New England

BUSINESS

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REVIEW

Income Redistribution in

Federal Grants-in-Aid

Federal grants-in-aid to state and local governments last year amounted to $7 billion, or about 7 percent of total federal cash outgo. The growing importance of grants-in-aid is indicated by Administration estimates that such expenditures (including proposed new programs) will rise by about one-third from 1961 to 1963.

The payment of $7 billion to state and local governments and the collection of a corresponding amount of federal revenues necessarily involves some redistribution of income among the states. Largely because of the progressiveness of the federal tax system, interstate redistribution occurs even when such redistribution is not a significant objective of the programs involved. However, many grant-in-aid programs are designed to take account of differences in the needs of the states for various kinds of aid and of the capacity of the states to obtain revenues from their own sources.

To what extent do the high-income states on balance contribute to the low-income states? To what extent do these programs result in aid funds returning to the same states which contributed the revenue to support these programs? How impor-

Also | Income Up in 1961, *page 5.*
Financing Farm Purchases, *page 6.*

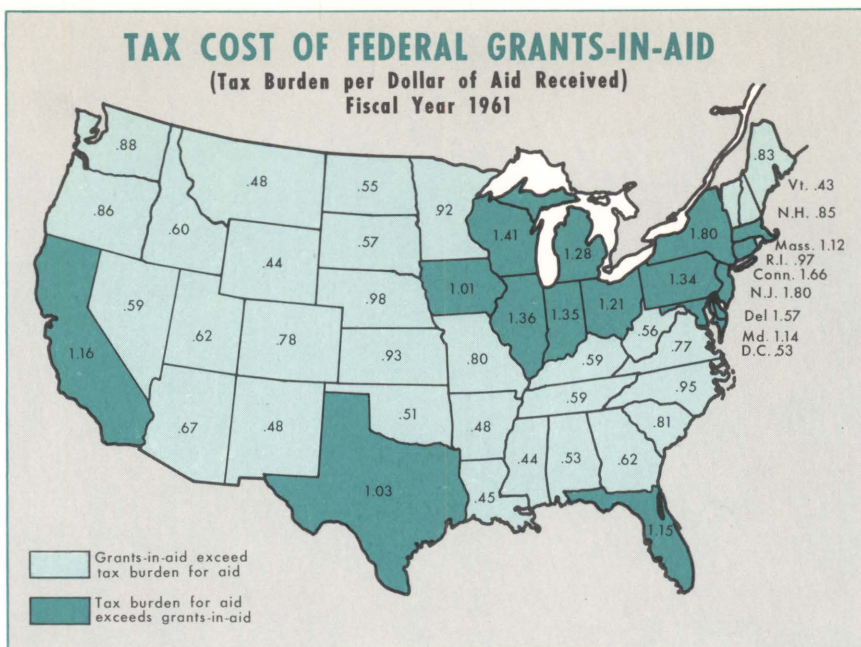tant is interstate redistribution in the determination of these programs?

Federal grant-in-aid programs serve a variety of purposes. One of these (the one most pertinent to this article) is to ensure greater equity in the state and local governmental services where national objectives are also involved. Some states have relatively large fiscal "needs". Thus sparsely populated states have a high per capita need for highway expenditure, but they may also be low-income states. Some states have high proportions of welfare recipients and may also

TAX COST OF FEDERAL GRANTS-IN-AID
(Tax Burden per Dollar of Aid Received)
Fiscal Year 1961

Grants-in-aid exceed tax burden for aid

Tax burden for aid exceeds grants-in-aid

have a relatively low "fiscal capacity" (as measured by per capita personal income).*

Among the objectives of grant programs, perhaps the most important is to stimulate the states to provide new or greater services in which there is a substantial national interest. The interstate highway aid program is largely governed by national interests of interstate commerce and defense. This is reflected in the Federal assumption of 90 percent of the cost of interstate highways. On the other hand, the Federal participation for primary, secondary and urban roads is in general 50 percent. At the same time differences in state needs are reflected in the allocation of funds by state on the basis of area, population and road mileage. Thus equalization of needs, stimulation of state activity, and provision for national interests are mixed in the federal road building program.

Another purpose of federal grants is to provide support for certain services through the federal rather than the state-local tax system. Local governments depend largely on the property tax and state governments largely on sales and excise taxes while the Federal government depends heavily on the individual income tax.† Thus a large new burden on state-local governments may be more equitably supported through federal

taxation. Public assistance grants in the 1930's represented an attempt to put a part of the burden on federal rather than state-local taxes. In recent years it has been argued that the scale of public education services is more than state-local financing alone can equitably provide.

Some grant-in-aid programs fill specific needs and their purposes bear little relation to differences in the fiscal positions of the states or of local government as a whole within the state. Education aid for federal "impact" areas (such as defense installations), though based on a specific local need, has little relation to the fiscal position of each state. Similarly, urban renewal grants are related to a specific local need which probably bears little relation to relative state fiscal positions.

Different objectives are mixed in various ways in different programs. Consequently, it is difficult to make any over-all judgment on the extent to which further "equalization" of state needs and resources is desirable. That would depend upon a case by case analysis of grant programs. Various public and private evaluations of grant-in-aid programs have suggested that greater weight should be given to differences both in state and fiscal needs and in fiscal resources or capacity. (See study by M. O. Clement, referred to above.)

Equalization in Grants

Two major programs account for the greater part of federal grants-in-aid, namely highway aid and public assistance grants. The highway aid program has now become the largest single program. Public assistance grants account for more than half of all grant-in-aid expenditures fi-

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*For a detailed analysis of interstate fiscal equity, see M. O. Clement, *Federal Grant Programs in New England*, Federal Reserve Bank of Boston Research Report No. 15, 1961.

†Sales, gross receipts and license taxes accounted for 72 percent of state tax collections in the fiscal year 1961. The individual income tax accounted for 12 percent, the corporation income tax 7 percent, and all other taxes 9 percent of the total.

nanced through regular budget accounts, and half of public assistance grants are for old age assistance.

As noted above, highway grants are related to state needs as measured by area, population and road mileage. Grants for the interstate system are based on approved mileage and take account of the need for simultaneous completion of the system in all states. On the tax side, highway aid is financed by specified taxes on highway users, chiefly the 4¢ per gallon tax on gasoline. While state differences in needs are taken into account, differences in fiscal capacities are not taken into account except indirectly insofar as they are correlated with gasoline consumption.

Under public assistance programs each state determines its own eligibility requirements and standards of need subject to certain federal conditions. However, the Federal Government contributes a larger share of assistance payments where average state-local payments are small than where they are large. In 1958 for the first time the federal share of assistance payments was made to depend in part on the size of state per capita income in relation to the national average (within specified limits).

The formula for hospital construction grants used in the Hill-Burton Act is perhaps the best example of an equalization provision under which low-income states receive more federal dollars in relation to their population than high-income states and are also required to spend proportionately less for matching purposes. Needs are measured on the basis both of population and per capita personal income. Moreover, there is a sliding scale of matching requirements whereby the highest income states put up two dollars for every one dollar of federal aid received, while low-income states put up as little as one dollar for every two dollars of aid.

Similar provisions taking account of relative needs and fiscal capacities among the states are applied under the national school lunch program, the special school milk program, aids for vocational rehabilitation, waste treatment works and rural libraries. Such a provision has been included in proposed programs for aid for school construction and teachers' salaries.

Grants on the basis of state-wide indexes do not necessarily mean equitable treatment among localities. That depends on development of suitable methods of intrastate allocation of funds. In some cases federal law specifies the basis on which intrastate allocations are to be made.

Redistribution by State and Region

The extent of redistribution by state involved in federal grant-in-aid programs can be estimated by comparing the distribution of the federal tax burden by state with the distribution of grants-in-aid by state.

Actual grant payments (apportionments in the case of highway aid) to the state are taken as a good measure of the distribution of the benefits of these programs. However, the distribution of the *burden* of federal taxes by state must be estimated because official tax collection data reflect the place of payment or collection of taxes, not the location of persons who actually bear the tax burden. Thus over 90 percent of tobacco taxes are collected in Kentucky, Virginia and North Carolina, but the burden is borne by consumers in every state. Corporation income taxes generally reflect the location of head offices of firms, not the location of stockholders or customers. Consequently, the distribution of the tax burden by state must be estimated by allocating tax receipts on the basis of various economic series deemed to reflect the state distribution of the tax burden. The allocation used here is a Tax Foundation formula.

For purposes of comparison it can be assumed that in the aggregate for every dollar of federal aid one dollar must be raised in taxes. For grants-in-aid financed out of general fund taxes, the distribution by state of the tax burden required for grants-in-aid is the same as that for total general fund taxes. Highway aid can be compared with the burden of highway user taxes by state (those earmarked for the trust fund).

FEDERAL GRANTS-IN-AID COMPARED WITH TAX BURDEN
Fiscal Year 1961

| | Budget Accounts | | Budget Accounts Plus Highway Aid (Trust Fund) | | |
| | $ Millions | | $ Millions | | |
	Grants-in-Aid	Tax Burden for Grants*	Total Grants** in-Aid	Tax Burden for Grants	Tax Burden Per Dollar of Aid Received
TOTAL	3,931	3,931	6,571	6,571	$1.00
NEW ENGLAND	224	283	382	422	1.11
Maine	24	17	39	33	.83
New Hampshire	12	13	26	22	.85
Vermont	10	7	30	13	.43
Massachusetts	115	139	180	201	1.12
Rhode Island	19	20	32	31	.97
Connecticut	44	87	73	122	1.66
MIDEAST	624	1,097	1,035	1,564	1.51
GREAT LAKES	562	845	1,050	1,370	1.30
PLAINS	369	280	623	535	.86
SOUTHEAST	1,067	537	1,660	1,097	.66
SOUTHWEST	409	243	638	507	.79
ROCKY MOUNTAIN	131	82	263	163	.62
FAR WEST	546	564	920	914	.99

*Total grants as shown in the first column distributed by state on the basis of a Tax Foundation allocation of the burden of federal taxes (excluding trust fund taxes) by state. Table excludes shared revenues, loans and repayable advances, grants to territories, and grants for administration of unemployment compensation and employment services.

**Total highway aid distributed by state on the basis of a Bureau of Public Roads allocation of highway tax burdens.

Source: Grants-in-Aid — Treasury Department and Bureau of Public Roads; tax burden estimates — Tax Foundation.

A comparison of the tax burden required for grants-in-aid with actual payments by state indicates which states on balance are the net gainers and which are the net losers from interstate redistribution. This is shown in the accompanying map, and table on page 3.

Interstate redistribution has a distinct regional pattern: in general the northeastern states and those bordering the Great Lakes contribute a larger share of taxes than they receive in grants. On the other hand, the central, southern and mountain states are those receiving a larger share of grants than they contribute in the tax burden. California, Texas and Florida are the exceptions in the South and West, while Vermont, New Hampshire, Rhode Island and Maine are the exceptions in the Northeast.

The comparison in the table can also be used to estimate what proportion of grant-in-aid funds return to the same states which bore the burden of the required taxes. Such a calculation indicates that for budgetary grant-in-aid programs interstate redistribution amounts to about one-quarter of the total funds involved. The remaining three-quarters is the proportion of these funds making the "round trip" back to the same states to which a corresponding amount of revenues is attributable.

INCOME RANK AND TAX BURDEN FOR AID

Ten States With Lowest Per Capita Personal Income in 1960	Tax Burden Per Dollar of Aid Received** Fiscal Year 1961
West Virginia	.45
Louisiana	.34
Georgia	.43
North Carolina	.57
Tennessee	.49
Kentucky	.46
Alabama	.35
South Carolina	.55
Arkansas	.27
Mississippi	.24
Ten States With Highest Per Capita Personal Income in 1960*	**Tax Burden Per Dollar of Aid Received** Fiscal Year 1961**
Delaware	2.49
Connecticut	2.01
Nevada	.89
New York	2.13
California	1.18
New Jersey	2.40
Illinois	1.62
Massachusetts	1.21
Maryland	1.43
Ohio	1.46

* Excludes District of Columbia and Alaska.
** Excludes highway aid program.

Highway aid (trust fund program) involves less redistribution, although the interregional redistribution involved runs for the most part in the same directions as for other grant-in-aid programs. Only about 12 percent of highway aid funds represents interstate redistribution.

It is evident that the wealthier states in general contribute more in taxes than they get back in grants, while the poorest states get back considerably more in grants than they contribute in taxes for these programs (see table below).

Historically, the extent of redistribution by state in programs other than highway aid has increased. However, the size and relative importance of the highway aid program over the last three years has reduced the extent of interstate redistribution for total grant-in-aid programs.

Significance of Interstate Redistribution

The allocation of the burden of taxation and the benefits of expenditure programs to particular geographical areas involves awkward statistical and conceptual problems. The benefits of highway construction, for example, are broadly diffused and a state allocation of benefits is necessarily somewhat artificial. Some would object to any specific allocation of benefits on grounds that with the mobility of our population, health, education and other aids may provide substantial indirect benefits to states other than the one receiving the funds.

Nevertheless, allocations of burdens and benefits by area (as well as by income class) continue to be of wide interest. Interstate redistribution reflects attempts to take account of differences in state fiscal needs and capacities and there is evidence that greater weight should be given in many programs to these differences. The problem of equitable treatment of different states in grant-in-aid programs remains even though equalization of fiscal needs and resources may not be a major policy objective.

Redistribution by state reflects only one aspect of these programs. For some programs redistribution *within* states is much more important than redistribution among states. Public assistance programs are designed to redistribute income from the "haves" to the "have-nots." Urban renewal and public housing projects serve to redistribute income from suburbs with high fiscal capacity to core cities with low fiscal capacity. In these cases financing through the federal tax system provides a more effective redistribution than financing at the state and local levels.

Finally, these programs cannot be evaluated by a consideration of redistributive effects alone. Their incentive effects, their impact on state-local finances, and their general objectives must also be considered.

Income Up in 1961

Despite the 1960-1961 business recession, New England's personal income rose 5 percent last year to a new high of $27.3 billion. Most of this increase resulted from higher wage payments in manufacturing, particularly in Connecticut and Massachusetts machinery industries, as the region recovered rapidly from the business low in early 1961.

The region's advance in personal income was 1 percentage point above the national rate and 2 points or more above the other regions, the Mideast and Great Lakes, where manufacturing activity is concentrated.

Because income increased faster than population, New England's per person income rose 3 percent last year, as compared to 2 percent for the Nation. This placed the region's per capita income 12 percent or $277 per person above the national average in 1961.

These personal income estimates were released by the U. S. Department of Commerce in its April 1962 issue of *Survey of Current Business*.

In 1960, when the business downturn began, New England matched the national increase of 5 percent in personal income over 1959. Then last year the region spurted ahead of the Nation. This is considerably different from the behavior of New England's income in the three previous postwar business recessions.* This is the first time in which regional income registered a better performance than income nationally over a business downturn. Moreover, in previous recessions it has been manufacturing income which has created downward pressures upon New England's total personal income.

New England's share of United States' personal income fell by 0.1 percent from 1954 to 1959; but the region's strong personal income growth over the past two years has enabled it to recover the position held in 1954 of 6.58 percent of the Nation's total.

Data on employment and earnings of the U. S. Department of Labor, Bureau of Labor Statistics, support the income picture reported by the U. S. Department of Commerce. New England's manufacturing employment declined by a smaller percentage, 1.9 percent, than that of the Nation, 2.5 percent, between 1960 and 1961. Moreover, the growth in average weekly earnings per New England manufacturing production worker over this period was almost twice the national average. Thus, a smaller decline in employment,

*For a discussion of regional experience in previous recessions see, "Trends in Personal Income," *New England Business Review*, October 1959.

INCOME IN NEW ENGLAND

	Personal Income			Per Capita Personal Income		
	$ millions		Percent Change 1960-61	1960	1961	Percent Change 1960-61
	1960	1961				
New England....	$26,061	$27,258	5%	$2,471	$2,542	3%
Massachusetts	13,016	13,680	5	2,519	2,614	4
Connecticut	7,295	7,648	5	2,863	2,926	2
Rhode Island	1,909	1,991	4	2,228	2,296	3
New Hampshire ..	1,263	1,316	4	2,074	2,119	2
Vermont	727	747	3	1,859	1,891	2
Maine	1,851	1,876	1	1,900	1,891	0

Source: U. S. Department of Commerce.

coupled with a greater increase in earnings, resulted in New England's manufacturing income outpacing the growth nationwide.

New England's income growth received strong support from various manufacturing industries within the different states. In Massachusetts, for instance, the state's largest manufacturing industry, electrical machinery, contributed substantially to total personal income growth. This industry showed virtual stability in employment and weekly hours worked in both Massachusetts and the Nation between 1960 and 1961. However, average weekly earnings in this industry increased in Massachusetts by a considerable margin over the growth nationally. They rose by more than 6 percent in Massachusetts, as compared to 4 percent for the Nation.

Connecticut's gain in personal income last year was due in large part to the strong performance of its fabricated metals, nonelectrical machinery, and transportation equipment industries. Employment in Connecticut's nonelectrical machinery industry remained unchanged between 1960 and 1961, whereas in the Nation employment was down 5 percent in this industry. Moreover, average weekly earnings in this industry were up 2 percent in Connecticut last year.

The difference in composition of the transportation equipment industry in Connecticut as compared to that in the Great Lakes region explains much of New England's better income performance. Income in the transportation equipment industry declined nationally last year as employment fell by 6 percent due to a reduction in automobile production.

Connecticut's transportation equipment industry is largely centered in aircraft production, which showed a substantial rise last year. Income in this industry rose in Connecticut last year as employment advanced by 4 percent and average weekly earnings increased 3 percent.

Financing Farm Purchases

The price of the typical New England dairy farm has multiplied more than 4 times in the past 20 years. During the same time the number of these farms has been cut in half. This tendency toward concentration in larger farms, which is typical of agriculture in general, intensifies the financing problems of the beginning farmer.

The United States Department of Agriculture estimates that production assets in agriculture amounted to $22,100 per farmworker in 1960. On a basis as nearly comparable as possible, estimates based on the 1959 Census of Agriculture show a $27,500 average investment per worker on New England commercial dairy farms. Purchase of an efficient, family-operated dairy farm can easily cost $40,000 and more.

Unlike many types of businesses, greater incorporation has not accompanied the increased scale of operations in farming. Farming is still very much an individual enterprise, dependent for its success principally on a single person. The risks are high and the profits often low. These factors emphasize the problems of acquiring sufficient capital to enter this business.

To help understand the financing problems of the beginning farmer, a survey was conducted to determine how transfers of Vermont dairy farms have been effected over a 20-year period.

During the past two decades mechanization on the Vermont dairy farm has advanced rapidly, and the average farm size has increased. The total number of milk cows in the state has declined, but the average farm has 50 percent more cows, and milk production per farm has increased 130 percent, reflecting the greater production per cow. Nevertheless, receipts per dollar of reported investment have shown no significant increase over the period.

Although a large part of the increase in Vermont's dairy farm capital represents inflated property values, some has come from reinvested farm income and some is in the form of debt. Vermont's recorded farm real estate debt increased from $27.8 million in 1940 to $47.2 million in 1961, about a 70 percent increase. When recorded nonreal estate debt is included, the total debt increase amounted to 131 percent during this time.

To gain some information about this debt and about other financing transactions, all dairy farms in 11 towns scattered over the state were surveyed. The areas chosen were those considered most likely to continue in the dairy business over the foreseeable future.

A total of 662 farmers of a possible 697 were interviewed, and 625 questionnaires were completed. If a farmer had purchased his farm in the periods 1937-39, 1947-49, or 1954-58, he was requested to answer additional questions regarding method of purchase, size of operation at time of purchase, method of financing, and source of cash payment. This information was obtained in 101 questionnaires.

These three periods were selected because they included a sufficient number of farm transfers which appear to be representative of normal purchases and sales. The 1930's were excluded, for instance, because of the large number of distress sales at that time. The war years were excluded because the number of farm transfers was small.

Most farmers in New England have title to their farms. Tenancy, as measured by the 1959 Census of Agriculture, is a minor factor throughout the New England States, with a somewhat higher rate in southern New England than in the northern states. The proportion in Vermont is 3.6 percent of all farms. About 93 percent of all farm operators in the farm transfer study sample either had title to their farms or were in process of obtaining it. Three percent were renting, while the remaining four percent were in estates or being operated without formal agreement.

How does the typical beginning farmer arrange for financing? Family assistance is a very important factor. Half of all farmers surveyed received some family aid. This assistance ranged all the way from inheritance to borrowing the money from a family member at competitive interest rates. Farmers receiving family assistance were able to start farming on larger farms and with smaller downpayments. However, there is no indication that they made faster progress in terms of income or net worth accumulation.

Financial institutions also play a role. Credit agencies base amounts they are willing to lend on farm appraisals. In recent years in New England this has amounted to a little more than one-half of the purchase price of a dairy farm. For example, the study showed that a 50-cow Vermont farm might be priced at $60,000 but that a bank would probably loan only $31,000, or 52 percent, of the market value. The prospective purchaser would have to raise $29,000, or 48 percent, of the purchase price from other sources.

Forty-one of the 83 farmers who purchased their farms during the years selected for detailed study borrowed 100 percent of the purchase price of the real estate.

However, many of these men had other assets such as cows or machinery and equipment necessary for farm operation. By including these assets as security, they were able to borrow amounts up to the full price of the real estate. Others borrowed, either completely or in part, from individuals who were willing to accept a much smaller downpayment than is possible for institutional lenders. Actually, only 17 percent had less than 20 percent total equity and 42 percent had less than 50 percent equity. Thus, most purchasers had considerably greater investment of their own assets in the farm business than the downpayment information indicates.

Of the 37 farmers who made downpayments, sale of another farm was a source for 14, savings from farmwork as laborer or manager was a source for 11. Many required more than one source and 20 listed various additional sources. Those operators needed nearly 13 years to accumulate an average downpayment of $6,970.

A comparison of financial progress of the group of farmers who acquired their farms in 1937-39 with those who acquired them in 1947-49 and in 1954-58 reveals financial progress by all groups. As would be expected, the greatest actual and percentage gain has been achieved by those who have owned their farms longest.

In constant dollar terms, the assets with which these farmers embarked on their farming operations were 64 percent greater for the 1947-49 group and 123 percent more for the 1954-58 purchasers than for those who bought farms in 1937-39. Real estate debt was about 65 percent greater for the 1947-49 group and for the 1954-58 group than for the 1937-39 purchasers.

Rising real estate values figure significantly in the above comparisons. In contrast to the usual business method of measuring real estate value according to investment, the commonly accepted method of valuing farm real estate in studies such as this is based on the owner's estimate of current value. This is the method used in the Vermont study. As a result, a part of the increase contained in the figures above probably does not represent reinvested farm earnings, but rather an increase in the general level of farm real estate values.

Farmers with less than 30 cows in their herds started operations with uniformly higher equity ratios in each of the three purchase periods than did those with larger herds. Both of the size groups made progress, but the larger-sized operations gained faster. These farmers who purchased in 1937-39, for instance, started with just

32 percent equity, but by 1959 owned 88 percent of their assets. Farmers who purchased during the same years but had smaller herds had 79 percent equity in the year of purchase and 94 percent in 1959.

Farmers included in the Vermont survey were, of course, those who had been successful in obtaining in some manner the financing necessary to start their farm operations. No measurement was attempted to determine how many potential farmers could not obtain control of enough assets to make the start or to remain in the business after making the initial move. Thus, it is perhaps not surprising to find little dissatisfaction with credit availability and terms.

Nearly half of the respondents in both the large sample and the more restricted sample felt that credit agencies were "doing a good job." Nearly one-fourth expressed no opinion. About 10 percent thought present lending practices were too lenient, and 20 percent said these same practices were too conservative. A substantial majority thought that both short- and intermediate-term credit was generally available.
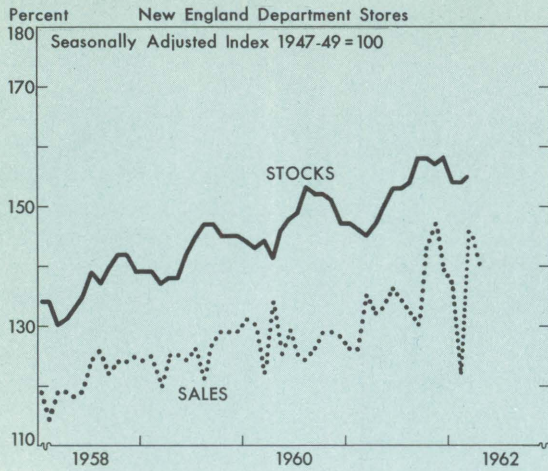
A much smaller number said that the proper amount of credit was available for more risky ventures. About one-third of the farmers had no opinion on credit availability for more risky ventures, while 27 percent of the 625 farmers thought too much such credit was available, and 22 percent said risk credit was too limited. The remainder held the opinion that a sufficient amount of risk capital was available.

A majority of the farmers interviewed recommended that a young man should borrow no more than one-half to two-thirds of a farm purchase price. Very few indicated that 100 percent loans were safe from the borrower's standpoint even though their own borrowings may have reached this proportion.
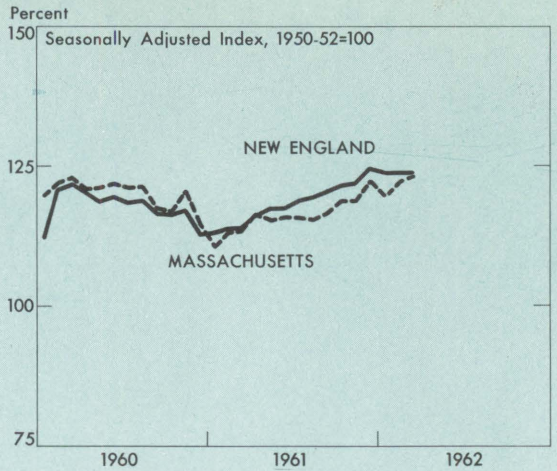
No strong trends toward a change in farm ownership patterns were uncovered in the survey. Corporate ownership, partnerships, and purchase by low-equity land contracts are still rather insignificant methods of transferring farm ownership from one generation to the next. A sufficiently large number of farmers have been able to purchase farms over the past 20 years so that tenancy decreased from 9.9 percent in 1939 to 3.6 percent in 1959.

The study emphasizes the importance of individuals as suppliers of risk capital. Individuals in Vermont, as elsewhere, supply about 50 percent of all farm transfer capital and much of this is in amounts or under terms not acceptable to established financing institutions. Nevertheless, the pressures of high capital requirements in Vermont dairy farming have not yet produced significant changes in farm transfer methods.

SALES AND STOCKS

Percent   New England Department Stores

Seasonally Adjusted Index 1947-49 = 100

MANUFACTURING

Percent

Seasonally Adjusted Index, 1950-52=100

MANUFACTURING INDEXES	MASSACHUSETTS (1950–52 = 100)			NEW ENGLAND (1950–52 = 100)			UNITED STATES (1957 = 100)		
(seasonally adjusted)	Apr. '62	Mar. '62	Apr. '61	Apr. '62	Mar. '62	Apr. '61	Apr. '62	Mar. '62	Apr. '61
All Manufacturing	122	123	116	127	124	116	117	116	105
Primary Metals	113	112	100	126	122	95	101	105	82r
Textiles	43	43	45	66	65	64	n.a.	121	106
Shoes and Leather	115	116	130	129	121	126	n.a.	n.a.	100
Paper	113	112	107	126	126	120	n.a.	124	117

	NEW ENGLAND Percent Change from:			UNITED STATES Percent Change from:		
	Apr. '62	Mar. '62	Apr. '61	Apr. '62	Mar. '62	Apr. '61
BANKING AND CREDIT						
Commercial and Industrial Loans ($ millions) (Weekly Reporting Member Banks)	1,541	+ 1	+ 6	32,950	+ 1	+ 4
Deposits ($ millions) (Weekly Reporting Member Banks)	4,849	+ 1	+ 6	122,859	+ 1	+ 9
Check Payments ($ millions) (Selected Cities)	10,413	− 4	+14	281,700	− 4	+22
Consumer Installment Credit Outstanding (index, seas. adj. 1957 = 100)	120.7	+ 1	+ 2	130.1	+ 1	+ 5
TRADE						
Department Store Sales (index, seas. adj. 1947–49 = 100)	140	− 3	+ 6	155e	− 1	+ 5
Department Store Stocks (index, seas. adj. 1947–49 = 100)	154	− 1	+ 5	172	− 1	+ 7
EMPLOYMENT, PRICES, MAN-HOURS & EARNINGS						
Nonagricultural Employment (thousands)	3,730	+ 1	+ 2	54,699	+ 1	+ 3
Insured Unemployment (thousands) (excl. R. R. and temporary programs)	143	−13	−32	1,869	−18	−35
Consumer Prices (index, 1957-59 = 100)	106.3 (Mass.)	0	+ 2	105.2	0	+ 1
Production-Worker Man-Hours (index, 1950 = 100)	86.8	− 1	+ 5	98.3	+ 1	+ 8
Weekly Earnings in Manufacturing ($)	88.98 (Mass.)	− 1	+ 6	96.56	+ 1	+ 6
OTHER INDICATORS						
Construction Contract Awards ($ thous.) (3-mos. moving averages Feb., March, April)						
Total	195,798	+ 9	+57	3,531,586	+13	+22
Residential	55,881	+31	− 4	1,519,937	+16	+24
Public Works	83,780	− 5	+359	665,345	+10	+21
Electrical Energy Production (index, seas. adj. 1957-59 = 100)	125	0	+ 7	130	− 1	+ 8
Business Failures (number)	58	−24	+12	1,504	+ 1	+ 4
New Business Incorporations (number)	1,015	+ 6	+14	15,653	− 9	+ 6

r = revised

n.a. = not available
e = estimate