

The World's Largest Open Access Agricultural & Applied Economics Digital Library

# This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search http://ageconsearch.umn.edu aesearch@umn.edu

Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

### **Historic, Archive Document**

Do not assume content reflects current scientific knowledge, policies, or practices.

1.90 (20u8 Cop.2

4

2335.89

UNITED STATES DEPARTMENT OF AGRICULTURE

#### PROGRAM

 $34 \pm$  Amnual National

AGRICULTURAL

U.S. DEPT. JE MACUUMINE MITIC 201 IG CENTING UMINE OCT 29 1975 CATALOGING - PREE

## C()NFERENCE

34th Annual national

fragron 1

November 26-29, 1956 Washington 25, D. C.

Agricultural Marketing Service Agricultural Research Service Commodity Stablization Service Foreign Agricultural Service Forest Service and Federal Extension Service Cooperating

AEP-240 (11-56)

November 26-29, 1956

MONDAY (November 26) MORNING

(Thomas Jefferson Auditorium - South Building)

C. M. Ferguson, Administrator Federal Extension Service, Chairman

- 9:00 Registration
- 9:30 Opening of Conference

9:45 World Outlook

- 10:15 Discussion
- 10:30 Intermission
- 10:45 Problems of Economic Policy
- 11:15 Discussion
- 11:30 General Economic Cutlook for 1957
- 12:00 Discussion
- 12:30 Lunch

MONDAY (November 26) AFTERNOON

(Thomas Jefferson Auditorium - South Building)

Bushrod W. Allin, Chairman of Outlook and Situation Board, AMS, Chairman

- 2:00 Cutlook for Agricultural Exports and Foreign Demand
- Clayton E. Whipple Deputy Administrator, FAS

Gertrude S. Weiss, Chief Household Economics Research

- 2:40 Discussion
- 2:55 Family Living Outlook
- 3:25 Discussion
- 3:40 Intermission
- 3:50 Agricultural Outlook for 1957
- 4:20 Discussion
- 5:00 Adjournment

AEP-240 (11-56)

C. M. Ferguson, FES

Clarence B. Randall Special Consultant to the President

Herbert Stein Acting Director of Research Committee for Economic Development P.P. - addrew

Nathan M. Koffsky, Chief Farm Income Branch, AMS

Fred V. Waugh, Director Agricultural Economics Division, AMS

Branch, ARS

TUESDAY (November 27) MORNING

(Thomas Jefferson Auditorium - South Building)

Longer-Term Outlook

Cmer W. Herrmann, Deputy Administrator Marketing Research and Statistics, AMS, Chairman

James P. Cavin, Chief 9:15 Trends in Consumer Demand Statistical and Historical Research Branch, AMS Carl P. Heisig, Chief 9:45 Trends in Production, Costs, Production Economics Research and Technology Branch, ARS Kenneth E. Ogren, Head 10:15 Trends in Marketing Costs and Practices Marketing Information and Statistical Section, AMS 10:45 Discussion ✓ O. V. Wells, Administrator 11:00 Agriculture and Economic Growth Agricultural Marketing Service 11:30 Discussion ( Relsand ) 12:15 Lunch

#### TUESDAY (November 27) AFTERNCON

Commodity Outlook Sessions for Producers, Handlers, and Consumers

- 1:30 4:15\* Feed, Livestock and Meat Thomas Jefferson Auditorium J. B. Claar, FES, Chairman Outlook Statement: Harold F. Breimyer, AMS Malcolm Clough, AMS
- 4:20 5:20 Grass and Legume Seeds Room 331 W. Administration Building T. E. Hall, FES, Chairman William H. Youngman, FAS, Outlook Statement -
- 4:20 5:20 Forest Products Room 3106 South Building Issued as "The Demand N. M. Bryan, FS, Chairman Horace R. Josephson, FS, Outlook Statement Land Price Few Products' 4:20 - 5:20 Peaputs - Demonstration
- 4:20 5:20 Peanuts Room 3115 South Building W. E. Jones, CSS, Chairman George W. Kromer, AMS, Cutlook Statement
- 5:20 Adjournment
- 5:30 State Specialists Dinner 4th Wing Cafeteria South Building

<sup>\*</sup> Sessions formally end at this time but conference room will be free for those who wish to continue the discussion.

#### TUESDAY (November 27) AFTERNCON

(Freer Art Gallery Auditorium -Entrance on Independence Avenue)

#### Family Living Sessions

1:30 - 4:30 Outlook for Consumer Goods Starley M. Hunter, FES, Chairman

Durable Goods

Clothing and Textiles

L. Jay Atkinson Office of Business Economics Department of Commerce

Harry Kahan
Bureau of Labor Statistics
Department of Labor

✓ Harry Sherr Agricultural Economics Division, A™S

Mollie Orshansky Household Economics Research Branch, ARS

Food

Trends in Farm Family Food Practices

4:30 Adjournment

5:30 State Specialists Dinner - 4th Wing Cafeteria South Building

WEDNESDAY (November 20)	) MURINIG					
(Freer Art Gallery Audi	itorium)					
Family Living Sessions						
9:30 - 12:30 Consumer Credit Gertrude S. Weiss, ARS, Chairman	1					
Trends in Consumer Credit	Margaret L. Brew Household Economics Research Branch, ARS					
Who Uses Consumer Credit?	Emma G. Holmes Household Economics Research Branch, ARS					
The Cost of Installment Credit to the Consumer	Robert Johnson Assoc. Professor of Finance University of Buffalo					
O Panel: Impact of Consumer Creditor the Economy and the Fami						
	School of Business Administration can University					
	tor of Legal Aid Bureau of ict of Columbia					
	. Professor of Finance rsity of Buffalo					
0	Office of Business Economics Department of Commerce					
	ctor of Case Work Services, Family Child Services of Washington, D.C.					
WEDNESDAY (November 28) AFTERMOON						
(Freer Art Gallery Audi	itorium)					
Family Living Sessi	ions					
2:00 - 3:30 Economic Principles of Outlook Frances Scudder, FES, Chairman						
Implications of Outlook for Family Living	Starley M. Hunter Division of Home Economics Programs, FES					
Panel: Methods of Using Out	look					
Patricia Middleton Uni Mabel Spray Chi	orida State University iversity of Delaware io State University ate College of Washington					
4:00 - 6:00 Housing Supplies - National Hou						

WEDNESDAY (November 28) MORNING

Commodity Outlook Sessions for Producers, Handlers, and Consumers

- 9:15 11:00\* Dairy Thomas Jefferson Auditorium Max K. Hinds, FES, Chairman Herbert C. Kriesel, AMS, Outlook Statement
- 11:05 12:30\* Fats and Oils (Special Emphasis on Soybeans) Room 3106 Karl G. Shoemaker, FES, Chairman South Building George W. Kromer, ANS, Outlook Statement
- 11:05 12:30\* Fruits and Tree Nuts Room 218 Administration Building Lloyd H. Davis, FES, Chairman Ben H. Pubols, AMS, Outlook Statement
- 11:05 12:30\* Rice Room 5860 South Building J. A. Satterfield, CSS, Chairman Robert E. Post, AMS, Outlook Statement
- 12:30 Lunch

WEDNESDAY (November 28) AFTERNOON

#### Commodity Outlook Sessions for Producers, Handlers, and Consumers

- 2:00 3:30\* Poultry Thomas Jefferson Auditorium Homer S. Porteus, FES, Chairman VEdward Karpoff, AMS, Outlook Statement
- 3:35 5:15 Vegetables & Potatoes Room 218 Administration Building R. L. Childress, FES, Chairman Will M. Simmons, AMS, Outlook Statement
- 3:35 4:45 Sugar Room 4966 South Building • Lawrence Myers, CSS, Chairman \_\_\_\_ [not published]
- 5:15 Adjournment

<sup>\*</sup> Sessions formally end at this time but conference rcom will be free for those who wish to continue the discussion.

THURSDAY (November 29) MORNING

Commodity Outlook Sessions for Producers, Handlers, and Consumers

9:15 - 12:30\* A Resume of the Outlook for - Thomas Jefferson Auditorium Producers, and the Outlook for Consumers (By commodities and a discussion of the use of consumption data in consumer marketing programs) Sharon Q. Hoobler, FES, Chairman Cutlook Statement: Harold F. Breimyer, AMS Edward Karpoff, AMS Herbert C. Kriesel, AMS Vill M. Simmons, AMS Ben H. Pubols, AMS Malcolm Clough, AMS Frank Lowenstein, AMS Marguerite C. Burk, AMS

- 9:15 11:00\* Wheat Room 3106 South Building T. E. Hall, FES, Chairman \*Robert E. Post, AMS, Outlook Statement
- 9:15 11:00\* Tobacco Room 331 W. Administration Building S. E. Wrather, AMS, Chairman Arthur G. Conover, AMS, Outlook Statement
- 11:05 12:30\* Cotton Room 509 Administration Building E. P. Callahan, FES, Chairman Frank Lowenstein, AMS, Outlook Statement
- 12:30 Lunch

<sup>\*</sup> Sessions formally end at this time but conference room will be free for those who wish to continue the discussion.

THURSDAY (November 29) AFTERNCON

(Thomas Jefferson Auditorium - South Building)

Francis A. Kutish, Iowa State College, Chairman

1:45 - 2:00	A World Outlook Service	Dr. Henry C. Taylor 🗸
		Former Chief of BAE, USDA

2:00 - Panel: The General Economic Situation

John W. Evans, Deputy Director Office of Intelligence Research

1

Labor Department

Federal Reserve System

State Department

Aryness J. Wickens Deputy Commissioner Board of Labor Statistics

Agriculture Department O. V. Wells, Administrator, AMS

Sherman Johnson, Director Farm and Land Management Research, ARS

Deputy Administrator, FES

Woodlief Thomas Economic Advisor

P. V. Kepner

4:00 Outlook's Challenge

4:30 Adjournment

#### UNITED STATES DEPARTMENT OF AGRICULTURE Agricultural Research Service

#### FAMILY LIVING OUTLOOK

Talk by Gertrude S. Weiss, Chief, Household Economics Research Branch, Agricultural Research Service, U. S. Department of Agriculture, at the 34th Annual Outlook Conference, Washington 25, D. C., Monday, November 26, 1956

This is a broad topic and it is not possible to discuss all aspects of it. I propose to limit this paper, first, to the overall position of consumers for the country as a whole, and, second, to some of the available economic measures of the family living situation.

Families in this country have in recent years been raising their level of living at a fairly steady pace. Moreover, consumers also have changed their spending patterns in recent years by enough as to suggest a new order of consumer tastes and preferences. I intend to examine these trends, considering developments since 1948, for better understanding of the family living situation both now and in the near future.

First, we have had a steady increase in consumer income over the past 8 years, even on an after-income-tax and per capita basis. Only in 1949 was per capita disposable income appreciably below the year before. Second, over this period this measure of income has gone up more than have consumer prices. As a result, per capita disposable income, in constant dollars, was 15 percent above the 1948 level in 1955. In other words, consumers, as a whole, had 15 percent more income to spend or save, beyond what would have been needed to compensate for increases in consumer prices, or the 1955 average consumer had \$1.15 in dollars of equal value for every dollar the 1948 consumer had. And it looks now as jf 1956 would be another year with a higher level of disposable income than the preceding year, after taking account of price increases.

Of course, these overall averages give only a general picture of the improving position of consumers in the balance between income and price changes. In using them, we realize that while all are affected in much the same way by increases in consumer prices, income increases are not so evenly distributed. Undoubtedly, there will be in the year ahead, as in years past, families whose incomes do not increase as much as do the prices they pay for goods and services used in family living. To these families, conclusions based on the general position of consumers do not apply.

Price increases for consumer goods and services are a matter of current concern because of increases registered by the Consumer Price Index this summer and fall. After 4 years with almost no change in the measure of total living costs for urban families, the Consumer Price Index has shown a 2-percent increase for September over a year earlier. And this increase has taken place mostly since last spring. These years of comparative calm on living costs were really calm only by a cancelling out process. Some kinds of prices, for example, those shown in the Consumer Price Indexes for rent, medical care, and public transportation were up, while others, such as food, apparel, and housefurnishings were down. So the higher levels of the past few months in this measure of total living costs and the prospects for the months ahead are largely the result of a change in this balancing process.

These two charts show selected group indexes for two measures of changes in living costs. From the Consumer Price Index we have charted two of the subindexes that have increased markedly, and two that until recently have been drifting downward, taking account of the considerable seasonal movement that the chart shows for food. From the Index of Prices Paid by Farmers, autos and auto supplies and building materials, at the top of the chart, have increased more than the indexes for food and tobacco and housefurnishings at the bottom.

The food component of the Consumer Price Index actually went down from 1952 until the low point reached early last spring. The index was 3 percent less in February 1956 than 4 years earlier. But since February the food price index went up and then down somewhat, in September standing 1 percent above a year earlier. The index of apparel prices, too, although still below the level of September 1951 has increased by 2 percent during the past year, affected especially by sharp increases in prices of footwear. As a result, food and apparel prices are no longer compensating for price rises for housing, medical care and miscellaneous goods and services.

The course of retail food prices is important to the understanding of prospects for living costs in the near future. This is because of the large part of the family budget accounted for by food and because of declining food prices in recent years when other kinds of prices were increasing. If, as now seems likely, food and apparel prices go up in the year ahead, it is extremely unlikely that prices of other goods or services will decline enough to take over this stabilizing function. Of all the groups in which consumer prices are summarized in the Consumer Price Index, housefurnishings is the only one that was lower this September than last. Some were up substantially, medical care by 5 percent in a year, transportation by 3 percent, solid fuels and fuel oil by 4 percent, and footwear by 7 percent.

Higher prices for fruits, potatoes, and other vegetables last spring and summer started the retail food price index upward. These were due chiefly to drought and unseasonable frosts--happenings that we would not necessarily expect next year. Higher meat prices were another element in the rise--but these were increases from a low level, compared with recent years. Retail meat prices in March 1956 were at the lowest point since May 1947 and 22 percent below the highest recent level reached in August 1952. So that, while they have increased 9 percent since last spring, they are still low compared with what consumers have become accustomed to paying. In the Outlook Issue of the National Focd Situation, the Agricultural Marketing Service points out that food prices are now higher than in the fall of 1955 and are expected to continue above a year earlier in the first 4 to 5 months of 1957. This means that food will no longer be compensating for price increases of other goods and of services. However, if income continues to increase more than do consumer prices, we can continue to have, as we have in recent years, a rising level of living.

For an understanding of changes in consumer spending, on a national basis, we depend on the annual estimates of the Department of Commerce. These estimates have been put on a per capita basis, and expressed in 1955 dollars in the attached table. Total expenditures of consumers are up  $l_4$  percent since 1948 (per capita and in dollars of constant purchasing power). This means, then, roughly  $l_4$  percent better living, in terms of goods and services purchased, if we assume that increased purchases of goods and services provide better living, an assumption that seems to me reasonable. Again, we must remember that we are dealing with averages.

Furthermore, during the past 8 years, income has gone up more than have consumer expenditures, so that savings also were higher in 1955 than in 1948 (per capita and in 1955 dollars). And 1956 savings are reported to be running higher than for the comparable portion of 1955. In other words, increased purchases of consumer goods and services have not been at the expense of savings.

The increase in consumer spending has not been shared equally by all classes of goods and services. Automobiles--purchase and operation together--have been most favored, with food and housing in a fairly high position, and spending for clothing and for public transportation actually lower, in terms of dollars of constant purchasing power. Some shifts in consumer spending patterns would be expected with a rising income level, but the increases in expenditures for food and for user-operator transportation are greater than would be expected as a result of the income increase over the past few years. In short, consumers have been spending more on food and automobiles than needed to keep pace with rising prices, and even more beyond that than can be explained by their higher incomes. This indicates a new order of tastes and preferences, in which a higher value is put on food and automobiles and a lower value on clothing and public transportation.

This chart, which compares data from the joint ARS-AMS 1955 Survey of Household Food Consumption with data from a 1948 ARS survey, sums up the general situation for food expenditures. It shows average food expenditures of urban households for a week in each of the 2 years, 1948 and 1955. The average city family's food bill came to \$25.50 and \$32 for the week at the two dates. But, because I think it is what people have in mind when they refer to high food costs, we have shown the comparative importance of the different elements in the increase. The first is higher food prices. If the average urban family bought its 1948 market basket of food and food services at 1955 prices, it would have spent a little better than one-fourth of the \$6.50 increase.

The second segment shows that, because the average urban family was larger in 1955 than in 1948, it would need to spend more to maintain the same level of food expenditures per capita. Of course, the overall figures on food expenditures used by economists are frequently on a per capita basis and thus take account of the larger population. But when food expenditures are considered on a family basis, we often forget that the family itself has changed.

It has been said that children are now regarded as consumption goods, so that the increase in food expenditures assigned by this chart to the larger size of the family are not "costs" in the same sense that higher food prices are. But, whether you think of the top half of the circle as representing chiefly higher costs or as having also some element of higher levels of living, the bottcm portion of the circle is without doubt the increase assignable to a more expensive way of living. The larger share is accounted for by choice of more expensive types of foods. A smaller, but substantial share is represented by increased purchases of food eaten away from home.

This increase in food expenditures could not, of course, have taken place without an increase in income. However, the increase is considerably more than would have been expected on the basis of earlier relationships between food expenditures and income. In other words, consumers have increased their spending for food by more than would be needed to buy their earlier market basket of food at 1955 prices or to purchase the new market basket that our knowledge of previous income-consumption relationships explains.

We are now getting data from the 1955 Household Food Consumption Survey, some of which are summarized in the Chartbook. Comparisons with the data for city households obtained in our 1948 survey will tell us in detail of what this shift to more expensive kinds of food over this period consists. For a precise comparison a number of adjustments will need to be made to take account of differences between the two survey populations and differences in the way foods are classified in the tables. But the average figures available from the 1955 survey do at least show major changes and indicate that the more expensive diet of 1955 includes more meat, less potatoes, more frozen fruits and vegetables and less fruits and vegetables purchased in fresh, canned, or dried forms.

Despite increased consumption of frozen foods, it would be a mistake for us to conclude that the families in this country now live largely on frozen or precooked foods. The average urban household in this survey used 18.6 lb. of fresh fruits and vegetables (not counting potatoes) compared with 9.8 lb. of processed, a much smaller amount, even considering that the processed products contain little or no inedible material. Moreover, they spent nearly 50 percent more for fresh than processed fruits and vegetables. The "miscellaneous" group of foods, that included such items as TV dinners, frozen meat pies and the like, as well as old favorites such as canned soup, took only <sup>1</sup>/<sub>4</sub> cents of the urban household food dollar.

The next two charts, also from the 1955 Household Food Consumption Survey, give some additional summary data on food consumption and show differences among income groups. Continued increases in the real income of consumers would lead us to expect greatest consumption increase for focds especially prominent in high-income, as compared with low-income household consumption. The first chart shows an increase of from 12 to 16 quarts of milk and milk products (excluding butter) from the \$2,000-2,999 income bracket to the \$6,000-7,999 level. Fresh fruits and vegetables (not including potatoes) are consumed in larger quantities than are processed fruits and vegetables, but the income change is greater, proportionately, for the processed than the fresh. Looking at these consumption differences in more detail, as in the tables in the Chartbook and in the complete tabulations to be published later, will throw considerably more light on the subject of income differences in consumption of specific foods, or foods grouped in different ways. For example, within the groups of processed fruits and vegetables, frozen fruits show especially large consumption differences by income.

The next chart shows consumption of meat, poultry and fish as 13 15. in the low-income group and 16 lb. in the upper-income group. Consumption of bakery products shows an increase with income, and consumption of flour and cereals a decrease. In other words, higher-income households tend to buy more of their bread and bakery products and to use less of materials for home baking, cereals, and such foods as spaghetti and macaroni. Here again, analyses of the data in more detail will be useful. For example, we know from previous studies that some of the income differences as to consumption of flour and bakery products are not wholly income differences, because the South, with different food habits, makes up a larger share of the lower-income groups. Moreover, because low-income households average smaller, a correction for household size differences would change the relationships shown by the charts. Nevertheless, these two charts give a general picture of the additional consumption likely if consumers continue to have more money to spend for food.

Changes in farm family food practices have been even more marked. This chart shows a trend over a considerably longer period for farm families as to the relationship of purchased food to food produced on the home farm. The chart shows, since 1935, a steady increase in food expenditures. Expenditures for food away from home, though still small compared with city families, have increased markedly. The share supplied by home-produced food is down, although it is still substantial. (For this comparison this food has been valued at retail prices.)

The shift in consumer tastes and preferences to the automobile is even more marked than the changes in food consumption. It seems almost unnecessary to assemble evidence on the high rank of automobiles in consumer spending. As shown by the Department of Commerce reports on consumer expenditures, user-operated transportation increased by 56 percent from 1948 to 1955, compared with the 14-percent increase in consumer spending as a whole (in constant dollars). By 1956, 73 percent of the families in this country owned automobiles, compared with 54 percent in 1948. The level of family living has been considered up to this point in terms of changes in consumer spending, which show a steady gain over the recent past, after adjusting for price increases. There are other elements in the level of living in addition to the spending of a given year, and we need to consider whether the correction would be upward or downward from the 14-percent increase in consumer spending, if we could measure these other elements in such a way as to add them together.

The only reason for a downward adjustment seems to me the extent to which increased consumer expenditures represent no more than a transfer of activities from the household to the money economy. If we were considering trends over decades, rather than recent years, a considerable adjustment would probably be needed, to take account of transfer of much of the making of clothing and household textile furnishings, bread baking and food canning from the household to the money economy. But over the period that we are considering today the shift has probably been slight. This is especially significant, considering that the number of married women in the labor market has increased by 1.9 million since 1950.

Widespread ownership of household equipment has been one factor in arresting the trend toward commercial substitutes for domestic labor. In fact, payments for laundering done outside the home are one of the few declining items of consumer spending. Per capita average expenditures in 1955 dollars 1/ are as follows:

1948	\$7.2	1952	\$6.1
1949	6.8	1953	6.1
1950	6.6	1954	5.9
1951	6.1	<b>1</b> 9 <b>55</b>	5.9

Some shift of food preparation from home to factory has undoubtedly continued. Further analysis of the data from the 1955 Food Consumption Survey will give us more precise evidence on this. As I said earlier, the data already available show some shift from fresh, canned and dried to frozen fruits and vegetables. But the fresh still predominate in consumer purchases and we are not, as a nation, by any means living on frozen foods or new precooked dishes. In fact, such important ready-prepared foods as luncheon meats, canned soup, bakery products, and ice cream were well established in family food spending <sup>8</sup> years ago.

Consumer spending for durable goods has built up household inventories which add further to the level of living. A few illustrations give a rough idea of how this investment in consumer durables has grown. From 1948 to 1956, the percentage of wired homes with mechanical refrigerators increased from 77 to 94; the percent with washing machines went up from 67 to 84. During the 8 years 1948-55, nearly 30 million washing machines were sold, and over the same period 44 million automobiles. These purchases are enough beyond those needed for replacement and for the larger population that their rise makes an addition to the level of living, in addition to current consumer spending. The gain in percentage of households owning these durable goods is sufficient evidence on this point.

1/ Using the Consumer Price Index for laundry services.

Increased leisure is another item that adds to the level of living, beyond the additional consumer expenditures for goods and services. The widespread practice of paid vacations is an illustration. Bureau of Labor Statistics surveys in the winter of 1955-56 showed that paid vacations are within the reach of nearly all the workers in the industries and areas surveyed. Virtually all of these surveyed can qualify for at least 1 week's vacation by completing a year's service and 1 out of every 6 office and plant workers can receive 4 or more weeks' pay after 25 years' service. Because these studies cover only 17 major labor market areas, the proportion of the total nonagricultural labor force with paid vacations would be somewhat smaller. Even this measure of paid vacations, along with the paid holidays and the shorter work week are good indicators of additions to the level of living beyond increases in consumer expenditures.

I have given examples of several kinds of measures of changing levels of living, and more illustrations could be developed. All of the economic data lead to the same conclusion--a fairly steady rise in the level of living. This appears to be a trend that we would expect to continue, given the income gains necessary to support it.

This is indeed a favorable and optimistic report on the family living situation, but all the evidence supports it. By way of tempering the optimism, I want to repeat the two qualifications that seem to me most important:

- 1. The Consumer Price Index advanced 2 percent during the past 5 months. Another 2 percent might not change the picture appreciably, but the relationship between price and income increases is a key one to watch in assessing the consumer's position.
- 2. I have interpreted today's assignment as an assessment of the overall position of the family, and we know that many problems are lost in the average. Some families have low incomes because of limited ability or opportunity to take part in the expanding labor market. Those with fixed incomes have difficulty adjusting even to a slight rise in living costs.

Year	Food 1/	Clothing, jewelry, services	Per- sonal care	Total 2/	House- furnish- ings	cal care	Total <u>3</u> /	operated	Recrea- tion	Total 4/
1946 1947 1948 1949 1950 1951 1953 1954 1955	345 376 391 379 388 431 446 450 451 460	152 154 157 146 144 151 152 149 145 149	Amount 15 16 16 15 16 16 16 17 18 19	243 278 300 301 327 342 353 368 376 396	2 per per 68 81 84 76 85 85 85 82 82 81 88	son (cu 43 47 50 52 55 57 60 63 65 68	85 107 120 134 153 148 148 169 166 196	dollars) 64 85 98 114 133 127 127 148 146 176	61 65 66 71 71 72 74 75 79	1,037 1,145 1,211 1,211 1,279 1,350 1,390 1,444 1,456 1,537
			Amount	spent	per per	son (19	955 dol	llars <u>5</u> /)		
1946 1947 1948 1949 1950 1951 1952 1953 1954 1955	485 435 416 420 425 425 425 432 443 444 460	188 164 157 153 152 147 149 147 144 149	6/ 18 18 17 18 17 17 17 18 19	6/ 351 354 350 370 365 369 375 379 396	84 87 85 80 89 79 78 79 79 79 88	6/ 64 64 66 66 65 67 67 68	131 149 150 157 174 158 148 165 164 196	93 109 113 124 145 132 124 142 142 144 176	6/ 72 70 67 73 71 72 73 75 79	1,424 1,372 1,349 1,362 1,424 1,393 1,403 1,403 1,446 1,452 1,537

Spending trends of U. S. consumers, 1946-55, in current dollars and in 1955 dollars

1/ Includes alcoholic beverages.

 $\frac{2}{1}$  Includes housing, housefurnishings, fuel, household operation, and laundry.  $\frac{3}{1}$  Includes user-operated, purchased local, and purchased intercity transportation.

4/ Includes total perconal consumption data not shown separately such as tobacco, funeral and burial expenses, personal business as bank and legal services, education, religious, and welfare activities, and foreign travel.

5/ Adjusted to 1955 dollars by the Consumer Price Index. The separate components of the Index were used for each category, as food, clothing, etc.

6/ Consumer Price Index not available.

Source: Derived from data of the U.S. Department of Commerce: Consumption expenditures from National Income, 1954 edition, for years 1946-51 and Survey of Current Business, July 1956, for years 1952-55; population data from U.S. Bureau of the Census, Series P-25, based on July 1 data for each year including armed forces overseas.











