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130

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X CLOTHING CONSUMPTION TRENDS X

Address by Helen Humes Lamale, Prices and Cost of Living Division, Bureau of Labor Statistics, U. S. Department of Labor, at the 33rd Annual Agricultural Outlook Conference, Washington 25, D. C., Tuesday, November 29, 1955

The outlook for the clothing market, which we have just heard, is certainly a favorable one. Similar forecasts have been made in the recent past. Fortune Magazine's analysis of the Changing American Market in early 1954, summed up the prospects for apparel as a "broader and brighter market." Yet, we continue to hear industry reports of "hard times" and concern for the future. What accounts for these contradictions? What has been happening to the consumption of clothing in this country, and what can be expected in the near future? There are two important sources of answers to these questions, the Department of Commerce series on "Personal Consumption Expenditures" and the consumer surveys made from time to time by the Bureau of Labor Statistics and the Department of Agriculture.

Let us look first at what the national aggregates tell us about clothing consumption trends. Aggregate expenditures in 1954 for clothing, accessories, and jewelry, were $24\frac{1}{2}$ billion dollars, or about 6 percent higher than the average for the post-war years 1947-49, and only about 1 percent less than the peak level reached in 1952. These totals tell only part of the story, however. Much of the increase resulted from population growth and from increased prices. If we look at the indexes in table 1, we note that 1954 per capita clothing expenditures were about 4 percent less than the 1947-49 average, and when adjustment is made for the price changes, per capita expenditures in 1954 were 8 percent less than the 1947-49 average, and about 25 percent under the immediate post-war high. Even on this basis, 1954 expenditures were substantially above the pre-war levels.

This would indicate, what one is able to guess from general observation, that clothing consumption habits have changed appreciably in the past few years. No one will question the fact that there is, as Mr. Covins has pointed out, an ample supply of clothing which is "more durable, more comfortable, and more easily cared for", and that the level of employment and income is sufficient to support a high level of clothing consumption. Why, then, does the expenditure trend appear to be going down or, perhaps, leveling-off at less than peak volume? The answer lies in the changing pattern of consumer preferences with respect to clothing, and the relative importance which consumers place on clothing in the total budget; both of which reflect the changes in the manner of living which have occurred in the past decade.

NOTE: Opinions expressed in this paper are those of the author and do not necessarily represent the position of the Bureau of Labor Statistics or the U. S. Department of Labor.

The decline in total clothing expenditures in spite of increasing production and prices indicates that consumers are buying different kinds of clothing. The shift of preferences to informal, easily cared-for clothes was a natural outgrowth of our post-war way-of-life. Clothing manufacturers have referred to it as a "revolution". Many factors contributed to it—the growth of the suburbs, early marriages, the increase in size of families, the "do-it-yourself" trend for household chores; in general, a new informality of living at all income levels.

Clothing has held a dual position in the family budget—it is a necessity, and also an item of prestige or conspicuous consumption. In the early part of this century, with the strict adherence to formal customs and conventional dress, an increase in a family's economic position could most readily be advertised by an improvement in the way the family dressed. Thus a rising income could be expected to emphasize the prestige role of clothing expenditures. Signs of weakening in this role of clothing were evident before the war, when ownership of an automobile and modern household equipment competed with clothing as a mark of the family's economic well-being. In the pre-war years clothing expenditures were relatively sensitive to changes in income. In the post-war expenditure aggregates, they have been among the least sensitive. We might look for the reason by comparing changes in clothing expenditures in the post-war years with changes in the expenditures for competing items. It is evident that the spectacular increases in the purchase of automobiles, television sets, and furnishings and equipment for the new post-war homes have taken many of the dollars which might have gone to clothing under pre-war spending patterns. Expenditures for automobiles in 1954 were 70 percent above the 1947-49 level, radios, television receivers, records, and other musical instruments, 45 percent above, and furniture 23 percent above. Even when allowance is made for the price increase in these items, they all show considerably larger growth than expenditures for clothing.

As a result, expenditures for clothing have accounted for a continuously decreasing proportion of total spending since the peak in 1945, when the total clothing group accounted for 16 percent of total consumer expenditures, and expenditures for clothing and shoes, $12\frac{1}{2}$ percent. In 1954, 10.4 percent of total consumption expenditures were accounted for by the total clothing group, and 8.2 percent by clothing and footwear, alone. It should be recognized that the clothing expenditures during the war years accounted for an abnormally high proportion of total spending, and reflected the fact that during a period of high incomes and high employment many commodities, particularly durable goods, were not available. However, the current proportion of total spending allocated to clothing is below that generally prevailing in the pre-war years. Thus, if the health of the clothing market is to be judged by whether it is maintaining "its share" of total spending, or getting "its part" of increased income, there may be some cause for alarm. It is at this point that one must go beyond these aggregate figures to evaluate the determinants of the level of clothing expenditures at a particular time.

The consumer expenditure surveys which have been made from time to time since 1888 by the Federal Government provide the means for determining what factors influence family expenditures for clothing. The most recent study covering all U. S. families, farm and nonfarm, is the 1941 Study of Spending and Savings in Wartime, but many studies of more limited coverage have been made in the post-war years.

The Department of Agriculture's 1948-1949 study of clothing expenditures by city and farm families in the Minneapolis, Minnesota area provided valuable information on the similarities and differences in clothing purchase habits of city and farm families of comparable income level and household composition. The Studies of Family Clothing Supplies showed that farm families purchase almost as much clothing as city families, if the comparison is made of families in the same part of the country, and similar in size, income, and occupation. Next year's study of farm family expenditures will shed more light on the subject.

The Bureau of Labor Statistics 1950 Survey of Consumer Expenditures in 91 cities, which is now being tabulated in detail will furnish much needed insight into the effects of various family characteristics, such as income, size, age, composition, on clothing expenditures, and comparison of this study with those of earlier years will give us a clue to the direction clothing expenditures may take in the future. Analyses of these studies with respect to expenditures for food and housing have revealed a marked stability in the relation of these expenditures to income over time. Deviations from these stable relationships can be explained by changes in the price level and, for food, by changes in family size. Similar analyses of clothing expenditures indicate that they are subject to more, and perhaps varying influences. The preliminary data, however, do show interesting and fairly stable relationships within total clothing expenditure and from place-to-place.

When the 1950 expenditures are classified by three broad regions (North, South, and West) and three types of cities (large cities, suburbs of large cities, and small cities), more similarities than differences are evident (see table 2). Among the regions and city types, the proportion of disposable income spent for clothing varied within the narrow range of 9.6 to 12.4 percent, even though average income varied from a low of \$3,071 to a high of \$4,690 and average family size from 2.8 to 3.3 persons. Except for the West, there was greater difference in the clothing spending pattern among city types within a region than between regions for the same type of city.

The importance of suburban living on the families clothing expenditures is evident from these averages. In spite of higher average incomes and larger average family size, suburban families spent a lower proportion of their income for clothing than did families in either large or small cities. It is of interest to note that the proportion of home-owning families in suburban areas was from 63 to 65 percent, as compared with 51 to 56 percent in small cities and 39 to 50 percent in large cities. Tabulations which would illustrate the relative level of clothing expenditures for

home owning and renting families are not yet available. However, it appears reasonable to believe that the greatly increased acquisition of homes and the long-term commitments in connection with their purchase and furnishing have had an important effect on the relative importance which a family gives to its clothing.

The general similarity in the way families distribute clothing expenditures among family members is also evident from these tabulations. The proportion of total clothing expenditures allocated to women and girls ranged from 45.0 percent in small cities in the West to 52.6 percent in small cities in the North. Clothing expenditures for men and boys accounted for 34.2 to 40.3 percent of the total clothing expense. Expenditures for clothing for infants were 1.3 to 1.8 percent of the total. This includes only the expenditures of families for infants in the families, and does not include expenditures for gifts of clothing to infants outside the family, or the value of gifts received by infants in the family. Thus, the low level of expenditures reflects both the relatively small proportion of families with infants under 2 years, and also the importance of such clothing as gifts.

The slightly smaller relative importance of expenditures for clothing for women and girls in the suburbs probably reflects what has been observed in earlier surveys—that, although on the average, women do spend more than men for clothing, mothers of small children spend less than their husbands, provided they are not employed outside the home.

Expenditures for clothing services, which varied from 11.7 to 16.1 percent of total clothing expenditures were highest in the South and lowest in the North in all three types of cities. There is considerable speculation on how the cleaning business has been affected by the increased washability of the new synthetic fibers which are being used for garments formerly made of fabrics requiring dry cleaning. Some evaluation of this may be possible from a comparison of the pre- and post-war survey data when they are available in more detail. However, since much of the increased use of these fibers for menswear has occurred since 1950, the available expenditure survey data are already out-of-date for this purpose.

The broad class averages shown in table 2 conceal some differences which are revealed by the extensive tabulations of the data by cross-classifications of families by characteristics which affect clothing expenditures. Average expenditures of families of different sizes within these regions and classes of cities show, for example, that single consumers in large cities in all three regions spent substantially more than single consumers in small cities. That this is probably a difference associated with city size and not merely the reflection of the lower income level of single consumers in small cities is confirmed by a comparison of the average expenditures of consumers with income under \$2,000 in the large and small city groups. For such consumers also, large city clothing expenditures exceed those in small cities.

It is the analysis of the survey data classified by income and family composition, including the age of family members, which is most helpful in appraising the outlook for clothing consumption. When what we know from these surveys about the spending patterns of families at different income levels and family composition is related to what we know about the age and income level of the population in the immediate future, the forces back of the aggregate data are more understandable and forecasts made with more assurance.

The family surveys have shown that generally in families of the same size and income level, young men and women spend more than older persons for clothing. The 1950 expenditures for women's and girls' clothing by two-person families with incomes of \$3,000 to \$4,000 in large cities in each of the three regions illustrate this. They were as follows:

	Average expenditure per family for women's and girls' clothing by age of family head		
	Under 25 years	25 to 35 years	65 to 75 years
Large Cities - North	\$193	\$203	\$130
South	215	190	175
West	189	141	94

When sample surveys are tabulated in such fine classifications as this, the sampling errors of the averages are large and so the absolute differences in these average expenditures must be used cautiously. The importance of quoting them for the present discussion is to point out the importance the age distribution will have on aggregate spending for clothing in the next few years.

The proportion of the population over 65 years old has been increasing in the past few years and is expected to continue to increase. This will probably exert a dampening influence on the trend of clothing consumption. However, the rapidly growing-up war babies are causing large increases in the older children and teenage groups where clothing expenditures are relatively high. The high proportion of children under 5 years during the late 1940's and early 1950's tended to hold per capita expenditures for children's clothing at a lower level than can be expected for some years to come.

Prewar family surveys have shown that although the average expenditures increase with income and family size, the proportion of clothing expenditures to income is rather stable over a broad middle-income range and tend to decrease at very high income levels. Similar relationships appear in the 1950 data. Average clothing expenditures per family

(including clothing services) were about 11 or 12 percent of disposable family income in each of the three \$1,000-income groups between \$3,000 and \$6,000. This is about the proportion reported by city families in 1941, but below that reported in the cities surveyed in 1945 through 1949.

When the expenditure trends shown by the national aggregate data are examined in light of the spending patterns exhibited by the family surveys, there is reason to be optimistic about the future demand for clothing. On any basis, total or per capita, clothing consumption is at a high level compared with pre-war years. Although families are spending a smaller part of their incomes for clothing than in the war and immediate post-war years, and these expenditures appear to be subject to a greater variety of competition, the population growth and changes in the age and income distribution of families should give rise to higher expenditures.

Table 1

INDEXES OF EXPENDITURES FOR CLOTHING, ACCESSORIES, AND JEWELRY
(1947-49 = 100)

Years	Index of Aggregate Expenditures	Index of Per Capita Expenditures in current dollars	Index of Per Capita Expenditures in 1947-49 dollars
1929.....	48.3	58.0	96.4
1930.....	41.9	49.8	84.5
1931.....	35.5	41.6	77.5
1932.....	26.1	30.3	63.7
1933.....	23.5	27.1	59.2
1934.....	28.3	32.8	65.5
1935.....	30.3	34.7	68.7
1936.....	33.1	37.8	74.4
1937.....	34.9	39.7	73.7
1938.....	34.5	39.1	73.1
1939.....	36.3	40.3	76.9
1940.....	38.2	42.2	79.4
1941.....	45.4	49.8	89.5
1942.....	56.5	61.8	95.2
1943.....	69.2	75.0	110.9
1944.....	75.6	83.2	114.7
1945.....	85.1	93.9	122.9
1946.....	95.9	100.2	119.7
1947.....	99.1	100.8	104.0
1948.....	103.1	102.7	98.9
1949.....	97.9	96.4	97.1
1950.....	98.0	94.5	96.4
1951.....	104.6	99.6	93.3
1952.....	107.1	100.2	94.5
1953.....	106.3	98.3	93.9
1954.....	105.9	95.8	92.0

Source: Derived from Personal Consumption Expenditures Series, Office of Business Economics, and Population Estimates, Bureau of the Census, U. S. Department of Commerce.
By Division of Prices and Cost of Living, Bureau of Labor Statistics, U. S. Department of Labor.

Table 2

SURVEY OF CONSUMER EXPENDITURES IN 1950
 FAMILY CLOTHING EXPENDITURES: BY CLOTHING GROUPS IN
 THREE CITY CLASSES WITHIN REGIONS

City class and clothing group	Region					
	North		South		West	
	Average	Percent	Average	Percent	Average	Percent
Large cities						
Total clothing.....	\$457	100.0	\$412	100.0	\$423	100.0
Women's & Girls' clothing	228	49.9	200	48.5	204	48.2
Men's & Boys' clothing...	161	35.2	141	34.2	151	35.7
Children under 2 years...	7	1.5	7	1.7	6	1.4
Clothing Services.....	61	13.3	64	15.5	62	14.7
Total clothing expenditure as a percent of disposable income.....	11.5		11.7		10.9	
Average disposable income..	\$3,958		\$3,514		\$3,887	
Average family size <u>1</u> /.....	3.0		3.0		2.8	
Suburbs						
Total clothing.....	\$452	100.0	\$435	100.0	\$414	100.0
Women's & Girls' clothing	207	45.8	201	46.2	190	45.9
Men's & Boys' clothing...	182	40.3	156	35.9	155	37.4
Children under 2 years...	8	1.8	8	1.8	7	1.7
Clothing Services.....	55	12.2	70	16.1	62	15.0
Total clothing expenditure as a percent of disposable income.....	9.6		10.5		10.2	
Average disposable income..	\$4,690		\$4,124		\$4,065	
Average family size <u>1</u> /.....	3.2		3.3		3.1	
Small cities						
Total clothing.....	\$411	100.0	\$381	100.0	\$422	100.0
Women's & Girls' clothing	216	52.6	182	47.8	190	45.0
Men's & Boys' clothing...	141	34.3	138	36.2	169	40.0
Children under 2 years...	6	1.5	5	1.3	6	1.4
Clothing Services.....	48	11.7	56	14.7	57	13.5
Total clothing expenditure as a percent of disposable income.....	11.2		10.8		10.8	
Average disposable income..	\$3,666		\$3,071		\$3,894	
Average family size <u>1</u> /.....	3.1		3.3		3.0	

1/ Includes 1-person families.

