

66 PRICES AND WAGES IN MANUFACTURING INDUSTRIES

The expenditure data sums to the total real services (less housing) consumed in the household sector. The gross product originating data summed over all industries equals gross national output originating in the private domestic economy (less the real estate industry). Comparison of the consumption of services with total consumption measures the relative importance of the service sector in final real consumer demand. Compensation of the GPO in the service sector with total private gross product originating, measures the relative importance of the service sector as a user of resources.

Table 1 below shows the percentage increases in output of services in the private economy.

TABLE 1.—*Real output of services*

[Index: 1947=100]

Year	Real consumption expenditure data ¹		Business gross national product ²	Gross product originating ²	
	Total services less housing	Other services		Service sector	Personal services industries
1947.....	100.0	100.0	100.0	100.0	100.0
1948.....	102.8	103.0	103.6	102.2	103.3
1949.....	104.3	105.0	101.9	100.7	102.9
1950.....	109.3	110.0	111.5	109.1	106.0
1951.....	112.3	111.0	118.9	114.5	108.3
1952.....	115.3	113.7	122.5	119.2	111.4
1953.....	119.4	118.3	129.0	123.6	113.9
1954.....	123.3	123.7	125.9	125.6	117.5
1955.....	130.9	130.0	137.7	134.8	123.1
1956.....	138.6	137.7	139.9	144.2	131.5
1957.....	142.7	141.3	141.9	149.1	136.1
1958.....	147.2	146.3	(³)	(³)	(³)

¹ Real personal consumption expenditure, "U.S. Income and Output," table II-5.

² Charles L. Schultze, "Prices, Costs, and Output," table 2, p. 29. The service sector is an aggregation, using 1947 net national income originating weights, of the following industries: finance and insurance, communication, public utilities, railroads, other transportation, and personal services industries. Business GNP excludes output originating in Government and real estate.

³ Not available.

Table 2 presents average annual rates of increase in the service sector. Both the real consumption expenditures and gross output originating estimates are given.

TABLE 2.—*Service sector output: Average annual rates of change, selected years, 1947-58*

[Percentage rates]

Period	Services less housing ¹	Service sector ²	Period	Services less housing ¹	Service sector ²
1947-57.....	3.6	4.1	1953-57.....	4.5	4.8
1947-58.....	3.6	(³)	1953-58.....	4.3	(³)
1947-59.....	3.0	3.6	1955-57.....	4.4	5.2
1947-55.....	3.4	3.8	1955-58.....	4.0	(³)

¹ Real consumption expenditure data.

² Gross product originating data.

³ GPO data not available for 1958.

Source of data in table 1. Compound interest computed from base and terminal year values.

B. THE INCREASED RELATIVE IMPORTANCE OF SERVICES

1. The share of services in consumption

Evidence of the increased relative importance of the service sector in consumption is presented in the tables below. Real consumption of services less housing as a share of total consumption increased from 23.7 percent in 1947 to 25.0 percent in 1958. This is a 5.5 percent increase in relative importance most of which accrued in the last few years. (See table 3.) The same pattern is