

## Our Changing Economy

# Output Increases Faster Than Jobs

By Philip Stoddard Brown

ABOUT 20,000 more civilians had salaried or wage-paying jobs in the Washington area, in February, 1959, than in February, 1958. Building contractors had 7700 more persons on their payrolls and Government agencies, 6600 more. Service industries, as a group, accounted for the rest of the gain.



Brown

The output of goods and services has increased much more than this 3 per cent gain in employment over the past year. The gain in productivity, though impossible to measure, is indicated, for example, by the fact that banks, brokerage houses and real estate firms employ no more people than a year ago, despite the increase in their activities. The very great increase in financial transactions generally

accounts for the 21 per cent increase in the value of checks written on District banks—much greater than the 5 or 6 per cent increase in payrolls and the somewhat greater increase in personal spending.

Despite the big gain in retail sales, especially of cars and household appliances, the number of persons employed by stores and wholesale firms has increased less than 1 per cent in the past year. . . . Despite the increase in private public utility services, indicated in the table below, several hundred fewer persons are on the payrolls of these utilities.

### Very Few Vacancies

There are still almost no vacancies in the better-class office and apartment buildings, even though quite a few large, high-rental buildings have been completed in recent months. An official of one large real estate firm thinks there are still a lot of businesses in crowded offices ready to expand into larger quarters. Another informed real estate man attributes the quick rental of new "luxury apartments" to the large number of working couples able to pay \$150 or more for a one-bedroom apartment in a good location.

No apartment buildings, however, have real waiting lists, such as was the case some years ago, and it will be interesting to see whether apartments completed later in the year rent as easily as those recently opened.

The amount of private and Government office space under construction is enormous. (Last week, a \$33.3 million contract was awarded for the new CIA building, on which over \$3 million has already been spent for site-clearing and foundations.) Here too, there is some anxiety lest all the new space that will become available in the next year or two will create a vacancy problem. Insurance companies are said by one banker who does a lot of short-term construction financing to be reluctant to make new commitments in Washington unless tenants have been signed in advance for new office space.

## AREA BUSINESS INDICATORS

(Per Cent Change 1958 to 1959)

February 2 Month

	February	2 Month
<b>Employment (Metropolitan Area):</b>		
Government (civilian) .....	+ 2	....
Government (military)* .....	- 4	....
Construction .....	+24	....
Other Private** .....	+ 2	....
Federal Civilian Payroll.....	+ 5	+ 4
<b>Construction Authorized:</b>		
Value of all Building .....	+12	+18
Number of Dwelling Units .....	+61	+13
<b>Retail Trade:</b>		
<b>New-Car Registrations</b>		
(metropolitan area) .....	+22	+ 9
<b>Department Store Sales</b>		
Downtown .....	+ 6	+ 5
Metropolitan Area .....	+18	+14
<b>Electric-Appliance Sales</b>		
(Pepco Area) .....	+49	+41
<b>Public Utility Services:</b>		
<b>Electric Power (Pepco Area)</b>		
Commercial .....	+ 7	+ 9
Residential .....	+ 6	+11
<b>Gas Sales (Washington Gas Light)</b>		
Business .....	+10	+17
Residential .....	- 2	+ 6
<b>Telephone Service (D. C.)</b>		
Local Calls .....	+ 5	+ 7
Out-of-Town Calls .....	- 2	0
Telephones in Use .....	+ 4	....
<b>Commercial Banking:</b>		
Value of Checks Written.....	+30	+21
<b>Bank Loans Outstanding</b>		
Commercial and Industrial .....	+ 4	....
Real Estate .....	+ 9	....
Consumer and Other .....	+ 1	....
<b>Consumer Prices (Metropolitan Area)</b>		
All Items .....	+ 1	....
Food .....	- 1	....
Housing .....	0	....
Apparel .....	0	....
Life Insurance Sales .....	-17	-30
Newspaper Advertising Lineage .....	+18	+12
<b>Passenger Arrivals and Departures</b>		
at National Airport .....	+12	+ 3
Postal Receipts (D. C.) .....	+30	+19

\*Comparison is between year-end figures for 1957 and 1958.

\*\*Except proprietors, nonsalaried doctors and lawyers, domestics and other self-employed persons for which there is no current tally.