

B. THE SHIFT IN RELATIVE IMPORTANCE OF SERVICE EMPLOYMENT

The increase in the relative importance of service employment in the economy can be demonstrated in two ways: First by an analysis of which industries or sectors absorbed the increase in total employment; second by analyzing the proportion contributed by each industry to total private domestic employment.

1. Analysis of the increase in employment

Analysis of the net increase in the average number of full-time and part-time employees indicates the following (see table 9):

TABLE 9.—Analysis of sectoral contributions to increases in employment, selected periods 1947-58

Period	Net in-crease total private domestic economy ¹	Service sector			Nonservice sector			
		Total	Service industries	Other service sector	Total	Trade	Agricul- ture	Industrial
	Increase (in thousands)							
1947-57-----	6,898	2,833	2,035	798	4,065	2,105	-359	2,319
1947-58-----	5,280	2,817	2,231	586	2,463	1,969	-308	802
1947-53-----	4,945	1,397	862	535	3,548	1,305	-325	2,568
1947-55-----	5,010	1,884	1,351	533	3,126	1,532	-363	1,957
1953-57-----	1,953	1,436	1,173	263	517	800	-34	-249
1953-58-----	335	1,420	1,369	51	-1,085	664	17	-1,766
1955-57-----	1,888	949	684	265	939	573	4	362
1955-58-----	270	933	880	53	-663	437	55	-1,155
	Increase (in percentage)							
1947-57-----	100.0	41.1	29.5	11.6	58.9	30.5	-5.2	33.6
1947-58-----	100.0	53.4	42.3	11.1	46.6	37.3	-5.8	15.2
1947-53-----	100.0	28.3	17.4	10.8	71.7	26.4	-6.6	51.9
1947-55-----	100.0	37.6	27.0	10.6	62.4	30.6	-7.2	39.1
1953-57-----	100.0	73.5	60.1	13.5	26.5	41.0	-1.7	-12.7
1953-58-----	100.0	423.9	408.7	15.2	-323.9	198.2	5.1	-527.2
1955-57-----	100.0	50.3	36.2	14.0	49.7	30.3	.2	19.2
1955-58-----	100.0	345.5	325.9	19.6	-245.6	161.9	20.4	-427.8

¹ Full- and part-time employees. Wage or salary workers.

Source: "U.S. Income and Output," table VI-14.

(a) Of the nearly 6.9 million increase in employment in the private domestic economy between 1947 and 1957, the service sector absorbed 41 percent, the commercial sector (wholesale and retail trade) 30 percent, the industrial sector (mining, manufacturing, and construction) about 34 percent and agriculture lost about 5 percent.

(b) From 1955 to 1957, the industrial sector absorbed 19 percent of the nearly 1.9 million increase while the service sector took over 50 percent and trade 30 percent.

(c) From 1953-57, the service sector absorbed 73 percent of the total increase in employment, trade 41 percent; but agriculture and the industrial sector contributed over 280,000 persons (or 14 percent of the net increase) who had to be reemployed in some other sector.

2. The shift to service employment as a proportion of total man-years of labor used

Table 10 makes use of data for the full-time equivalent labor input of wage or salary workers and active proprietors in the private domestic economy (less real estate).