

**Real Earnings of Employees in Recent Years.**—When the index number representing the average yearly wages is divided by the index number of the cost of living, on the same base, a measure of "real" wages is obtained. Index numbers for 1931 to 1944 are given in Table 27. In 1933, the height of the depression, real wages were 88.3 on the 1935-39 base. From then on they rose steadily except in 1938, and stood at 141.1 in 1944, an increase of about 60 p.c.

**27.—Average Yearly Earnings, and Index Numbers of Earnings, Cost of Living and Real Wages of Wage-Earners, in Manufacturing Industries, 1931-44**

NOTE.—Figures on the 1917 base, with qualifications as to comparability, for 1917 to 1930 are published at p. 421 of the 1939 Year Book.

Year	Wages Paid	Average Wage-Earners	Average Yearly Earnings	Index Numbers (1935-39=100)		
				Average Yearly Earnings	Cost of Living	Real Value of Average Yearly Earnings
	\$	No.	\$			
1931.....	415,277,895	437,149	950	101.9	109.1	93.4
1932.....	322,245,926	381,783	844	90.6	99.0	91.5
1933.....	296,929,878	382,022	777	83.4	94.4	88.3
1934.....	355,090,929	427,717	830	89.1	95.6	93.2
1935.....	399,012,697	458,734	870	93.3	96.2	97.0
1936.....	438,873,377	489,942	896	96.1	98.1	98.0
1937.....	525,743,562	544,624	965	103.5	101.2	102.3
1938.....	498,282,208	521,427	956	102.6	102.2	100.4
1939.....	519,971,819	533,342	975	104.6	101.5	103.1
1940.....	679,273,104	626,484	1,084	116.3	105.6	110.1
1941.....	978,525,782	802,234	1,220	130.9	111.7	117.2
1942.....	1,347,934,049	974,904	1,383	148.4	117.0	126.8
1943.....	1,598,434,879	1,047,873	1,525	163.6	118.4	139.0
1944.....	1,611,555,776	1,030,324	1,564	167.8	118.9	141.1

**Percentages of Salaries and Wages to Net Value of Products.**—Table 28 shows the relation between salaries and wages paid by manufacturers and the total net value of production. Figures of gross production are often used in such calculations, but the values out of which the wages of employees must come, in the long run, are the values added to the raw materials while they are in the factory. Such added values constitute the real production of the manufacturing plant and are alone available for payment of salaries and wages, interest, rent, taxes, repairs, and all other overhead charges that ordinarily must be met. The percentage declined steadily with the increasing manufacturing production from 1924 to 1929, while from 1931 to 1935 and again in 1938 and 1939, due to decreased industrial activity, the percentage of salaries to value added was above normal. It should be borne in mind, however, that salaried employees increased 174 p.c. during the period 1924-44 while wage-earners increased but 147 p.c. The percentage of wages has fluctuated much less than that of salaries. The number of wage-earning employees may be more rapidly adjusted to the activity of the industry and wage levels likewise may be more readily adjusted to the price levels of the products. Of the increase in the net value of production since 1939 amounting to \$2,484,724,109, \$1,291,810,217 or 52.0 p.c. was passed along in increased salaries and wages.