

This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: Personal Income During Business Cycles

Volume Author/Editor: Daniel Creamer assisted by Martin Bernstein

Volume Publisher: Greenwood Press

Volume ISBN: 0-313-24421-9

Volume URL: <http://www.nber.org/books/crea56-1>

Publication Date: 1956

Chapter Title: Appendix G: Unemployment Compensation and Losses in Income

Chapter Author: Daniel Creamer, Martin Bernstein

Chapter URL: <http://www.nber.org/chapters/c2778>

Chapter pages in book: (p. 157 - 161)

## APPENDIX G

### UNEMPLOYMENT COMPENSATION AND LOSSES IN INCOME

#### *1. Payrolls, Disposable Income, and Payments to Unemployed, United States, 1945-1950*

##### a. PAYROLLS

Seasonally adjusted private payrolls used in Table 30 above were derived by subtracting government from total wage and salary disbursements. Government and total payroll data, seasonally adjusted, are from the *National Income Supplement, 1951* (*Survey of Current Business*, Dept. of Commerce, Table 48, p. 215) and the *Survey of Current Business* (July 1952, Table 48, p. 31).

##### b. DISPOSABLE INCOME

Disposable income on a quarterly basis was computed by subtracting state and local personal tax payments and federal personal income tax liabilities from personal income and adding realized net capital gains or losses. Seasonally adjusted quarterly personal income and state and local tax data are from the *National Income Supplement, 1951* (Table 45, p. 209) and the *Survey of Current Business* (July 1952, Table 45, p. 30). Quarterly estimates of federal personal income tax liabilities were made by multiplying annual data from the preliminary report of *Statistics of Income for 1949* (Bureau of Internal Revenue, Part 1, pp. 9 and 51-53) by the ratio of seasonally adjusted quarterly personal income to annual personal income. Quarterly estimates of net capital gains or losses were computed by applying the same ratio to annual data from Table A-1 above.

##### c. PAYMENTS TO UNEMPLOYED

Table G-1 presents payments to the unemployed used in estimating offsets in Tables 30 to 32. These payments are computed by adding (1) state and (2) railroad unemployment insurance benefits and (3) general assistance, seasonally adjusted by the National Bureau of Economic Research. Data for the three series are from monthly issues of the *Social Security Bulletin* (Social Security Administration, Federal Security Agency).

Quarterly data for all series used in Tables 31 and 32 except disposable personal income are three-month totals of the monthly data.

APPENDIX G

TABLE G-1

Total Payments to Unemployed, Seasonally Adjusted, 1945-1950  
(millions of dollars)

	1945	1946	1947	1948	1949	1950
January	14.4	119.9	79.0	66.7	107.5	191.2
February	13.0	120.8	76.8	73.0	129.4	189.5
March	13.9	116.8	75.2	81.8	153.5	193.4
April	12.9	114.5	83.2	87.9	156.5	161.9
May	13.8	110.3	84.0	80.8	164.0	157.9
June	16.9	102.4	86.3	87.0	175.9	141.9
July	21.5	101.9	93.6	86.4	179.7	127.7
August	25.3	93.3	84.7	84.4	208.2	118.1
September	58.0	90.0	88.2	90.4	219.5	101.9
October	114.8	97.0	84.7	88.5	213.3	94.4
November	117.3	83.8	69.5	97.7	240.0	99.9
December	115.6	85.9	78.3	113.5	237.9	98.3

Source: See Appendix G, section 1 c.

*2. Quarterly Estimates of Payrolls in Private Sector and Payments to Unemployed, Twelve States, 1948-1950*

The sources and methods of estimation of the payroll and compensation data presented in Table G-2, and used in columns 1 to 3 of Table 33 above, for each of twelve states selected from the twenty-three which incurred a loss in annual wages and salaries in 1948-1949 (see *Survey of Current Business*, Dept. of Commerce, August 1952, Table 6, p. 18) are described below. Since the data are insufficient for reliable seasonal determination, we are obliged to use data unadjusted for seasonal variations.

a. PAYROLLS

Payrolls in the private sector are secured by adding (1) private nonfarm payrolls and (2) farm wages (both unadjusted).

1. Annual private nonfarm payrolls were converted to a quarterly basis by using a quarterly percentage breakdown of payrolls covered by state unemployment insurance for each year. Data are from unpublished tables of the National Income Division of the Department of Commerce.

2. Annual farm wages were converted to a quarterly basis by using the product of quarterly estimates of the number of hired farm workers employed and the hourly composite farm wage rate. Annual farm wages are from an unpublished table of the National

## APPENDIX G

Income Division. Monthly data on the number of hired farm workers in each state are from *Farm Labor* (Bureau of Agricultural Economics, January 13, 1949) and *Crops and Markets* (BAE, 1950 and 1951). Three-month averages of the employment data were computed to place the data on a quarterly basis. Hourly composite farm wage rates for the beginning of the months of January, April, July, and October for geographical regions are from *Farm Labor*, January 12, 1951, and January 14, 1952. The wage rate data for the New England region, for example, were used for Connecticut and Rhode Island. Quarterly wage rate estimates were made by averaging data for pairs of given months.

### b. PAYMENTS TO UNEMPLOYED

Payments to the unemployed are the sum of (1) state and (2) railroad unemployment compensation benefits and (3) general assistance (all unadjusted).

1. State unemployment insurance benefits: quarterly data from unpublished tables of the National Income Division.

2. Railroad unemployment insurance benefits: semi-annual benefit data were converted to a quarterly basis by using a quarterly percentage breakdown of the number of railroad unemployment insurance beneficiaries during the half year. Data on the amount of benefits and the number of beneficiaries are from unpublished tables of the Railroad Retirement Board.

3. General assistance: same source as that for 1.

## APPENDIX C

TABLE C-2  
 Payrolls in Private Sector and Payments to Unemployed, Seasonally Unadjusted, Twelve States, 1948-1950  
 (millions of dollars)

	QUARTER, 1948				QUARTER, 1949				QUARTER, 1950			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Alabama												
Payrolls	299.6	314.4	317.6	340.3	301.7	300.2	300.3	302.7	292.0	317.7	340.5	372.3
Payments to unemployed	2.3	2.3	2.6	2.5	3.9	5.5	7.0	6.1	5.4	4.7	3.4	2.1
California												
Payrolls	2,183.3	2,286.2	2,498.8	2,445.4	2,145.0	2,267.1	2,401.8	2,376.5	2,160.7	2,367.2	2,654.7	2,748.8
Payments to unemployed	38.3	47.2	40.2	41.2	76.7	76.7	65.2	63.3	84.5	60.5	35.1	29.3
Connecticut												
Payrolls	531.4	543.7	545.9	597.8	520.3	507.3	502.6	551.1	511.4	551.4	583.9	684.4
Payments to unemployed	3.4	3.7	4.6	4.6	8.3	14.7	16.6	10.8	11.1	7.6	4.7	2.8
Illinois												
Payrolls	2,191.3	2,188.3	2,259.4	2,603.8	2,185.2	2,195.9	2,214.6	2,332.8	2,166.1	2,304.7	2,437.7	2,725.0
Payments to unemployed	15.8	19.7	18.4	14.8	24.9	34.6	40.6	35.6	40.3	36.3	27.2	18.7
Kentucky												
Payrolls	297.3	313.8	332.7	351.7	301.9	317.6	309.6	325.0	298.1	339.8	359.3	389.4
Payments to unemployed	1.4	1.5	1.4	1.8	4.0	4.7	6.0	5.5	5.7	4.5	3.1	2.4
Michigan												
Payrolls	1,452.7	1,472.7	1,572.7	1,702.8	1,494.4	1,477.5	1,589.2	1,515.0	1,469.0	1,653.7	1,864.0	2,000.2
Payments to unemployed	14.6	15.1	10.3	10.7	22.2	25.6	22.3	32.1	33.5	19.4	7.8	8.4
New York												
Payrolls	3,987.4	4,003.5	4,130.8	4,557.8	3,988.3	3,997.3	4,080.2	4,352.9	4,022.8	4,156.9	4,379.0	4,940.2
Payments to unemployed	52.4	56.8	63.1	65.8	95.1	97.0	120.9	120.9	120.9	94.0	86.2	73.1

## APPENDIX G

TABLE C-2 (continued)  
(millions of dollars)

	QUARTER, 1948				QUARTER, 1949				QUARTER, 1950			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st	2nd	3rd	4th
Ohio												
Payrolls	1,802.6	1,871.3	1,959.5	2,136.5	1,829.3	1,828.3	1,845.1	1,889.0	1,778.3	1,954.2	2,121.0	2,369.3
Payments to unemployed	9.3	9.2	7.6	7.9	16.2	22.4	27.1	39.3	46.4	30.0	15.0	9.7
Pennsylvania												
Payrolls	2,306.1	2,367.7	2,441.5	2,654.9	2,362.1	2,373.1	2,297.6	2,319.5	2,239.8	2,470.1	2,587.5	2,853.7
Payments to unemployed	18.0	17.0	14.6	15.0	29.6	36.7	53.7	65.1	61.9	42.0	26.5	18.8
Rhode Island												
Payrolls	180.8	182.8	179.3	196.0	167.7	164.1	165.5	188.4	172.2	179.4	190.5	226.0
Payments to unemployed	2.8	4.5	4.3	4.4	6.7	12.6	9.7	6.0	6.0	7.9	4.5	2.7
South Carolina												
Payrolls	210.1	223.4	225.9	234.1	214.5	209.5	212.0	231.3	219.7	232.9	242.2	270.0
Payments to unemployed	1.1	1.1	1.3	1.5	2.5	3.9	4.3	3.3	3.4	3.0	2.5	1.7
West Virginia												
Payrolls	332.3	341.1	377.7	385.9	344.8	355.2	299.9	287.6	281.1	365.4	354.6	376.0
Payments to unemployed	2.1	1.6	1.2	1.5	3.4	4.1	6.7	7.7	7.0	5.0	4.1	2.5

Source: See Appendix G, section 2.