seasonal adjustment by BEA.

**Table 6.—Real Personal Consumption Expenditures**

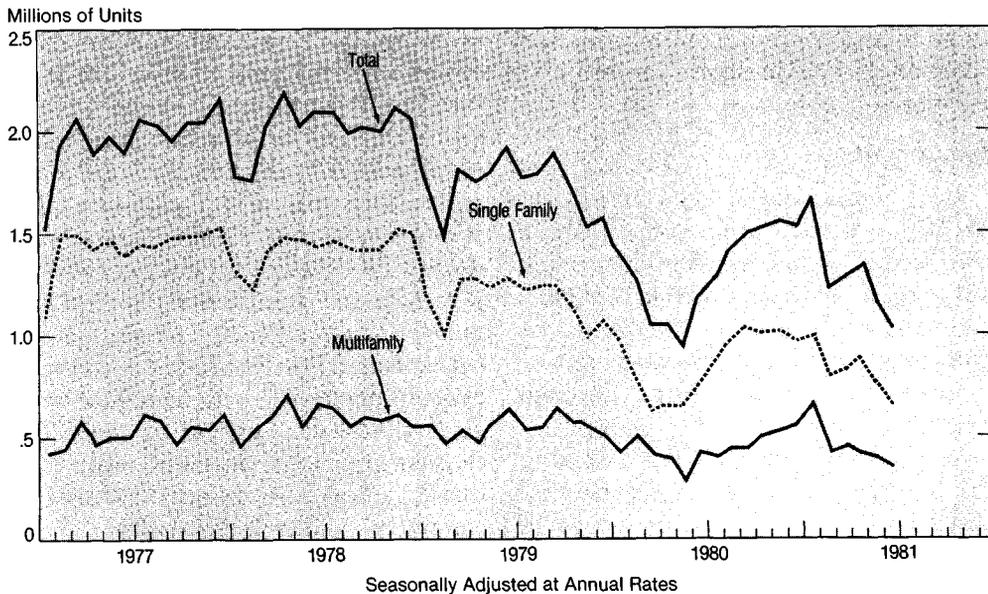
	Billions of constant (1972) dollars, seasonally adjusted annual rates				Percent change from preceding quarter at annual rates		
	1980		1981		1980	1981	
	III	IV	I	II	IV	I	II
<b>Personal consumption expenditures</b> .....	930.8	946.8	960.2	955.6	7.0	5.8	-1.9
<b>Durables</b> .....	132.6	139.1	146.8	137.3	21.2	24.1	-23.5
Motor vehicles and parts.....	51.5	54.6	60.6	51.6	26.1	51.4	-47.3
Furniture and household equipment.....	58.4	60.7	62.1	61.1	16.6	9.3	-6.2
Other durables.....	22.6	23.8	24.1	24.6	22.3	6.5	7.5
<b>Nondurables</b> .....	354.9	360.4	364.5	365.9	6.3	4.6	1.5
Food.....	180.1	179.9	182.9	184.9	-5	6.8	4.6
Energy <sup>1</sup> .....	29.5	30.6	28.5	27.7	14.9	-24.2	-11.6
Clothing and shoes.....	78.3	80.1	82.8	83.4	9.7	13.9	3.0
Other nondurables.....	67.0	69.8	70.3	69.9	17.8	3.0	-2.5
<b>Services</b> .....	443.3	447.3	448.9	452.4	3.7	1.4	3.2
Energy <sup>2</sup> .....	24.1	23.4	22.6	23.3	-11.4	-13.1	12.9
Other services.....	419.2	423.9	426.3	429.1	4.6	1.5	3.4

1. Gasoline and oil, and fuel oil and coal.
2. Electricity and gas.

**Table 7.—Real Fixed Investment**

	Billions of constant (1972) dollars, seasonally adjusted annual rates				Percent change from preceding quarter at annual rates		
	1980		1981		1980	1981	
	III	IV	I	II	IV	I	II
<b>Fixed investment</b> .....	200.2	207.6	213.1	207.7	15.7	10.8	-9.7
<b>Nonresidential</b> .....	155.5	157.0	162.0	159.5	4.0	13.3	-6.1
Structures.....	46.8	47.8	49.6	49.4	9.0	16.6	-1.7
Producers' durable equipment.....	108.8	109.3	112.4	110.1	1.9	11.8	-8.0
Autos, trucks, and buses.....	17.6	17.0	17.9	16.0	-12.2	21.3	-36.6
Other.....	91.2	92.2	94.5	94.1	4.8	10.2	-1.6
<b>Residential</b> .....	44.7	50.6	51.0	48.2	64.2	3.6	-20.6

## Housing Starts



The weakening in nonresidential fixed investment is consistent with the lackluster investment plans for 1981 reported in the BEA plant and equipment survey. These plans, which were reviewed in the June issue of the SURVEY OF CURRENT BUSINESS, suggest little or no year-over-year change in real terms. Uncertainty about the specific provisions that will be incorporated in the investment incentive measures now being considered by Congress tends to be a negative factor. There is excess capacity in many manufacturing industries, as evidenced by the fact that BEA's capacity utilization index is well

below its level of 2 years ago. Also, finance continues to be a constraining factor; both short- and long-term interest rates remain high and cash flows remain depressed.

*Residential investment.*—Real residential investment, which had changed little in the first quarter, declined 20 percent at an annual rate in the second. The sharpest decline was in single-family construction. Multi-family construction also declined, and the "other" component of residential investment held steady. This component includes brokers' commissions, which remained weak in the second quarter, mirroring

sales of new and existing residences. Sales of existing homes in April-May, at 2,560,000 (seasonally adjusted annual rate), were virtually unchanged from the first quarter, but were down 11 percent from 1980; at 470,000, sales of new single-family houses in April-May were down 8 percent from the first quarter and 11 percent from 1980.

Housing starts, which are reflected in construction activity with a lag, had turned around in mid-1980 and continued to increase through January of this year. Strong increases in multifamily starts more than offset some late-1980 softening in single-family starts. Both dropped sharply in February. In March and April, multifamily starts steadied and single-family starts strengthened, but both fell in May and June (chart 4). In June, starts were close to the very low levels to which they had fallen during the recession a year ago. Reflecting this pattern and the shorter lag between starts and completions for single-family units, investment in single-family residences was down more in the second quarter than investment in multifamily residences.

The weakness in residential investment in the second quarter reflected unfavorable financial conditions. Deposits (exclusive of interest credited) at mutual savings banks and insured savings and loans associations (S&L's) fell more than \$10 billion during the first 5 months of the year—a record \$6½ billion in April alone. During this period, the rates on newly issued 6-month money market certificates (MMC's) averaged about 3 percentage points higher than rates on maturing certificates.

Reflecting the loss of deposits, the increased cost of MMC's, and the generally upward movement in long-term interest rates, the commitment interest rate on 25-year mortgages with a loan-to-price ratio of 75 percent drifted upward until early April and then jumped more than 55 basis points in each of the next 2 months. At 16.28 percent in early June, the commitment rate was 12 basis points higher than its previous record level reached in April 1980 (chart 5). Moreover, the prime rate—to which construction loans are generally tied—

**Table 8.—Real GNP, Final Sales, and Change in Business Inventories**

[Billions of constant (1972) dollars]

	Seasonally adjusted at annual rates			Change from preceding quarter	
	1980:	1981		1981	
		IV	I	II	I
<b>GNP</b> .....	1485.6	1516.4	1509.1	30.8	-7.3
Auto.....	42.8	42.8	43.7	0	.9
Other.....	1442.8	1473.6	1465.4	30.8	-8.2
<b>Final sales</b> .....	1492.7	1517.8	1499.4	25.1	-18.4
Auto.....	40.9	48.5	38.0	7.6	-10.5
Other.....	1451.8	1469.3	1461.4	17.5	-7.9
<b>Change in business inventories</b> .....	-7.2	-1.4	9.7	5.8	11.1
Auto.....	1.9	-5.7	5.7	-7.6	11.4
Other.....	-9.1	4.3	4.0	13.4	-3

NOTE.—The auto series are from table 1.14-1.15 of the National Income and Product Accounts Tables.

was high throughout the period; a 3-percentage point increase in May to 20½ percent, from which the June rate receded only slightly, erased most of the decline that had been registered in January–April.

Financial factors in the outlook for residential investment are mixed. Fragmentary information for June suggests continued deposit losses, but rates on newly issued MMC's were about 80 basis points lower than the rates on maturing certificates. Yields at Federal National Mortgage Association auctions—frequently viewed as indicating the future path of mortgage rates—showed no clear signs of falling between mid-May and early July, although commitment rates at a sample of S&L's did drift slightly lower during June.

*Inventory investment.*—In real terms, inventories accumulated at a rate of \$9½ billion in the second quarter, following a decumulation of \$1½ billion in the first (table 8). In its effect on the change in GNP, this swing provided an \$11 billion offset to an \$18½ billion decline in final sales. In the first quarter, the effect of inventories on the change in GNP was smaller and reinforcing. They contributed \$6 billion and final sales contributed \$25 billion to the change in GNP.

The first-quarter swing was more than accounted for by auto inventories. This statement is true whether auto inventory change is measured by the inventory change component of auto output, shown in table 8, or by the change in inventories held by retail auto dealers.<sup>3</sup> In terms of units, inventories of domestic cars increased from 1,013,000 (seasonally adjusted) in the first quarter to 1,375,000 in the second. The inventory-sales ratio jumped from 1.6 in the first quarter to 3.0—above the 2.0 ratio generally preferred by the industry. In the first part of the second quarter, most of the buildup was concentrated in specific models: Stocks of some

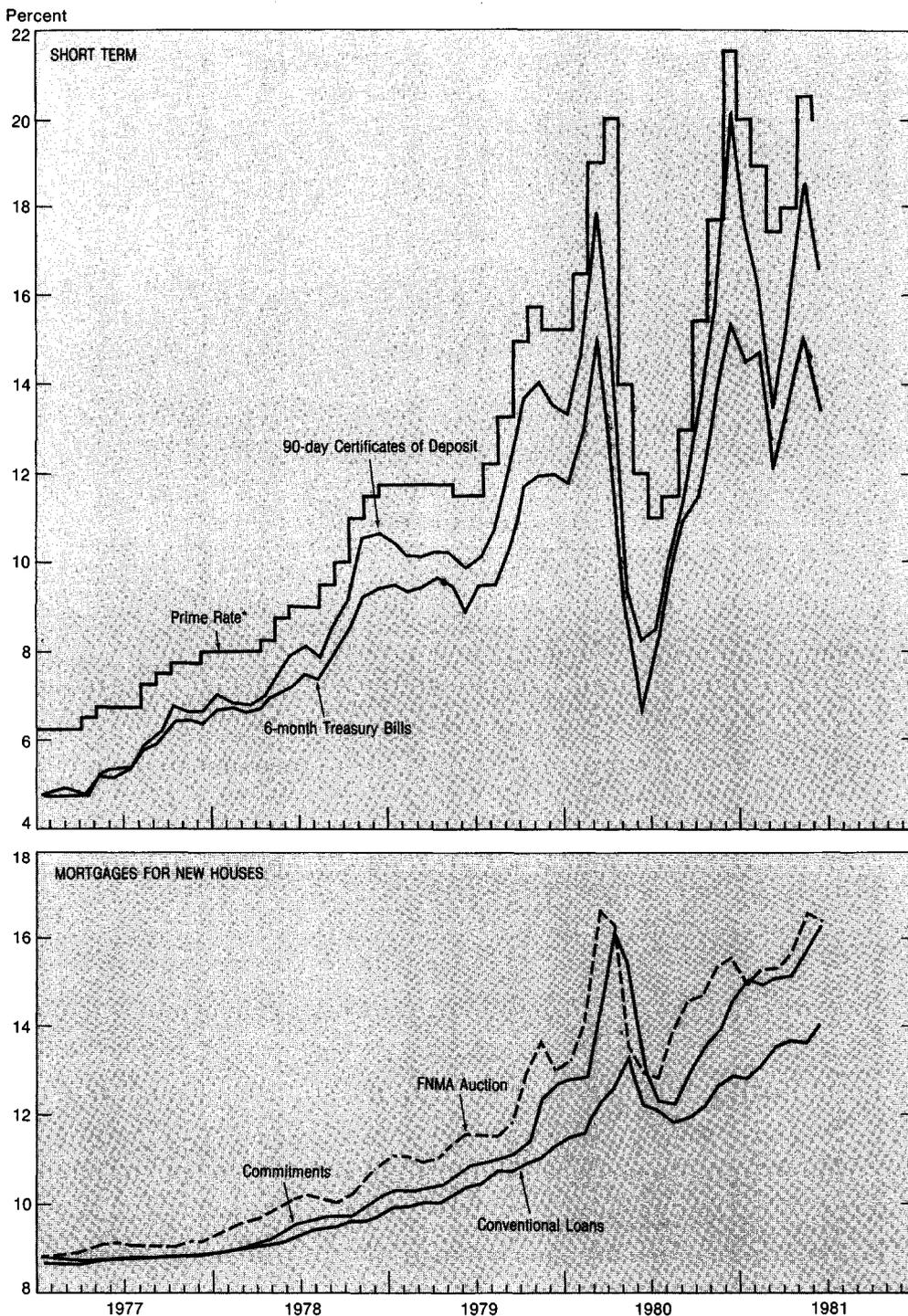
models that had been depleted were rebuilt; stocks of several intermediate models were added to in preparation for major model changeovers in the third quarter; and stocks of new subcompact models were built up prior to their May introduction. The inventory ac-

cumulation became more widespread in the latter part of the quarter as the weakness in sales continued, and probably had an involuntary element.

The information relating to nonauto inventories that is shown in the table is difficult to interpret. Under certain as-

CHART 5

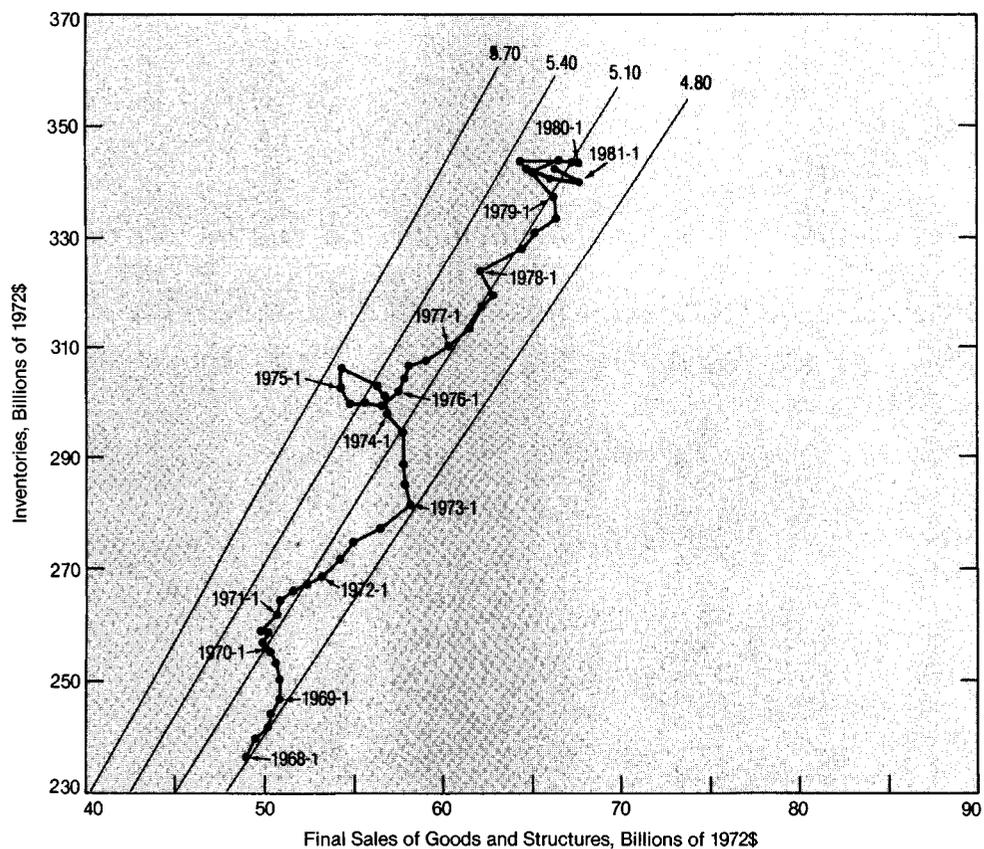
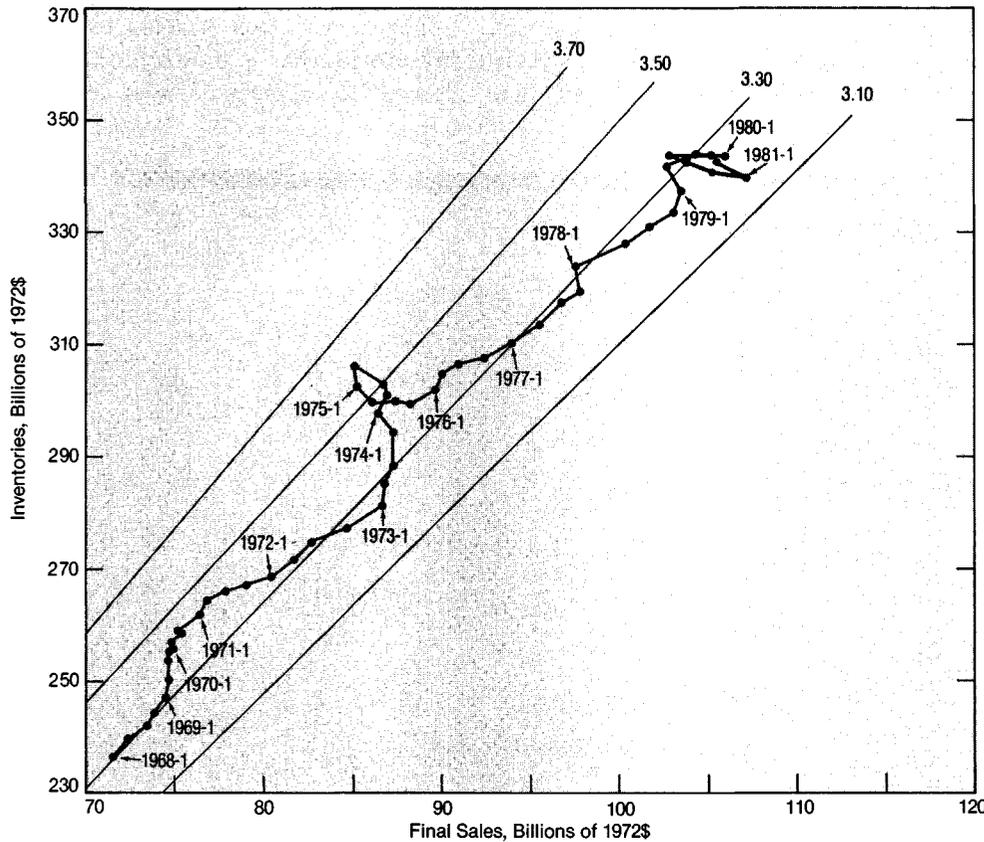
Selected Interest Rates



3. The latter, as a rule, is part of the change in business inventories component of GNP. It is derived from Census Bureau book value inventory data. These data cover most auto inventories—including inventories of new and used autos, domestic and foreign—although not those held by manufacturers and wholesalers. In addition to autos, the data cover some trucks and other motorized vehicles, and some parts.

CHART 6

**Constant-Dollar Business Inventories, Final Sales and Final Sales of Goods and Structures, and Inventory-Sales Ratios**



Note: End-of-quarter inventories, seasonally adjusted; final sales seasonally adjusted. Blue lines represent ratios of inventory stocks to final sales.

assumptions about the relationship of inventories and sales, it is possible to see in the second-quarter accumulation an involuntary element. However, given the moderate size of that accumulation, this element was probably small.

An overview of inventory developments is provided in chart 6, which shows total business inventories relative to business final sales and to business final sales of goods and structures. The ratios increased in the second quarter both because sales declined and because inventories accumulated. Most of the sales decline was in autos, and a large part of the inventory accumulation was in autos. Accordingly, nonauto inventory-sales ratios moved up less than the ratios for business as a whole.

#### *Net exports*

Real net exports of goods and services declined \$5 billion in the second quarter, after increasing \$2½ billion in the first (table 9). The decline, as well as the increase, was almost entirely in merchandise trade.

In merchandise exports, the second-quarter decline was mainly in agricultural products, which had registered an unusually large increase in the first quarter. That increase had been due partly to a slowing in the increase in the price of U.S. agricultural exports and partly to a rebound from temporarily reduced demand in the fourth quarter of 1980. In the second quarter, there were substantial reductions in grain and soybean shipments to Eastern Europe and to developing countries. In nonagricultural exports, the bulk of a swing to decline was accounted for by industrial supplies and materials. In that category, the second-quarter decline reflected weak economic activity in other major industrial countries and the coal strike.

Merchandise imports increased more than in the first quarter. In nonpetroleum imports, industrial supplies and materials—predominantly iron and steel imports from Western Europe—and automotive products from Canada were major contributors to the step-up. The automotive imports went to add to stocks of intermediate models, many of which are produced in Canada. Petro-

Table 9.—Net Exports of Goods and Services

	Current dollars				Constant (1972) dollars							
	Billions of dollars, seasonally adjusted at annual rates										Percent change from preceding quarter at annual rates	
	1980		1981		1980		1981		1980	1981		
	III	IV	I	II	III	IV	I	II	IV	I	II	
<b>Net exports of goods and services</b> .....	44.5	23.3	29.2	19.4	57.6	48.5	50.9	46.0	-----	-----	-----	
Exports .....	342.4	346.1	367.4	366.2	160.5	157.4	162.5	160.3	-7.4	13.6	-5.3	
Merchandise .....	222.9	221.0	236.3	232.5	93.5	89.0	92.4	89.9	-17.9	16.4	-10.4	
Agricultural .....	43.8	44.8	51.5	45.8	18.7	17.7	19.7	17.9	-20.4	52.9	-31.2	
Nonagricultural .....	179.1	176.2	184.8	186.8	74.8	71.3	72.7	72.0	-17.3	8.4	-4.0	
Other .....	119.5	125.0	131.1	133.7	67.0	68.4	70.1	70.4	8.8	10.2	1.7	
Imports .....	297.9	322.7	338.2	346.9	102.8	108.9	111.6	114.3	25.8	10.3	10.2	
Merchandise .....	231.5	248.8	259.1	265.1	70.5	73.4	74.5	76.5	17.6	6.0	11.6	
Petroleum .....	69.1	76.8	82.8	82.3	5.8	6.2	6.3	6.1	34.3	2.1	-9.3	
Nonpetroleum .....	162.4	172.0	176.3	182.8	64.7	67.1	68.2	70.4	16.1	6.3	13.6	
Other .....	66.4	73.9	79.1	81.8	32.4	35.5	37.1	37.8	45.1	19.5	7.4	

leum imports, at an average of 6.4 million barrels a day, were about 9 percent less at an annual rate than in the first quarter and down about 15 percent from the year-ago level.

### Government

Real government purchases of goods and services declined 4½ percent at an annual rate in the second quarter, after a 5½-percent increase in the first (table 10). Federal as well as State and local purchases contributed to the downswing. In Federal purchases, agricultural price support operations by the Commodity Credit Corporation (CCC) showed little change after net purchases of \$2 billion in the first quarter; in the second quarter, redemptions of crops placed under loan earlier offset new loans to farmers. Stepped-up purchases for the strategic petroleum reserve bolstered second-quarter purchases.

The decline in State and local government purchases was primarily in structures. It may be the beginning of a downtrend due to the limitation of growth of Federal grants-in-aid supporting specific types of construction and the elimination of the State portion of general revenue sharing.

*NIPA Federal sector.*—Information on current-dollar Federal receipts and expenditures is shown in table 11. Expenditures increased only \$5½ billion,

Table 10.—Real Government Purchases of Goods and Services

	Billions of constant (1972) dollars, seasonally adjusted annual rates				Percent change from preceding quarter at annual rates		
	1980		1981		1980	1981	
	III	IV	I	II	IV	I	II
<b>Government purchases of goods and services</b> .....	288.2	289.8	293.6	290.1	2.2	5.4	-4.7
Federal .....	106.9	107.4	111.2	109.3	2.0	14.8	-6.4
National defense .....	70.9	71.9	72.1	72.5	5.9	1.1	1.9
Nondefense .....	35.9	35.4	39.0	36.9	-5.3	46.8	-20.4
Commodity Credit Corporation .....	-1.9	-1.4	1.8	-2	-----	-----	-----
Other .....	37.9	36.9	37.2	37.0	-10.1	3.6	-1.6
State and local .....	181.3	182.4	182.5	180.8	2.3	.2	-3.7

Table 11.—Federal Government Receipts and Expenditures, NIPA Basis

	Seasonally adjusted at annual rates				Change from preceding quarter		
	1980		1981		1980	1981	
	III	IV	I	II	IV	I	II
<b>Receipts</b> .....	540.8	573.2	620.7	n.a.	32.4	47.5	n.a.
Personal tax and nontax receipts .....	259.4	272.9	283.3	292.0	13.5	10.4	8.7
Corporate profits tax accruals .....	66.7	72.6	77.9	n.a.	5.9	5.3	n.a.
Indirect business tax and nontax accruals .....	42.9	49.1	60.6	63.4	6.2	11.5	2.8
Contributions for social insurance .....	171.8	178.6	198.9	200.4	6.8	20.3	1.5
<b>Expenditures</b> .....	615.0	641.1	664.0	669.4	26.1	22.9	5.4
Purchases of goods and services .....	194.9	212.0	221.6	219.5	17.1	9.6	-2.1
National defense .....	131.4	141.6	145.2	149.1	10.2	3.6	2.9
Nondefense .....	63.5	70.4	76.4	71.4	6.9	6.0	-5.0
Transfer payments .....	265.3	269.0	271.9	275.2	3.7	2.9	3.3
Grants-in-aid to State and local governments .....	87.7	91.8	90.2	88.7	4.1	-1.6	-1.5
Net interest paid .....	53.5	55.2	67.7	70.8	1.7	12.5	3.1
Subsidies less current surplus of government enterprise .....	13.7	13.1	12.6	15.2	-6	-5	2.6
Less: Wage accruals less disbursements .....	0	0	0	0	0	0	0
<b>Surplus or deficit (-), national income and product accounts.</b>	-74.2	-67.9	-43.3	n.a.	6.3	24.1	n.a.

n.a. Not available.

compared with \$23 billion in the first quarter; the slowdown was largely due to the swing in CCC operations and a deceleration in the increase in net interest paid. The latter reflected a slowing in the rise in interest rates on Federal securities.

All major categories of receipts for which estimates can be made at this time increased considerably less than they did in the first quarter. Personal taxes increased \$8½ billion, \$2 billion

less than in the first quarter; the deceleration largely reflected the course of wages and salaries. Indirect business taxes were up \$3 billion, compared with an increase of \$11½ billion in the first quarter, when windfall profits receipts had increased sharply as a result of the full decontrol of domestic crude oil in January. The increase in contributions for social insurance decelerated from \$20½ billion to \$1½ billion. The first-quarter increase had been boosted by the

increases in the social security tax rate and taxable wage base. On the basis of a residual calculation of second-quarter profits, corporate profits tax accruals were down substantially. This residual calculation assumes that the statistical discrepancy in the national income and product account is the same as in the preceding quarter. On this basis, it appears that the Federal deficit on national income and product account may widen about \$5 billion from the \$43½ billion recorded in the first quarter.

---

The regular annual revision of the national income and product accounts (NIPA's) was not made this July because key source data were not available in time for incorporation. Except for the estimates of population and per capita income and product, annual and quarterly estimates published in the National Income and Product Account Tables and annual and monthly estimates of personal income and outlays published in the statistical ("S") pages will not be revised until July 1982 unless source data become available that indicate the advisability of an earlier revision. Estimates for 1977-79, forthcoming in *National Income and Product Tables, 1976-1979*, also will

not be revised until July 1982. This special supplement to the SURVEY OF CURRENT BUSINESS is now available and is being distributed to subscribers.

Annual, quarterly, and monthly estimates of population and of per capita income and product have been revised to incorporate the results of the 1980 Census of Population. Estimates in this issue of the SURVEY reflect these revised estimates. Comparable estimates for earlier periods are available on request from the National Income and Wealth Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.









Table 3.2.—Federal Government Receipts and Expenditures

Table with 14 columns: 1979, 1980, 1980 (I-IV), 1981 (I-II), and Billions of dollars. Rows include Receipts (Personal tax and nontax receipts, Corporate profits tax accruals, Expenditures (Purchases of goods and services, Transfer payments, Grants-in-aid, Net interest paid, Subsidies, Less: Wage accruals less disbursements, Surplus or deficit (-), NIPA's, Social insurance funds, Other).

Table 3.3.—State and Local Government Receipts and Expenditures

Table with 14 columns: 1979, 1980, 1980 (I-IV), 1981 (I-II), and Billions of dollars. Rows include Receipts (Personal tax and nontax receipts, Corporate profits tax accruals, Expenditures (Purchases of goods and services, Transfer payments to persons, Net interest paid, Less: Dividends received, Subsidies less current surplus of government enterprises, Less: Wage accruals less disbursements, Surplus or deficit (-), NIPA's, Social insurance funds, Other).

Table 3.7B-3.8B.—Government Purchases of Goods and Services by Type in Current and Constant Dollars

Table with 16 columns: 1979, 1980, 1980 (I-IV), 1981 (I-II), 1979, 1980, 1980 (I-IV), 1981 (I-II), and Billions of dollars/Billions of 1972 dollars. Rows include Government purchases of goods and services (Federal, Nondefense, State and local), Durable goods, Non-durable goods, and Services (Compensation of employees, Other services, Structures).

















Table 3.6.—Contributions for Social Insurance

Table with columns: Line, 1979, 1980. Rows include Contributions for social insurance, Employer contributions, Personal contributions, Federal social insurance funds, etc.

Table 3.9.—National Defense Purchases

Table with columns: Line, 1979, 1980. Rows include National defense purchases, Durable goods, Nondurable goods, Services, Structures, etc.

Table 3.10.—National Defense Purchases in Constant Dollars

Table with columns: Line, 1979, 1980. Rows include National defense purchases, Durable goods, Nondurable goods, Services, Structures, etc.

Table 3.11.—Government Transfer Payments to Persons

Table with columns: Line, 1979, 1980. Rows include Government transfer payments to persons, Federal, State, and Local contributions, etc.

Table 3.12.—Subsidies Less Current Surplus of Government Enterprises

Table with columns: Line, 1979, 1980. Rows include Subsidies less current surplus of government enterprises, Federal, State and local, etc.

1. Consists of mass transit, flood insurance, railroad, and other subsidies. 2. Consists largely of Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, and Bonneville Power Administration. 3. Consists of State lotteries, off-track betting, local parking, and miscellaneous activities.

Table 3.13.—Social Insurance Funds Receipts and Expenditures

Table with columns: Line, 1979, 1980. Rows include Federal Receipts, Federal Expenditures, State and local Receipts, State and local Expenditures, etc.

NOTE.—In this table interest and dividends received is included in receipts; in tables 3.1, 3.3, 3.15, 3.17, 3.19, and 9.4, interest received and dividends received are netted against expenditures.

1. Consists largely of foreign service and Tennessee Valley Authority. 2. Consists of mustering out pay, terminal leave pay, and adjusted compensation benefits. 3. Consists largely of payments to nonprofit institutions and aid to students. 4. Consists of State benefits under the SSI program. Federal SSI benefits are shown in line 25.

5. Consists largely of educational assistance, medical insurance premiums paid on behalf of indigents, veterans bonuses, other types of veterans aid, and foster care payments.









## Revised State Personal Income, 1969-80

*The State personal income estimates in this article are being presented a month earlier than usual. These estimates are prepared in considerable component detail and primarily from Federal and State government administrative records (rather than sample data, which underlie the preliminary State annual and quarterly estimates published in the April SURVEY OF CURRENT BUSINESS). These estimates, with further revisions to the years 1977-80, will form the basis for the local area annual personal income as well as revised State quarterly personal income estimates to be released next April. Revised State disposable personal income, which could not be prepared to meet the July publication schedule, will also be released next April.*

**E**STIMATES of State personal income—that is, income received by persons residing in each State from all sources—have been revised to incorporate the comprehensive revision of the national income and product accounts (NIPA's) presented and described in the December 1980 SURVEY OF CURRENT BUSINESS. The State personal income estimates in this article reflect not only this comprehensive revision but also methodological changes associated with the introduction of more reliable estimating procedures and of new or more current source data at the State level. Tables 1 and 2 present revised total and per capita personal income for 1969-80; table 3 presents revised personal income by type and revised labor and proprietors' income by industry, for 1969-80.

**NOTE.**—The comprehensive revision of the State personal income estimates was prepared under the direction of Edwin J. Coleman, Chief of the Regional Economic Measurement Division. He was assisted by Linnea Hazen, who coordinated the comprehensive revision. The discussion of revisions was prepared by Jeanne S. Goodman, tables were prepared by Eunice P. James and Kathy A. Albetzki, and secretarial support was provided by Valeria A. Hamilton and Hilda G. Tolson.

Estimates of civilian nonfarm wages and salaries and other labor income were prepared under the supervision of Elizabeth H. Queen, Chief of the Regional Wage Branch. She was assisted principally by: Sharon C. Carnevale, Carol E. Evans, Michael G. Pilot, Chen T. Pomsouvan, William E. Reid, Jr., Mary H. Risler, Victor Sahadachny, and James M. Scott.

Personal income is the income received by persons from all sources, that is, from participation in production, from transfer payments from government and business, and from government interest, which is treated like a transfer payment. Persons consist of individuals, nonprofit institutions, private noninsured welfare funds, and private trust funds. Proprietors' income is treated in its entirety as received by individuals. Life insurance carriers and private noninsured pension funds are not counted as persons, but their saving is credited to persons. Personal income is the sum of wage and salary disbursements, other labor income, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and transfer payments, less personal contributions for social insurance. Per capita personal income is the total personal income of residents (for the year) divided by the resident population as of July 1.

### *Revisions in State personal income components*

Major revisions occur in civilian government wage and salary disbursements; dividends, interest, and rent; and nonfarm proprietors' income. Smaller revisions occur in farm proprietors' income and transfer payments.

Estimates of farm income; military wages and salaries; proprietors' income; rental income of persons, personal dividend income, and personal interest income; transfer payments; and contributions for social insurance were prepared under the supervision of Kenneth P. Berkman, Chief of the Regional Income Branch. He was assisted principally by: Vivian G. Conklin, Gary V. Kennedy, Arthur L. Sensenig, and Andrew E. Weiser.

Residence adjustments, disclosure-avoidance, and final preparation of the State personal income accounts, including the materials for this publication, were performed under the supervision of David W. Cartwright, Chief of the Regional Economic Information System Branch. He was assisted principally by: Wallace K. Bailey, Paul M. Levit, and Stuart A. Schwartz.

*Government wage and salary disbursements.*—The revision of State and local government wages and salaries reflects a shift from October payroll information shown in the Bureau of the Census annual report, *Public Employment*, to current quarterly payrolls (summed to calendar year totals) tabulated from the various State unemployment insurance (UI) programs. Revisions for the years prior to 1979 are made by carrying the 1979 UI-based estimates back by the change in the Census-based estimates. (Full coverage of State and local government employees under the State UI programs began in 1978. However, complete coverage was not achieved in many States until the first quarter of 1979.)

Revisions of Federal civilian government wage and salary disbursements are for selected subcomponents. Estimates of the Federal Bureau of Investigation payrolls have been replaced by direct data supplied by the agency. Wages paid out of nonappropriated funds to selected civilian employees at military bases are now estimated separately using UI instead of periodic Census data.

The personal income estimates presented in tables 1-3, as well as more detailed tabulations, are available from the Regional Economic Information System in magnetic tape, microfiche, and computer printout form. (Revised estimates for 1958-68, in detail similar to that presented in table 3, as well as estimates for 1948-57 with less industrial detail, are not yet available.) Samples of tables are available on request. A magnetic tape containing a set (United States, regions, and States) of State tables costs \$40. A microfiche (48x) containing a set of tables costs \$5. Computer printouts are available at a cost of \$1 per table, with a maximum charge of \$50 for a set of State tables. There is a minimum charge of \$5 per request. Requests should be addressed to Regional Economic Information System, Regional Economic Measurement Division, Bureau of Economic Analysis, U.S. Department of Commerce, Washington, D.C. 20230.



















Sources, Selected Years 1969-80-Continued

of dollars]

Table with columns for District of Columbia and Maryland (1969-1980) and a Line column (1-75). Rows contain numerical data and some entries are marked with (D) or (\*).































Sources, Selected Years 1969-80-Continued

[of dollars]

Table with columns for Kentucky-Continued and Louisiana, and rows for years 1969-1980 and Line numbers. Includes data points and footnotes like (D) or (\*).









































Table with columns for years (1979, 1980, 1980, 1981) and months (Annual, May, June, July, Aug., Sept., Oct., Nov., Dec., Jan., Feb., Mar., Apr., May, June). Includes a note: 'Unless otherwise stated in footnotes below, data through 1976 and descriptive notes are as shown in the 1977 edition of BUSINESS STATISTICS'.

GENERAL BUSINESS INDICATORS—Continued

Main data table containing 'BUSINESS INVENTORY-SALES RATIOS', 'MANUFACTURERS' SALES, INVENTORIES, AND ORDERS', and 'Inventories, end of year or month'. It lists various industry categories and their corresponding values for each month from 1979 to 1981.

See footnotes at end of tables.

















Unless otherwise stated in footnotes below, data through 1976 and descriptive notes are as shown in the 1977 edition of BUSINESS STATISTICS

LABOR FORCE, EMPLOYMENT, AND EARNINGS—Continued

Table with columns for years (1979, 1980, 1980, 1981) and months (Annual, May, June, July, Aug., Sept., Oct., Nov., Dec., Jan., Feb., Mar., Apr., May, June). Rows include categories like Average Hours per Week, Aggregate Employee-Hours, and Hourly and Weekly Earnings.

See footnotes at end of tables.





















































## Page S-35

1. Effective Jan. 1, 1978, includes reexports, formerly excluded.
  2. Annual total includes revisions not distributed to the months.
  3. Average for crop year; Aug. 1-Jul. 31.
  4. For five weeks; other months four weeks.
  5. Monthly average.
  6. Average for 11 months; no price for Oct.
  7. Less than 500 bales.
- § Bales of 480 lbs.
- ¶ Based on 480-lb. bales, preliminary price reflects sales as of the 15th; revised price reflects total quantity purchased and dollars paid for the entire month (revised price includes discounts and premiums).
- # Includes data not shown separately.
- @ Effective Apr. 1979 SURVEY data include 600 additional firms; comparable data back to Jan. 1977 (except for slacks, jean cut, casual, shown on p. S-36) will appear in the 1979 BUSINESS STATISTICS.

## Page S-36

1. Annual total includes revisions not distributed to the months.
  2. Estimates of production, not factory sales.
  3. Effective Jan. 1980, passenger vans previously reported as passenger cars are now included with trucks.
  4. Effective Jan. 1979, data are not directly comparable with data shown for earlier periods because of the inclusion of Volkswagens produced in the U.S.
  5. Monthly data for 1980 exclude exports for off-highway trucks; not strictly comparable with data shown for other periods.
- @ See note "@" p. S-35.
- # Total includes backlog for nonrelated products and services and basic research.
- § Domestic comprise all cars assembled in the U.S. and cars assembled in Canada and imported to the U.S. under the provisions of the Automotive Products Trade Act of 1965. Imports comprise all other cars.
- ¶ Courtesy of R.L. Polk & Co.; republication prohibited. Because data for some states are not available, month-to-month comparisons are not strictly valid.
- ‡ Excludes railroad-owned private refrigerator cars and private line cars.

## BUSINESS STATISTICS 1979

BUSINESS STATISTICS 1979 is the 22nd biennial supplement to the monthly SURVEY OF CURRENT BUSINESS.

Annual data for most of the approximately 2,600 series are shown from 1947 to 1978. Quarterly series are shown from 1968 to 1978, and monthly series from 1975 to 1978. For about 400 key series, a longer historical period of monthly or quarterly data is shown in an appendix.

The 1979 edition, like its predecessors, contains detailed explanatory notes describing sources, definitions, methods of compilation, revisions, and the time span for which the data are available. The explanatory notes reflect information available in October 1980. The footnotes in current issues of the SURVEY OF CURRENT BUSINESS provide information that has become available since that time.

BUSINESS STATISTICS 1979 can be ordered from the Superintendent of Documents, U.S. Government Printing Office (GPO), Washington, D.C. 20402 at a price of \$8.50. Order by stock number 003-010-00089-9; enclose check or money order payable to Superintendent of Documents. BUSINESS STATISTICS 1979 may be ordered by telephone (202) 783-3238 and charged to Master Charge, VISA, or deposit account at the Superintendent of Documents.



UNITED STATES  
 GOVERNMENT PRINTING OFFICE  
 PUBLIC DOCUMENTS DEPARTMENT  
 WASHINGTON, D.C. 20402

OFFICIAL BUSINESS



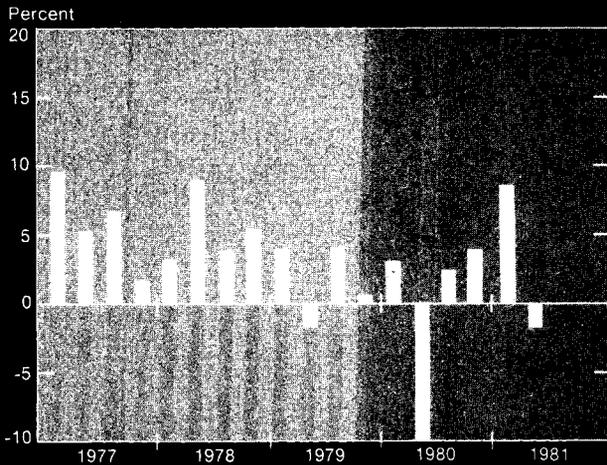
POSTAGE AND FEES PAID  
 U.S. DEPARTMENT OF COMMERCE

Second Class Mail  
 COM-209

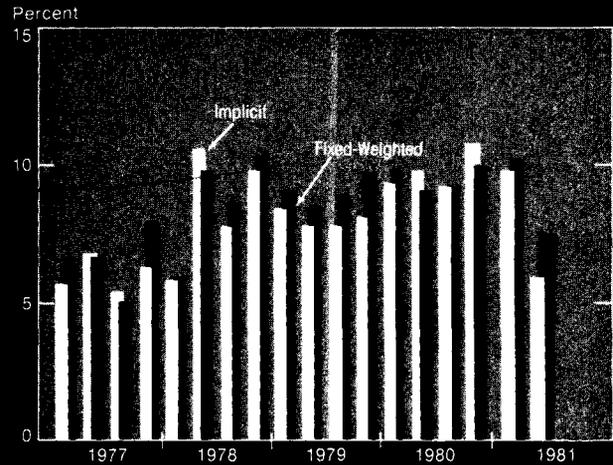
### In the second quarter

- Real GNP declined 2 percent
- GNP fixed-weighted price index increased 7½ percent
- Real disposable personal income increased 1½ percent

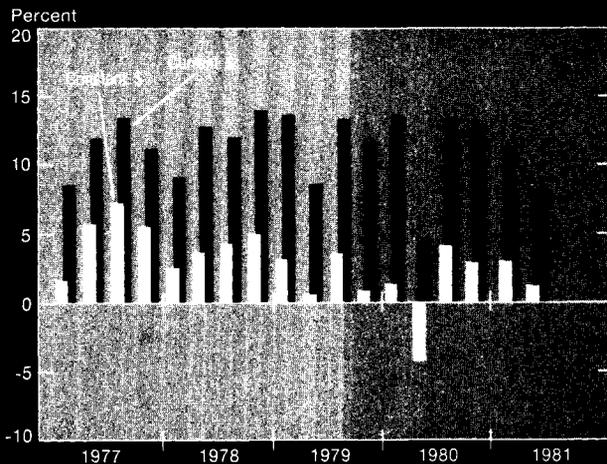
Real GNP



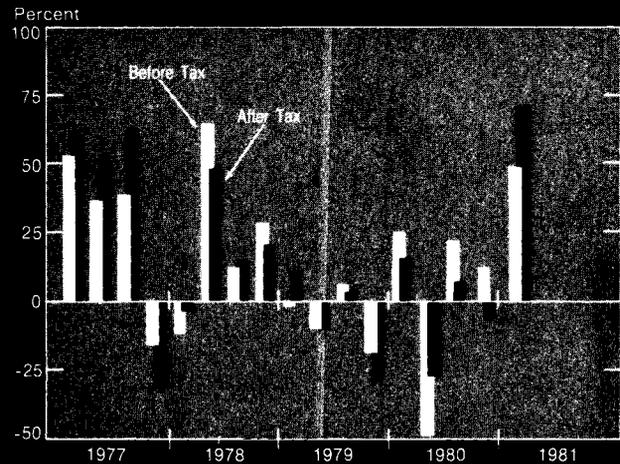
GNP Prices



Disposable Personal Income



Corporate Profits With IVA and CCAdj



Percent change from preceding quarter - seasonally adjusted at annual rates