

April 26, 1939.

SOCIAL SECURITY COLLECTIONS AND BENEFIT PAYMENTS

(Accrual basis)

	<u>1937</u>	<u>1938</u>	<u>1939</u>
Title VIII (old age) collections	579	*513	*555
Old age benefits	1	10	*25
Unemployment collections (State and Federal)	687	*930	*975
Unemployment benefits plus Administrative grants	22	437	*495
Net withdrawal	1,243	*996	*1,010

* Estimated

Individual Savings at Different Levels of National Income

The following estimates are derived from the National Resources Committee Report on Consumer Expenditures:

<u>Size of National Income</u>	<u>Individual Savings</u>	<u>Per cent Saved by Individuals</u>
\$ 50 billion	\$3.5 billions	6.9
60 "	6.1 "	10.2
70 "	8.9 "	12.8
80 "	12.0 "	15.0

These estimates, of course, do not include the very large category of business savings in the form of depreciation charges and retained earnings.

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SHIFT SINCE 1929 TOWARD TAXES WITH REPRESSIVE EFFECTS ON CONSUMPTION

(Amounts in millions of dollars)				
	1929		1938	
	Amount	Percent to total	Amount	Percent to total
Summary				
Taxes bearing primarily on consumption	1,055	29.8	3,415	50.3
Other taxes	2,485	70.2	3,370	49.7
Total taxes and customs	3,540	100.0	6,785	100.0
Detail				
Taxes primarily on consumption:				
Payroll taxes:				
Direct Federal collections	-	-	755	11.1
Deposits by States	-	-	748	11.0
Total	-	-	1,503	22.1
Tobacco and liquor taxes	447	12.6	1,136	16.7
Manufacturers' excise taxes	6	0.2	417	6.2
Customs	602	17.0	359	5.3
Other taxes:				
Corporate income tax*	1,236	34.9	1,337	19.7
Personal income tax	1,096	31.0	1,286	19.0
Estate and gift taxes	62	1.7	417	6.2
All other	91	2.6	330	4.8

*Includes excess-profits tax

The trend of State and local taxation has been in the same direction. The States raised about \$600,000,000 from general sales taxes, liquor and tobacco taxes in 1936, sources of revenue which were of negligible importance in 1929. In addition State gasoline tax collections amounted to \$256 million more than in 1929. Collections from those various sources have, if anything, increased since 1936.

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Individual income tax, married man, no dependents, all "earned income" -- Comparison of tax payable on specified net incomes, United States and Great Britain, taking into account increases in Great Britain currently being proposed by the Chancellor of the Exchequer.

<u>Net Income</u>	<u>United States</u>	<u>Great Britain (£ = \$5)</u>
\$10,000	415	\$2,373
15,000	924	4,071
25,000	2,489	8,259
50,000	8,869	21,440

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SAVINGS OF CONSUMERS IN 1935-36

Income group	Per cent of all family units	Savings
0 - 1,250	59.0	\$-1.5 billion
1,250 - 5,000	38.0	+2.8
5,000 - 20,000	2.0	2.4
20,000 -	.3	<u>2.4</u>
		\$ 6.

Three-tenths of 1 per cent of all family units with incomes above \$20,000 saved nearly as much as the 38 per cent of family units with incomes between \$1,250 and \$5,000.

Source: National Resources Committee Report on Consumer Incomes and Expenditures in 1935-36.