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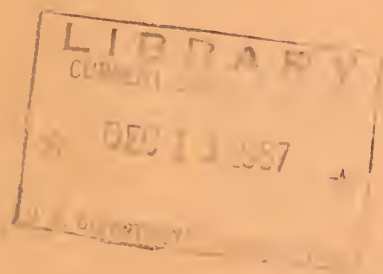
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35 TH ANNUAL
NATIONAL
AGRICULTURAL

OUTLOOK
CONFERENCE

November 18-21, 1957*
Washington 25, D.C. *



UNITED STATES DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service • Agricultural Research Service
Commodity Stabilization Service • Foreign Agricultural Service
Forest Service • Federal Extension Service Cooperating

235690

MONDAY (November 18) MORNING

(Thomas Jefferson Auditorium - South Building)

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

9:00 Registration

*prepared
notes*
9:45 ° Opening of Conference

C. M. Ferguson

10:00 ✓ World Situation as it Affects
the Outlook for Agriculture

John W. Evans, Deputy Director
Office of Intelligence Research
Department of State

11:00 Intermission

11:15 ° Panel Discussion - Raymond A. Ioanes, Deputy Administrator
Foreign Agricultural Service, Moderator

*to prepared
statements*

John W. Evans, Deputy Director
Office of Intelligence Research
Department of State

Lamar Fleming, Jr.
Chairman of Board
Anderson, Clayton, and Company

Leslie Crawford
Foreign Agricultural Attache
Great Britain

Loring Macy, Director
Bureau of Foreign Commerce
Department of Commerce

Gwynn Garnett, Administrator
Foreign Agricultural Service

12:30 - 2:00 Lunch time

AEP - 214 (11-57)

MONDAY (November 18) AFTERNOON

(Thomas Jefferson Auditorium - South Building)

James P. Cavin, Chief
Statistical and Historical Research Branch
Agricultural Marketing Service, Chairman

2:00 ✓ National Economic Situation
and Outlook for 1958

Nathan M. Koffsky, Chief
Farm Income Branch
Agricultural Marketing Service

2:30 ° Panel Discussion - James P. Cavin, Moderator

*prepared
statements*
Nathan M. Koffsky
Agricultural Marketing Service

James W. Knowles
Joint Economic Committee

V. Lewis Bassie, Director
Bureau of Economics and
Business Research
University of Illinois

Louis J. Paradiso, Assistant
Director-Chief Statistician
Office of Business Economics
Department of Commerce

✓ Gerhard Colm, Chief Economist
National Planning Association

4:00 Adjournment

TUESDAY (November 19) MORNING

(Thomas Jefferson Auditorium - South Building)

Bushrod W. Allin, Chairman of Outlook and Situation Board
Agricultural Marketing Service, Chairman

9:15 ✓ Agricultural Outlook for 1958

Fred V. Waugh, Director
Agricultural Economics Division
Agricultural Marketing Service

10:00 Intermission

10:15 ° Panel Discussion - Bushrod W. Allin, Moderator

*is prepared
statements*
Fred V. Waugh

Faith Clark, Chief, Household
Economics Research Division
Agricultural Research Service

Kenneth L. Bachman, Head
Production Income and Costs
Section
Agricultural Research Service

Raymond A. Ioanes
Deputy Administrator
Foreign Agricultural Service

William H. Scofield, In Charge
Land Values Unit
Agricultural Research Service

Norman J. Wall, Head
Agricultural Finance Section
Agricultural Research Service

12:00 - 1:30 Lunch time

TUESDAY (November 19) AFTERNOON

✓ (Thomas Jefferson Auditorium - South Building)

"Effects of Marketing Changes on the Outlook"

Harry C. Trelogan, Director of Marketing Research
Division, Agricultural Marketing Service, Chairman

- 1:30 ✓ Developments in Human Nutrition Ruth M. Leverton, Asst. Director
Human Nutrition Research
Division
Agricultural Research Service
- 2:00 ✓ Marketing Costs D. Barton De Loach, Chief
Market Organization and Costs
Branch
Agricultural Marketing Service
- 2:30 ✓ Domestic Market Development Robert M. Walsh, Chief
Market Development Branch
Agricultural Marketing Service
- 3:00 ✓ Foreign Market Development Raymond A. Ioanes
Deputy Administrator
Foreign Agricultural Service
- 3:30 Intermission
- 3:45 ◊ Panel Discussion - Harry C. Trelogan, Moderator
- prepared
statements
except
Knapp's.*
- Ruth M. Leverton Faith Clark
- D. Barton De Loach Walter W. Wilcox
Legislative Reference Service
Library of Congress
- Robert M. Walsh
- Raymond A. Ioanes ✓ Joseph G. Knapp, Administrator
Farmer Cooperative Service
- 5:00 Adjournment

Wednesday, November 20, 1957

Commodity Outlook Sessions for Producers, Handlers and Consumers

9:15 - 10:45 ✓ Grass and Legume Seeds - Room 1345 South Building
Paul O. Mohn, FES, Chairman
Outlook Statement: ✓ Thomas J. Kuzelka, AMS
W. H. Youngman, FAS

✓ Fruits and Tree Nuts - Room 218 Adm. Bldg.
Lloyd H. Davis, FES, Chairman
✓ Ben H. Pubols, AMS, Outlook Statement

✓ Cotton - Jefferson Auditorium
E. P. Callahan, FES, Chairman
✓ Frank Lowenstein, AMS, Outlook Statement

11:00 - 12:30 ✓ Fats and Oils - Jefferson Auditorium
Karl G. Shoemaker, FES, Chairman
✓ George W. Kromer, AMS, Outlook Statement

✓ Vegetables and Potatoes - Room 218 Adm. Bldg.
R. L. Childress, FES, Chairman
✓ Will M. Simmons, AMS, Outlook Statement

*Rec'd Demand + price
situation for
forest products
Outlook included)*

✓ Forest Products - Room 3106, South Building
M. M. Bryan, FS, Chairman
David B. King, FS, Outlook Statement

12:30 - 2:00 Lunch time

2:00 - 3:30 ✓ Wheat - Room 218 Adm. Bldg.
T. E. Hall, FES, Chairman
✓ Robert E. Post, AMS, Outlook Statement

✓ Tobacco - Room 1345 South Building
S. E. Wrather, AMS, Chairman
✓ Arthur G. Conover, AMS, Outlook Statement

no statement

○ Sugar - Room 4966 South Building
Lawrence Myers, CSS, Chairman

3:45 - 5:00 ✓ Peanuts - Room 218 Adm. Bldg.
Karl G. Shoemaker, FES, Chairman
✓ George W. Kromer, AMS, Outlook Statement

✓ Rice - Room 1345 South Building
T. E. Hall, FES, Chairman
✓ Robert E. Post, AMS, Outlook Statement

5:00 Adjournment

5:45 State Specialists' Dinner - 4th Wing Cafeteria
South Building

Thursday, November 21, 1957

Commodity Outlook Sessions for Producers, Handlers and Consumers

- 9:15 - 12:00 ✓ Feed, Livestock and Meat - Jefferson Auditorium
Richard G. Ford, FES, Chairman
Outlook Statement: ✓ Harold F. Breimyer, AMS
✓ Malcolm Clough, AMS
- 12:00 - 1:30 Lunch time
- 1:30 - 3:00 ✓ Poultry - Jefferson Auditorium
Homer S. Porteus, FES, Chairman
✓ Edward Karpoff, AMS, Outlook Statement
- 3:15 - 5:00 Dairy - Jefferson Auditorium
Max K. Hinds, FES, Chairman
✓ Herbert C. Kriesel, AMS, Outlook Statement
- 5:00 Adjournment

Wednesday, November 20, 1957

Family Living Sessions

- 9:15 Outlook for Consumer Goods Freer Art Gallery Auditorium
Starley M. Hunter, FES, Chairman
- ✓ Food Harry Sherr
Agricultural Economics Div., AMS
- ✓ Clothing *Harry Kahan* - Arnold Chase
Bureau of Labor Statistics
Department of Labor
- ✓ Housing and Durable Goods *Arnold Chase* - Harry Kahan
Bureau of Labor Statistics
Department of Labor
- ✓ Home Furnishing Starley M. Hunter
Div. of Home Economics Programs, FES
- 12:30 - 2:00 Lunch time
- "Family Living Trends - Changes in Family Characteristics"
Faith Clark, ARS, Chairman
- 2:00 ✓ Changes in Population and Gladys K. Bowles
Family Characteristics Farm Population & Rural Life Branch, AMS
- 2:25 ✓ Overall Situation Margaret L. Brew
Household Management Section, ARS
- 2:50 ✓ Dwelling Upkeep, Household Jean L. Pennock
Operations, Furnishings Household Economics Div., ARS
& Equipment
- 3:15 Intermission
- 3:30 ✓ Transportation, Recreation Emma G. Holmes
and Education Household Economics Div., ARS
- 3:55 ✓ Clothing, Personal Care Roxanne R. O'Leary
Household Economics Research Div., ARS
- 4:15 Adjournment

Thursday, November 21, 1957

Family Living Sessions

Room 218 Adm. Bldg.

"Family Living Trends - Changes in Family Characteristics" (Cont'd)
Margaret L. Brew, ARS, Chairman

9:15 ✓ Food Mollie Orshanksy
Household Economics Research Div., ARS

9:45 ✓ Medical Care Jean L. Pennock
Household Economics Div., ARS

10:05 ○ Outlook for Family Living Margaret L. Brew
Household Management Section, ARS

10:15 Intermission

10:30 ○ Panel - Implications of Changes in Family Living for
the Extension Program

Paul J. Jehlik SESD, ARS

Eloise Cofer IHE, ARS

Helen Johnston, HEW

Starley Hunter, FES

Constance Burgess, Ext. Serv., Cal.

John Ellickson FERD, ARS

Lucille Ketchum, Ext. Serv., Mich.

12:30 - 2:00 Lunch time

2:00 Commodity Outlook
Frances Scudder, FES, Chairman

✓ Dairy Herbert C. Kreisel, AMS

○ Meat Animals Harold Breimyer, AMS

○ Methods of Presenting Outlook - Starley M. Hunter, FES

4:30 Adjournment

*minimizing risk
in the use of
family resources*

STATE DELEGATES REGISTERED FOR 35th OUTLOOK CONFERENCE
November 18-21, 1957

ALABAMA

Foy Helms, Elizabeth Bryan

ALASKA

None

ARIZONA

George W. Campbell

ARKANSAS

T. E. Atkinson, Crystol Tenborg

CALIFORNIA

Constance Burgess, G. A. Carpenter

COLORADO

Avery Bice

CONNECTICUT

G. A. Ecker, Florence S. Walker

DELAWARE

Patricia Middleton, W. T. McAllister,
William E. McDaniel

FLORIDA

C. C. Moxley, Susan Christian

GEORGIA

J. J. Lancaster, Doris Oglesby

HAWAII

Stephen Doue

IDAHO

R. Wayne Robinson

ILLINOIS

Catherine M. Sullivan, L. H. Simerl

INDIANA

Carroll Bottum, Ronald Bauman,
Elkin Mintner

IOWA

Francis Kutish, Helen Tucker

KANSAS

M. E. Jackson, Roger Wilkowske

KENTUCKY

Frances M. Stallard, Buel Lanpher,
Stephen Allen

LOUISIANA

W. D. Curtis, Rupert Perry

MAINE

Lewis Clark, Pauline Lush

MARYLAND

G. M. Beal, A. B. Hamilton,
H. H. Hoecker, J. W. Magruder,
A. R. Meyer, Joanne Reitz,
G. A. Stevens

MASSACHUSETTS

Barbara Higgins, E. W. Hanczaryk,
G. W. Westcott, A. H. Lindsey

MICHIGAN

Lucille Ketchum, J. N. Ferris

MINNESOTA

L. J. Pickrel

MISSISSIPPI

None

MISSOURI

C. E. Klingner, Elmer Kiehl, Tom Brown

MONTANA

John Bower, Mae True

NEBRASKA

Everett Peterson, Clara Leopold

NEVADA

Margaret Dial, G. A. Myles

NEW HAMPSHIRE

Ann Beggs, Lawrence Dougherty

NEW JERSEY

Doris Anderson, F. V. Beck,
Hildreth Flitcraft

NEW MEXICO

J. O. Kling or Clyde R. Keaton

STATE DELEGATES REGISTERED FOR 35th OUTLOOK CONFERENCE (continued)
November 18-21, 1957

NEW YORK

Ruth Deacon, Elizabeth Wiegant,
George Conneman, L. C. Cunningham,
B. A. Dominick, Robert Smith,
Mary Wood, Betty Woods

NORTH CAROLINA

Glenn Tussey, Charles Pugh,
Mamie Whisnant

NORTH DAKOTA

H. G. Anderson, Irene Crouch

OHIO

Riley Dougan, Robert Schwart,
Mabel Spray, D. M. Long,
Anita McCormick

OKLAHOMA

H. E. Ward, Evelyn P. Nantz

OREGON

Oscar Hagg

PENNSYLVANIA

Sanna Black, W. M. Carroll, W. F. Johnstone
B. W. Kelly, Fred Hughes, M. J. Armes,
A. K. Birth, A. O. Voigt, C. W. Porter

PUERTO RICO

Roberto Lefebre-Munoz,
Carmen T. Pesquero-Busquets

RHODE ISLAND

W. H. Wallace, Evelyn Lyman

SOUTH CAROLINA

P. S. Williamon, Ruby M. Craven,
M. C. Rochester

SOUTH DAKOTA

L. M. Bender, Isabel McGilney

TENNESSEE

Eugene Gambill, Virginia Boswell,
Irving Dubov, Myra Bishop or
Phyllis Ilett

TEXAS

J. H. McHaney, Eula J. Newman

UTAH

Leon Michaelsen

VERMONT

Verle Houghaboom

VIRGINIA

Helen D. Alverson, Amelia Fuller,
J. B. Bell, Shirley Carter,
D. U. Livermore, K. E. Loope,
W. J. Nuckolls, Jr., J. H. Simpson,
H. W. Waker

WASHINGTON

Karl Hobson

WEST VIRGINIA

Gladys W. Knapp, K. P. Brundage

WISCONSIN

Louise Young, Leon Garoian

WYOMING

A. W. Willis, Mary McAuley

UNITED STATES DEPARTMENT OF AGRICULTURE
Federal Extension Service
Washington 25, D. C.

11/19/57

STATE DELEGATES REGISTERED FOR
THE 35th ANNUAL AGRICULTURAL OUTLOOK CONFERENCE

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Elizabeth Bryan

Hotel

Harrington
Harrington

HAWAII

Stephen Doue

Hotel

Harrington

ARIZONA

George W. Campbell

Harrington

IDAHO

R. Wayne Robinson

Harrington

ALASKA

Allan Mick

Willard

ILLINOIS

Catherine M. Sullivan Willard
L. H. Simerl

ARKANSAS

T. E. Atkinson
Crystol C. Tenborg

Harrington
Raleigh

INDIANA

Carroll Bottum
Ronald Bauman
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CALIFORNIA

Constance Burgess

Willard

IOWA

Francis Kutish
Helen Tucker

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Harrington

COLORADO

Avery Bice

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KANSAS

M. E. Jackson
Roger Wilkowske
Ethel Self
Milton J. Manuel

Harrington
Harrington
Harrington

CONNECTICUT

George A. Ecker
Florence S. Walker

Harrington
Burlington

DELAWARE

Patricia Middleton
Willard T. McAllister
William E. McDaniel

Washington
Harrington
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KENTUCKY

Frances M. Stallard
Buel F. Lanpher
Stephen Allen

Harrington
Harrington
Harrington

FLORIDA

C. C. Moxley
Bonnie Carter

Willard
Harrington

LOUISIANA

W. D. Curtis
Rupert Perry

Raleigh
Harrington

GEORGIA

J. J. Lancaster
Doris Oglesby

Harrington
Willard

MAINE

Lewis E. Clark
Pauline E. Lush

Harrington
Washington

MARYLANDHotel

John W. Magruder
 Joanne W. Reitz, 1915 Fox St.,
 Hyattsville, Md.
 A. B. Hamilton, University of Maryland
 G. A. Stevens
 Vivian L. Curmutt
 George Beal
 Harold Hoecker
 Paul Nystrom

MASSACHUSETTS

E. W. Hanczaryk Washington
 Barbara Higgins Washington
 G. W. Westcott Burlington
 R. Bieber Burlington

MICHIGAN

Marie Ferree Washington
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 John N. Ferris Willard
 Arthur Mauch Harrington

MINNESOTA

Luther Pickrel Cosmos Club
 Elizabeth Roniger Raleigh

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NEW YORK

C. A. Bratton Harrington
 R. P. Story Raleigh
 Elizabeth Wiegand Raleigh
 Mary Wood Raleigh
 Ruth Deacon Raleigh
 B. A. Dominick Harrington

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 Glenn Tussey Harrington
 Charles Pugh Harrington

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 Irene Crouch Harrington

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 Riley Dougan Raleigh
 Robert Schwart Raleigh
 Don Long Willard
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H. E. Ward Harrington
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OREGON

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Alida Hotchkiss Raleigh
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Lyle Bender Harrington
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Virginia Boswell Harrington
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Phyllis Ilett Washington

TEXAS

John McHaney Raleigh
Eula J. Newman

UTAH

Leon Michaelson

VERMONT

Verle Houghaboom

VIRGINIA

Amelia Fuller Washington
Helen Alverson Washington
K. E. Loope Harrington
W. J. Nuckolls, Jr. Harrington
J. H. Simpson Harrington
Shirley Carter Harrington
J. B. Bell Harrington
H. W. Walker Harrington

WASHINGTON

Karl Hobson Harrington
A. H. Harrington (Hoobler's)

UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Research Service
Institute of Home Economics

CHANGES IN FAMILY SPENDING--MEDICAL CARE

Jean L. Pennock, Home Economist

In 1955 farm-operator families spent, on the average, \$240 per family or \$63 per person for medical care. Comparable figures for 1941, the pre-war year for which we also have data from a national sample of farm operators, are \$60 per family and \$15 per person (table 1). In terms of percentage gains in family spending over the interval, increases in medical care expenditures are among the largest to be reported here.

In looking for an explanation for this increase, here as with all the other fields we have considered, we turn to the change in the prices of goods and services. When this is taken into account, in this instance by adjusting by the medical care components of the BLS Consumer Price Index since the AMS Index of Prices Paid by Farmers does not cover medical care, we still have an increase proportionately greater than that shown for all consumption.

When we look at how this money is being spent, and how it was spent in 1941, we are immediately faced with the fact that a major change has taken place in the method of paying for medical care. In 1941, almost all farm families expected to make direct payment for such care as they received it. In 1955, half the farm families were prepaying some part of their medical care. That is, they either belonged to prepayment plans or carried health insurance. This fact in itself probably explains part of the increase in medical care expenditures. Larger expenditures can be made without undue strain to the family budget when they are portioned out in regular payments over time. The effects of prepayment on the level of total expenditures cannot be shown from the data collected in this survey, but other studies have shown, for example, that those with hospitalization insurance use hospitals to a greater extent than those without this kind of insurance.

As a result of the increasing use of prepayment, almost a fifth of the family's medical dollar--18 cents to be exact--went for insurance and the rest was used for services as incurred. In 1941, only 5 cents on the dollar went into insurance.

All through these programs we have been looking at what farm families are getting for their expenditures and there is every reason to do the same with medical care. Here, however, the very fact that families are prepaying part of their medical bills complicates the picture. We have in

effect two accounts, and except that the prepaid account also furnishes an unmeasurable quantity of that intangible, security against the unpredictable bill for accident or illness, they both provide the same kinds of goods and services but in different proportions. Ideally we would like to know for each family what they got from the insurance account in the same detail as we know what they got from the direct expenditure account, but this is impossible in a general expenditure survey. To be able to discuss the goods and services received without regard to the method of payment, I am assuming that what was paid into the insurance account was received in goods and services by the families in approximately the same proportion that the insuring organizations paid out money to hospitals and doctors who provided the service. I have assigned two-thirds of the total insurance payments to hospital care and one-third to physicians' care. In 1941, however, an even larger proportion would have been used for hospital care since at that time prepayment plans were almost entirely confined to hospitalization.

The thing that stands out when we look at money expenditures in the two periods is the tremendous increase in the importance of hospital care. Through insurance and in direct payments, expenditures for hospital care in 1955 were about 7 times what they were in 1941. By no means all of this increase can be attributed to the effects of insurance; direct payments were 5 times as high as in 1941. In comparison, large as was the increase in total spending for medical care over this period, it only quadrupled. Of the other components of total medical care, only medicines and drugs increased at a rate comparable to the total; all other components, while making gains dollarwise; increased relatively less than the total.

The picture is different when we look at quantities of goods and services consumed since prices of the various types of medical services and goods did not change equally over the period 1941-1955. As measured by the Consumer Price Index of the BLS, the cost of services increased more than the cost of goods, and the greatest price increase was shown in hospital rates. If we make allowance for changes in the price level, we find that farmers were buying twice as much medical care in 1955 as in 1941. Expenditures for medicines and drugs, in dollars of constant purchasing power, had tripled. Expenditures for medical services, in dollars of constant purchasing power, had in all cases about doubled.

In terms of the distribution of the medical care dollar, as a result of price changes and differences in the volume of services consumed, hospital care in 1955 was taking 27 cents as compared with approximately 15 cents in 1941. Physicians' services, traditionally the largest item in the medical budget, still took a larger proportion of the medical dollar than hospital care but it had lost ground. In 1941 it accounted for 38 cents out of every dollar, but in 1955 only 33. Medicines and drugs remained stationary, taking 17 cents of each dollar. The other components of medical care lost ground. In 1955 dental care took 12 cents and eye tests and glasses 6 cents.

Factors affecting spending for medical care

Let us turn from this comparison of spending over time to an examination of some of the factors that make spending what it is. First a brief word about income. In general, expenditures for medical care increase with income and are approximately the same proportion of total consumption expenditures at all income levels.

The chart you have seen on the relationship between family size and consumption expenditures indicates that family expenditures for medical care increase with the increase in family size throughout the moderate-size families but are lower in the 6-person than in the 4-person family. (table 2). This pattern is the result of regional differences. In the North Central region expenditures increase with size of family throughout the entire range, while in the South they rose only until the 3-person family was reached and dropped thereafter. In both regions and for the farm population as a whole, there was a sharp increase in per-person expenditures between the single individual and the 2-person family; thereafter per-person expenditures decreased with increase in family size. Miss Brew mentioned what is probably the most important cause of this--the difference in the age composition of families of various sizes and the increase in expenditure with the age of the individual. The 2-person family has a higher proportion of adults than the 6-person family and therefore a higher average expenditure per person. As family size increases, total expenditures for consumption increase more sharply than medical care expenditures, with the result that medical care takes a decreasing proportion of the family budget.

You also saw a chart yesterday on the effect of position in the family life cycle on consumption expenditures. Medical care expenditures rise as the young family becomes middle-aged and then fall as the family ages further. The changes between the early years and the middle span are in line with other changes in family consumption and in these two periods medical care takes the same proportion of the family dollar. Among older families, however, the decrease in medical care expenditures is not as sharp as the decrease in spending for other categories of family living; consequently medical care takes a larger proportion of total consumption expenditures in this group than among the younger families.

You have also seen a chart showing the effect of the amount of schooling on consumption expenditures. As you might expect, medical care is one of the items that varies most with level of education. As the level of education rises, medical care takes an increasing proportion of the family budget.

Regional differences

The effects of income, family size, level of education, and other characteristics that we have not gone into in these presentations produce regional differences in expenditures. In dollars spent per family for medical care, the West far exceeds the other regions; the North Central is about the same as the U.S. average, and the South is somewhat lower. The respective figures are \$333, \$241, and \$222 (table 3).

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The general pattern of expenditures among the regions is similar. Such differences as exist, in line with the difference in level of expenditure, indicate a higher level of care in the West and a lower level in the South. The proportion of expenditures, both direct and by way of insurance, used for physicians' services and hospital care is fairly similar. Eye care also takes the same proportion of the total in each region. The outstanding differences are in expenditures for dental care and for medicines. The West spends a considerably larger proportion of the total on dental care--15 percent as compared with 12 percent in the North Central region and 9 percent in the South. This difference between the West and the South also shows up in the proportion of families having expenditures for dental care. In the West 62 percent of the families reported these expenditures, in the South only 46 percent. The South spends a larger proportion of its medical dollar on medicines than the other regions. Indeed, the South, although spending less in total for medical care than the North Central, spends a larger amount for medicines. The average expenditure in the South--\$46 per family--is 21 percent of the total cost of medical care there, as compared with the North Central average of \$37 which is only 15 percent of its total.

In view of the relatively low expenditures for medical care made by families in the South, it is encouraging to be able to report that in recent years there have been greater changes in the South than in the North Central region. In 1945, the other year for which we can make a regional comparisons, the level of spending for medical care in the South was only 70 percent of that of the North Central region. By 1955 it has risen to 92 percent. This can be attributed in good part to a greater increase in the level of income in the South and to a more than proportionate loss from the population of those groups whose levels of expenditure are lowest--sharecroppers, other tenants, and nonwhite operators.

In this connection I should like to comment on two other factors that appear to be associated with the level of spending for medical care and that might have been mentioned above except that they have particular significance by region. The first of these is tenure. When medical care expenditures are classified by tenure, distinct regional patterns appear. In the North Central region, tenants spent more than owners of comparable income. In the South, however, owners spent more than cash and share tenants at the same income level, and the latter in turn spent more than sharecroppers. The pattern in the North Central region seems to represent a break with the past. It may be related to the higher educational attainment of tenants in this region--they tend to be considerably younger than owners and therefore to have progressed further before they left school. It probably also reflects the increasing difficulty in moving from tenant to owner status. As the capital needs for ownership increase and tenants find it impossible to accumulate the needed amount by saving, there is less incentive to save and consequently less pressure on the level of living. In the South, it must be recognized that the pattern by tenure is strongly influenced by the pattern by color. The proportion of nonwhite operators is largest among sharecroppers and smallest among owners. The level of educational attainment by tenure is also the reverse of the pattern found in the North Central region; the higher position on the tenure ladder, the higher the educational attainment of the group.

This brings us to differences in spending for medical care between white and nonwhite families. In the South, where a fifth of farm-operator families in 1955 were nonwhite, expenditures of nonwhite families were lower than those of white families of similar income levels. In addition the nonwhite families tend to fall at the lower end of the income scale. Differences in spending for medical care were sharper than differences in total consumption expenditures. These differences by color may result in part from differences in facilities available to the two groups. They also reflect differences in the level of education and differences in family size.

Farm-urban comparison

I began by saying how much farm spending for medical care has improved in comparison with the past. I would like to close by pointing out how much it has improved in relationship to urban spending. This is not to say that expenditures of farm families for medical care are on the same level as those of urban families. In 1955 they appeared to be spending only about three-fourths as much per person as urban families. But in 1941 the picture was very different. Then they were spending less than half as much per person as urban families. In percentage points there has been a greater gain here than in any other consumption category. And in 1955 this category was closer to the urban level than any other.

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Table 1.--Average expenditures of farm-operator families for medical care, 1941 and 1955

Item	1941		1955
	In 1941 dollars	In 1955 dollars <u>1/</u>	
Total medical care <u>2/</u>	\$60	\$115	\$235
Health insurance and prepayment plans	3	9	42
Direct expenditures	57	104	193
Physicians' services <u>3/</u>	22	36	63
Dental care <u>3/</u>	9	16	29
Eye tests and glasses <u>3/</u>	5	6	13
Hospital care <u>3/</u>	7	23	36
Medicines and drugs <u>2/</u> , <u>3/</u> ..	10	13	39
Other <u>3/</u> , <u>4/</u>	5	11	13

1/ Adjusted by components of the Consumer Price Index. Total by addition.

2/ In this table vitamin and mineral preparations are excluded from medicines and drugs in the 1955 data to achieve comparability with 1941.

3/ For comparability in presentation unitemized expenditures reported in 1955 have been assigned to these items in proportion to the itemized expenditures.

4/ Includes nursing care, other practitioners' services (osteopaths, naturopaths, chiropractors, faith healers, midwives), laboratory tests and x-rays, medical appliances and supplies, and ambulance.

Sources: U. S. Department of Agriculture, Misc. Pub. 520, Rural Family Spending and Saving in Wartime, 1943; unpublished data from U. S. Department Agriculture and U. S. Bureau of the Census, Survey of Farmers' Expenditures in 1955.

Table 2.--Average expenditures of farm-operator families with incomes of \$2,000 to \$4,000 for total consumption and medical care by selected characteristics, 1955.

Family characteristic	Total consumption	Medical care
Size:		
2 persons	\$2,350	\$225
4 persons	3,150	270
6 persons	3,340	250
Age of operator:		
Under 35	2,870	230
45-54	3,280	270
65 and over	2,140	220
Schooling of operator:		
Under 9 years	2,730	220
9 years and over	3,220	300

Note: Data adjusted for comparability with earlier studies.

Source: Unpublished data from U. S. Department of Agriculture and U. S. Bureau of the Census, Survey of Farmers' Expenditures in 1955.

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Table 3.--Average expenditures of farm-operator families for medical care, by region, 1955

Item	Average expenditures				Percent of families having expenditures			
	U.S.	North Central	South	West	U.S.	North Central	South	West
	Dollars	Dollars	(Dollars)	(Dollars)	(Percent)	(Percent)	(Percent)	(Percent)
All medical care <u>1/</u>	240	241	222	333	2/	2/	2/	2/
Health insurance, prepayment plans...	42	48	34	52	51	56	45	52
Direct expenditures.....	198	193	188	281	2/	2/	2/	2/
Hospital care.....	31	27	32	44	21	23	20	26
Surgeons' services.....	11	11	7	28	9	10	7	15
Other M.D.s' services.....	49	50	47	56	74	74	73	70
Osteopaths' services.....	3	5	1	4	6	11	2	11
Other practitioners' services.....	3	4	2	5	8	12	4	12
Dental care.....	28	30	20	50	54	62	46	62
Eye tests and glasses.....	12	13	10	18	34	39	29	41
Nursing care.....	2	1	2	4	2	1	2	2
Laboratory tests and x-rays.....	3	3	2	6	12	14	9	20
Medicine and drugs <u>1/</u>	43	37	46	57	2/	2/	2/	2/
Medical appliances and supplies.....	2	1	1	3	13	14	10	15
Other and unitemized.....	13	11	16	8	2/	2/	2/	2/

1/ Includes vitamin and mineral preparations.

2/ Not available.

Source: Unpublished data of the U.S. Department of Agriculture and U.S. Bureau of the Census from Survey of Farmers' Expenditures in 1955.