

108 PRICES AND WAGES IN MANUFACTURING INDUSTRIES

some cases, improve their standing vis-a-vis manufacturing. Most of the other service industries experienced declines in relative annual incomes. This decline took place despite the increase in service employment.

The unincorporated form of business organization is particularly important in the service sector. Not only are there many small service establishments in the drycleaning, laundry, barber and beauty shop industries, but also many professional services are provided by individuals or partnerships.

The Department of Commerce gives an aggregate estimate of income for unincorporated firms in service sector industries, but not more detail. Their estimate of the increase in incomes of active proprietors of unincorporated firms is 58.2 percent over the period 1947-53 and 5 percent 1953-58.⁸ The Internal Revenue Service occasionally supplements its regular "Statistics of Income" series by publishing partnership income data on an industry basis. Information is available for 1947-48 and 1953-54, plus preliminary data for 1957-58. Tabulated below in table 16 is the ordinary income per partnership for each of the 3 years.⁹

TABLE 16.—Service sector: Partnership income selected years, 1947-58

	1947	1953	1958	Percentage change	
				1947-53	1953-58
All industries.....	\$8,639	\$8,757	\$9,823	1.4	12.2
Total agriculture, forestry, fisheries.....	6,092	3,380	5,721	-44.6	69.3
Total construction.....	9,551	11,629	11,809	21.7	1.5
Total manufacturing.....	12,722	14,801	13,562	16.3	-8.4
Trade total.....	8,688	8,518	8,219	-1.9	-3.5
Wholesale.....	16,906	15,705	14,654	-7.1	-6.7
Retail.....	7,149	7,305	6,906	2.2	-5.5
Total finance, real estate.....	6,354	7,235	6,262	13.9	-13.5
Total services.....	10,285	14,073	16,121	36.8	14.5
Hotels.....	5,675	3,141	3,028	-44.7	-3.6
Total personal services:					
Laundry.....	5,695	7,807	6,806	37.6	-12.8
Photo studio.....	4,021	5,620	5,759	39.8	2.5
Barber and beauty.....	3,304	4,832	4,693	46.2	-2.9
Funeral.....	10,428	9,393	14,147	-9.9	50.6
Other.....	3,625	3,176	5,119	-12.4	64.6
Business services.....	6,522	15,768	15,905	141.7	.9
Auto repair.....	4,282	5,888	5,579	37.5	-5.3
Miscellaneous repair.....	5,174	6,830	7,262	32.0	6.3
Total amusement.....	7,991	5,046	3,049	36.9	-39.6
Motion pictures.....	16,308	8,453	3,898	-48.2	-53.9
Medical total.....	27,178	39,610	43,077	45.7	8.7
Physicians and surgeons.....	38,184	47,157	53,033	23.5	12.5
Dentists.....	14,446	21,046	25,893	45.7	23.0
Other.....	21,426	37,386	35,263	74.4	-5.7
Legal services.....	28,094	32,624	47,736	12.5	46.3
Educational.....	7,132	7,007	12,906	-1.8	84.2
Engineering and architectural.....	19,370	33,803	32,482	74.5	-3.9

Source: "Partnership Income, 1947" Treasury press release No. S-2645, Wednesday, Apr. 4, 1951; "Partnership Returns," statistics of income, 1955, IRS publication No. 369; "Selected Financial Data," statistics of income, 1957-58 (April 1959).

PART 2: PRICES, INCOME, EMPLOYMENT IN SERVICE SECTOR COMPONENTS

The foregoing sections have discussed output, employment, prices, and incomes in the service sector on an aggregate basis. In this section, a more detailed examination will be made of some of the individual components of the sector.

I. MEDICAL CARE SERVICES

A. PRICES AND EXPENDITURE

The Consumer Price Index for services related to medical, dental, optical, and hospital care increased nearly 60 percent from 1947 to 1958. However, professional services prices increased much less than hospital prices, 35 percent as contrasted to 125 percent. Table 17 contains the items in the medical care price index.

⁸ Data from "U.S. Income and Output," table VI-4 and VI-2.

⁹ Income per partner would be a preferable statistic, but the 1958 preliminary data do not include enough information to make that computation. Income per partnership will not be comparable between years if the average number of partners per firm changes.