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Households with Expenditures for Health Insurance

By Nancy E. Schwenk
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Data from the 1985 Consumer Expenditure Survey (CEX) were used to report household expenditures for health insurance made by various segments of the population. CEX data demonstrate that 69 percent of U.S. households paid for health insurance in 1985 and the average expenditure was \$631. Expenditures for Medicare were reported by 97 percent of households headed by a person 65 years or older. Fewer than half of single-parent households or those headed by a person under 25 years purchased health insurance. Consumer educators may wish to address the special needs of these subgroups in their insurance programming. This article also describes persons covered and not covered by private health insurance. Persons who were white or married were most likely to have private health insurance.

Each year Americans spend increasing amounts of money on health care. National health expenditures accounted for 5.9 percent of the gross national product (GNP) in 1960. By 1986 health expenditures totaled 10.9 percent of GNP and averaged \$1,837 per person (4). The Health Care Financing Administration estimates that per capita health care expenditures will be \$2,551 in 1990 (1).

The steady increases in health care cost can be attributed, in part, to newer and costlier medical techniques and procedures, higher prices for medical care, an increasing proportion of elderly who

generally have more health-related problems than the young, and a greater demand for health care services. The medical care component of the Consumer Price Index (CPI) has been growing faster than the overall economy every year since 1981 (table 1). Private health insurance premiums are rising at more than 20 percent per year; 1989 premiums may average 22 percent over 1988 premiums. Employers are shifting a greater portion of health care costs back to their employees through higher deductibles and greater levels of co-insurance (3).

Health Insurance Expenditures of U.S. Households

Household expenditures for health insurance were obtained from the 1985 Consumer Expenditure Survey (CEX), an ongoing survey conducted by the Bureau of Labor Statistics, U.S. Department of Labor. Findings are based on responses from 951 households that participated in the Interview portion of the 1985 Survey, each quarter over a 1-year period. Data were weighted to reflect expenditures of the total U.S. noninstitutionalized population.

Although 31 percent of the CEX households did not purchase health insurance, expenditures for those who did ranged from \$8 to \$3,937 per year. Households who reported expenditures for health insurance had an average outlay of \$631 per year, or 3 percent of mean

total expenditures. Households who did not report out-of-pocket expenditures for health insurance may have had all health insurance expenses paid by their employer or others (such as parents or other relatives), may have been uninsured, or were eligible for Medicaid or public assistance programs.

Expenditure data for the following types of health insurance were collected in the CEX: commercial health insurance; Blue Cross and Blue Shield; health maintenance plans; Medicare payments; and commercial Medicare supplements, dental insurance, and other health insurance. Households may have expenditures in two or more of these subcategories. For households reporting an expenditure, mean expenditures ranged from \$192 for Medicare (29 percent of households purchasing) to \$596 for Blue Cross and Blue Shield (20 percent of households purchasing). Percentages of households with an expenditure for other kinds of health insurance and mean expenditures are shown in table 2.

Demographic Characteristics

Income. CEX households were divided into five income groups. Of those reporting a health insurance

Table 1. Year-to-year percent increase in prices for all items and medical care

Year	All items	Medical care
1979	11.3	9.3
1980	13.5	10.9
1981	10.4	10.8
1982	6.1	11.6
1983	3.2	8.7
1984	4.3	6.2
1985	3.6	6.2
1986	1.9	7.5
1987	3.7	6.7
1988	4.1	6.5

Source: U.S. Department of Labor, Bureau of Labor Statistics, *CPI Detailed Report*, January 1980 to January 1989.

Table 2. Expenditures for health insurance: Percentage of households with the expenditure and mean expenditure for those households, 1985

Household characteristics	Total health insurance		Commercial health insurance		Blue Cross and Blue Shield		Health maintenance plans		Medicare		Commercial Medicare supplements, dental, other	
	Percent purchasing	Mean dollars	Percent purchasing	Mean dollars	Percent purchasing	Mean dollars	Percent purchasing	Mean dollars	Percent purchasing	Mean dollars	Percent purchasing	Mean dollars
All households	69	\$ 631	32	\$ 583	20	\$ 596	6	\$ 508	29	\$ 192	14	\$ 337
Income:												
Under \$10,000	80	509	22	559	24	566	3	291	57	153	17	315
\$10,000 - \$19,999	70	722	26	685	24	557	5	494	32	239	18	499
\$20,000 - \$29,999	74	612	37	554	19	522	7	484	27	230	14	408
\$30,000 - \$39,999	63	625	40	545	14	628	10	549	13	184	9	124
\$40,000 and over	65	659	40	608	16	674	9	494	8	181	13	186
Age of reference person (years):												
Under 25	47	692	21	563	11	1,110	13	617	0	0	6	178
25 - 34	54	490	33	538	12	364	9	316	1	47	9	115
35 - 44	60	654	39	606	10	696	10	613	1	152	11	208
45 - 54	57	660	33	639	16	664	3	352	12	100	16	238
55 - 64	75	660	36	640	28	619	4	469	24	145	14	266
65 - 74	100	661	24	515	30	605	2	353	97	213	24	581
75 and over	99	621	16	385	46	530	2	1,345	97	202	16	498
Race:												
White	70	658	32	597	21	622	6	510	29	196	15	334
Black and other	65	378	27	429	15	296	4	483	26	150	6	398
Education:												
Less than high school	75	534	20	497	25	484	1	360	53	183	16	512
High school graduate	66	703	37	577	18	664	7	555	24	195	15	300
Attended college	70	647	36	603	19	675	9	495	19	205	11	244
Over 4 years college	66	629	31	680	21	503	10	475	13	210	13	187
Family composition:												
Husband and wife	80	713	29	618	26	637	3	352	51	238	19	500
Husband and wife with own children	66	672	43	658	13	571	9	556	5	142	12	192
Single parent with children	45	886	25	668	15	1,122	9	470	0	0	9	169
Single consumer	69	429	22	367	25	481	2	120	39	162	12	257
Other households	67	665	27	491	20	664	10	610	40	160	13	408
Region:												
Urban												
Northeast	61	610	16	604	30	583	7	359	34	189	6	234
Midwest	72	603	34	497	21	594	4	252	29	195	17	419
South	77	633	42	560	22	653	3	448	23	187	18	250
West	63	638	28	586	9	571	12	745	28	193	14	291
Rural (all regions)	72	670	35	690	15	537	7	526	31	195	13	461

expenditure, households with income between \$10,000 and \$19,999 had the highest mean expenditure for total health insurance (\$722); households with incomes under \$10,000 spent the least (\$509). Households earning \$10,000-\$19,999 had the greatest expenditures for commercial health insurance (\$685), Medicare (\$239), and commercial Medicare supplements, dental, and other (\$499). The percentage of households reporting expenditures for commercial health insurance tended to be higher for higher income groups, whereas a higher percentage of lower income households purchased Medicare. Households purchasing health maintenance plans ranged from 3 percent of those earning less than \$10,000 to 10 percent of those earning between \$30,000 and \$39,999.

Age. Among purchasing households, those with a reference person under age 25 had the highest mean expenditures for total health insurance (\$692) and Blue Cross and Blue Shield (\$1,110). However, less than half of this group reported health insurance expenditures, as many in this age group were full-time students¹ or had jobs that did not offer coverage. Households with a reference person age 25-34 had the lowest mean expenditures for total health insurance (\$490), Blue Cross and Blue Shield (\$364), health maintenance plans (\$316), and commercial Medicare supplements, dental, and other (\$115). Older households (65 and over) were more likely to purchase health insurance, particularly Blue Cross and Blue Shield, Medicare, and commercial Medicare supplements, dental, and other. Spending for Medicare and commercial Medicare supplements, dental, and other was higher for these households, also.

¹The CEX includes college students as separate consumer units (households) when they live in college-related housing. These college students may be eligible for health insurance coverage under their parents' plan.

The 1987 National Medical Expenditure Survey

According to the 1987 National Medical Expenditure Survey, there were 37 million Americans (15.5 percent of the population) without health insurance in 1987. This Survey, sponsored by the National Center for Health Services Research and Health Care Technology Assessment, an agency of the U.S. Department of Health and Human Services, Public Health Service, collected data from over 36,000 persons in almost 15,000 households selected to be representative of the U.S. civilian noninstitutionalized population.

Uninsured persons were most likely to be 19-24 years old, black or Hispanic, unmarried or separated, and residing in the West or South (see table). Persons between the ages of 19 and 24 were twice as likely to be uninsured as other adults. Less than 1 percent of the elderly were uninsured because almost all persons age

65 or older are covered by Medicare. Nearly one-fourth of this group relied solely on Medicare (or a combination of Medicare and Medicaid) to finance health care.

Although workers and their families were half as likely to be uninsured as the unemployed, the employed accounted for 78 percent of the population under age 65 that was uninsured. Proposals requiring employer-paid health insurance for workers and their dependents have been introduced in Congress. A variety of other legislative approaches have been put forward to reduce the numbers of uninsured living in families where no one is employed. Proposals have been directed specifically at children (one-third of the uninsured), the poor or near-poor, "high health risks," and persons with out-of-pocket expenditures exceeding a specified threshold or percentage of income.

Prevalence of employment-related health insurance among employed adults

Most likely to have	Least likely to have
Work full time	Work part time ¹ or self-employed
Employed in: Mining Manufacturing Transportation, communication Financial services, insurance Professional services	Employed in: Agriculture, forestry, fishery Personal services Construction Entertainment Repair services Sales
Working in a large establishment (over 100 workers)	Working in a small establishment (less than 10 workers)
Earn over \$10 per hour	Earn \$5 or less per hour

¹In 1988 nearly 20 million Americans were part-time workers (35 hours a week or less). Only about one in six obtained health insurance coverage on the job. Most part-time workers had independent policies or insurance coverage through relatives, bringing the number of part-time workers covered by health insurance up to 83 percent compared with 87 percent of full-time workers(2).

Race. Of those reporting health insurance expenditures, the average amount spent by white households was almost twice as much as non-white households on total health insurance (\$658 and \$378, respectively). White households spent more for every type of health insurance with the exception of commercial Medicare supplements, dental, and other. A slightly higher percentage of white than black and other households purchased each type of health insurance.

Education. The educational attainment of the reference person was classified into four categories: no high school diploma, high school diploma, 1 to 4 years of college, or more than 4 years of college. Among purchasing households, high school graduates spent the most for total health insurance (\$703), whereas households with a reference person who did not graduate from high school spent the least (\$534). The latter group spent more than the other groups on commercial Medicare supplements, dental, and other (\$512).

Health insurance coverage by selected characteristics, 1987

Population characteristics	Type of health insurance			
	Private coverage		Public coverage	None ²
	Total	Employment-related ¹		
All persons ³	74.5	64.3	10.0	15.5
Age (years):				
Under 5	67.1	61.8	16.3	16.6
5 - 18	71.6	67.6	11.4	17.0
19 - 24	63.3	55.2	6.5	30.2
25 - 54	78.8	73.2	5.5	15.7
55 - 64	79.0	65.2	7.6	13.4
65 and over	74.7	35.4	24.4	0.9
Sex:				
Male	75.1	65.9	8.3	16.6
Female	74.0	62.8	11.7	14.3
Racial/ethnic background:				
White	80.8	69.1	6.8	12.4
Black	52.9	48.5	25.1	22.0
Hispanic ⁴	50.1	45.9	18.3	31.5
Marital status (adults 19 years or older):				
Married	83.5	72.5	5.5	11.0
Never married	66.1	57.0	8.5	25.4
Widowed	66.9	30.9	26.6	6.6
Divorced	65.0	55.5	13.9	21.1
Separated	49.6	43.7	25.0	25.4
Region:				
Northeast	78.5	68.9	10.3	11.3
Midwest	79.7	68.1	9.2	11.2
South	69.7	59.4	11.4	18.9
West	72.2	63.0	8.5	19.3

¹From current or prior employment of self or other family member.

²Defined by default as persons not covered by Medicare, CHAMPUS/CHAMPVA (Civilian Health and Medical Program of the Uniformed Services and Veterans Administration), Medicaid, other public assistance, or private insurance.

³Includes persons of race and ethnic origin not specified.

⁴Persons of Hispanic origin may be of any race.

Source: National Center for Health Services Research and Health Care Technology Assessment: 1987 National Medical Expenditure Survey.

The percentage reporting expenditures for health maintenance plans increased as educational attainment increased, from 1 percent of those who did not graduate from high school to nearly 10 percent of those with over 4 years of college. Those with less than a high school education were less likely than those with more education to purchase commercial health insurance, but more likely to have expenditures for Medicare. Reference persons with less than a high school education were older than those with more

education; 43 percent were 65 and over compared with 18 percent of high school graduates, 16 percent with some college, and 14 percent with over 4 years of college.

Family Composition. Although less than half of the CEX single-parent households with children under age 18 reported expenditures for health insurance, those who did report had the highest expenditures (\$886). Husband and wife households with children were more likely than other household types to purchase commercial health insurance.

Not surprisingly, one-member households, many of whom were elderly, had the lowest expenditures for total health insurance (\$429), commercial health insurance (\$367), Blue Cross and Blue Shield (\$481), and health maintenance plans (\$120) (reported by only 2 percent of these households).

Region. Total health insurance expenditures were similar for urban households in the four regions, ranging from \$603 in the Midwest to \$638 in the West. The percentage reporting an expenditure for commercial health insurance ranged from 16 percent in the Northeast to 42 percent in the South. Only 9 percent of Western households reported expenditures for Blue Cross and Blue Shield, compared with 30 percent in the Northeast. Health maintenance plans were most popular in the West, with 12 percent of households purchasing; also, mean expenditures among purchasing households were highest in the West (\$745).

Farmers and others living in rural areas are often self-employed and must provide their own health insurance. Mean expenditure for total health insurance in rural areas for all four regions was \$670, higher than that reported by urban families. Households in rural areas also paid the most for commercial health insurance (\$690).

Conclusions

Findings reflect out-of-pocket household expenditures for health insurance. Households without expenditures may be covered by insurance fully paid for by an employer as part of an employee's benefit package. College students may have coverage provided by parents or by the college in a student health plan. Fewer than half of households headed by someone under age 25 or single-parent households had health insurance expenditures. These two groups may be more dependent on other sources, such as parents or public programs, for their health insurance needs.

Types of Health Insurance

Private health insurance

Traditional health insurance can be purchased by individuals or groups from commercial insurance companies, medical service plans (such as Blue Cross and Blue Shield), labor unions, fraternal societies, communities, and rural and consumer health cooperatives. Benefits generally are subject to some form of deductible or co-insurance paid by the enrollee.

A number of alternatives to traditional health insurance have emerged in recent years. In 1973 the Health Maintenance Organization Act assisted in the establishment and expansion of HMO's (1). An HMO provides comprehensive health care service to members for a fixed periodic payment. A group HMO contracts with one or more medical groups to provide all services except hospital care under one roof (4). Enrollment in HMO's increased from 18.9 million persons in 1985 to nearly 28.6 million in 1987 and the number of plans available increased from 393 to 662 (4). The Health Care Financing Administration predicts that more than half of the U.S. population will belong to an HMO or some other alternative health care system by the mid-1990's (3).

An independent practice association (IPA) contracts with a physician organization that in turn contracts with individual physicians; IPA physicians provide care to HMO members from their private office and continue to see their fee-for-service patients (4). Preferred-provider organizations (PPO's) are networks of hospitals and doctors established to provide health care services at a discounted rate (3). In 1986 there were 505 PPO's in the United States, with the greatest number (173) in the West, and the fewest (47) in the Northeast (1).

Government health insurance

Ten percent of the U.S. population rely exclusively on public

programs for health insurance coverage (5). Medicaid, established in 1965, is a program of medical assistance for low-income individuals and families. To qualify for Medicaid, persons must be eligible to receive payment under one of the cash assistance programs (Aid to Families with Dependent Children and Supplemental Security Income). Medicaid is administered by each State within broad Federal requirements and guidelines. The program is financed jointly by State and Federal funds. State participation in Medicaid is optional and coverage varies by State. In 1985, 21.8 million people received \$37.5 billion in benefits from the Medicaid program (1).

Medicare, which went into effect in 1966 under the Social Security Act of 1965, is a federally administered program that provides hospital and medical insurance protection to Americans aged 65 and older and for persons under age 65 who receive cash benefits under the Social Security or Railroad Retirement programs because of disability or certain chronic kidney diseases. Medicare consists of two parts: Part A—compulsory hospitalization insurance, financed by contributions from employers and employees; and Part B—voluntary supplemental medical insurance, financed by enrollees' monthly premiums and by the Federal government. Part B helps pay for physicians' services and some medical services and supplies not covered under Part A. Nearly all persons eligible for Part B have elected to enroll in the program. Medicaid recipients who are aged or disabled are covered also by Medicare; in most States Medicaid pays for Medicare premiums, deductibles and copayments, and for services not covered by Medicare. In 1985, 31.1 million persons received Medicare benefits totaling \$70.5 billion (1).

Other households without health insurance expenditures may be uninsured, see box. In 1987 persons between 19 and 24 years old were twice as likely to be uninsured as other adults. Also, they were less likely to be employed on a permanent basis or to be eligible for a work-related group health plan. Households most likely to report expenditures for health insurance were those headed by someone age 65 or over; nearly all elderly households participate in the Medicare program. Commercial health insurance was most likely to be purchased by higher income households, husband and wife households with children, or those living in the urban South. Health maintenance plans were most popular among households with higher income, higher level of education, a reference person younger than 45, or that live in the urban West.

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Vehicle Insurance Expenditures

By Lydia M. Scoon
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Family Economics Research Group

Vehicle insurance expenditures have received much public attention because of ever increasing costs. Between 1983 and 1988 vehicle insurance prices rose three times faster than the overall inflation rate. Three in four households reported vehicle insurance expenditures in the 1985 Consumer Expenditure Survey; average expenditure was \$546. Households exceeding this average by \$100 or more were most likely to have income over \$40,000, own four or more vehicles, live in the Northeast or West, or were headed by persons between 45 and 54 years of age or with more than 4 years of college. Households most likely to own uninsured vehicles had either income under \$10,000 or a household head under 25 years of age.

Between 1970 and 1988 vehicle insurance prices, as measured by the Consumer Price Index,¹ increased 270 percent, new car prices increased 119 percent, and prices for all goods and services increased 200 percent (10) (see figure). Since 1983 annual vehicle insurance price increases surpassed those for all goods and services, rising over three times the inflation rate between 1983 and 1988. Vehicle insurance expenditures accounted for approximately 2 percent of total household expenditures in 1985 (11,12). This paper

¹Based upon the Consumer Price Index (CPI-W) for automobile insurance that includes insurance for cars, trucks, and motorcycles.

examines vehicle insurance expenditures of households by various socioeconomic characteristics and discusses reasons for the high costs.

Data

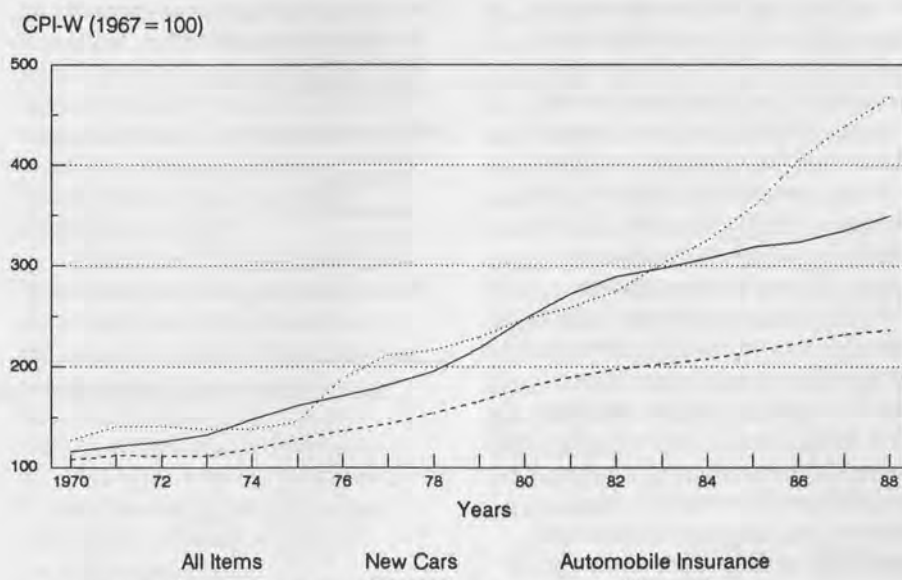
Data are from the 1985 Consumer Expenditure Survey (CEX), an ongoing, national survey conducted by the Bureau of Labor Statistics, U.S. Department of Labor. The CEX collects information on household expenses, income, and socioeconomic characteristics from

approximately 5,000 consumer units (households) interviewed once each quarter for up to five consecutive quarters. Data are weighted to represent the U.S. population. This report is based on a sample of 951 households that provided expenditure and household information over a one-year period. Vehicle insurance expenditures were reported by 75 percent of the sample; average annual household expenditures are reported below.

Findings

Vehicle insurance expenditures are defined by the CEX as premiums paid for insuring owned cars, trucks, vans, motorbikes, campers, trailers, and other vehicles, such as planes or boats, used for personal transport. The mean 1985 vehicle insurance expenditure for households with vehicle insurance was \$546 for an average of 2.4 vehicles per household—1.6 cars and 0.8 other vehicles. Insurance owners' before-tax income was \$31,364.

Changes in Consumer Prices for Selected Items



Automobile Insurance as defined in the Consumer Price Index includes cars, trucks, and motorcycles.

Socioeconomic characteristics and average vehicle insurance expenditures of vehicle insurance purchasers are reported in the table. Households with the highest average vehicle insurance expenditures were those with:

- an income of \$40,000 or above
- four or more vehicles
- a reference person age 45 to 54 years
- a household head with more than four years of college
- husband-wife and own children
- an urban residence in the Northeast or West

Demographic Characteristics

Income. Higher income households were more likely to have vehicle insurance expenditures than households at lower income levels. About 97 percent of households with income \$40,000 and over had expenditures for vehicle insurance, compared with only 44 percent with income under \$10,000. Vehicle insurance expenditures generally increased with increasing income, from \$394 for those with income between \$10,000-\$19,999 to \$738 for those with income of \$40,000 and over.

It is likely that higher income households had higher insurance expenditures because they owned more vehicles (8,11). On average, households in the highest income bracket (\$40,000 and over) owned three vehicles, compared with two vehicles owned by households with incomes \$10,000-\$19,999 (11). Also, higher income households own newer (9) and more expensive vehicles that generally carry higher insurance premiums (3). Owners of new and/or more expensive cars tend to purchase higher amounts and more types of coverage; they are more likely to retain collision and comprehensive coverage than owners of older, less valuable cars, who tend to drop these coverages as the automobile's market value falls near or below premium costs. A

Expenditures for annual vehicle insurance services: Percentage of households with the expenditure and mean expenditure for those households, 1985

Household characteristic	Vehicle insurance	
	Percent purchasing	Mean dollar
All households	75.1	\$546
Income:		
Under \$10,000	44.4	417
\$10,000 - \$19,999	75.0	394
\$20,000 - \$29,999	83.2	430
\$30,000 - \$39,999	85.6	595
\$40,000 and over	96.8	738
Number of vehicles:		
1	82.2	381
2	83.7	540
3	87.3	606
4 or more	91.6	784
Age of reference person (years):		
Under 25	46.0	425
25 - 34	80.7	495
35 - 44	79.2	621
45 - 54	83.8	647
55 - 64	73.5	538
65 - 74	78.1	471
75 and over	51.8	421
Race:		
White	77.5	542
Black and other	55.0	606
Education:		
No high school diploma	63.3	428
High school diploma	74.7	589
1 - 4 years of college	81.9	549
Over 4 years of college	84.9	650
Family composition:		
Husband and wife only	83.5	517
Husband and wife with own children ¹	83.6	630
Single parent with children	59.7	424
Single persons	58.1	399
Other families	74.0	596
Region of residence:		
Urban		
Northeast	68.3	776
Midwest	75.6	483
South	77.5	471
West	80.4	652
Rural	74.5	413

¹ "Own" children includes stepchildren and adopted children of the householder.

1985 U.S. Department of Energy, Energy Information Administration survey found that 38 percent of the vehicles owned by households with income greater than \$20,000 were model year 1981-1986, compared with 20 percent of vehicles owned by households with income less than \$20,000 (9).

Number of Vehicles. Approximately 92 percent of households with four or more vehicles reported vehicle insurance expenditures, compared with 82 percent of households with one vehicle. As expected, vehicle insurance expenditures increased as the number of vehicles owned increased, from \$381 for households with one vehicle to \$784 for households with four or more vehicles.

Age of Reference Person. Between 74 percent and 84 percent of households headed by persons 25 to 74 years reported expenditures for vehicle insurance, compared with 46 percent of younger households and 52 percent of older households. Households headed by persons under 25 years or 75 years and older also reported the lowest vehicle insurance expenditures (\$425 and \$421, respectively). These households owned fewer vehicles (8, 11) and had fewer household members covered by insurance. Vehicle insurance expenditures were highest for households with a reference person 45 to 54 years of age (\$647). These households owned more vehicles and were more likely to have children who were driving and needed insurance coverage. According to the U.S. Department of Transportation, Federal Highway Administration, however, drivers under the age of 25 were involved in a disproportionately high number of fatal traffic accidents in 1985 (7). Because accident rates affect premium rates, vehicle insurance expenditures are often high for young, unmarried males (4).

Race. Of households with vehicle insurance expenditures, approximately 78 percent of white households had vehicle insurance, compared with 55 percent of black and other households. Average expenditures (\$606) of black and other households with vehicle insurance, however, were 12 percent greater than those of white households (\$542). This was surprising, given that the average number of vehicles in the household was greater for white households (2.5) than for black and other households (2.0). Also, among households with vehicle insurance expenditures, average household income was slightly higher for black households than white households. It may be reasonable, therefore, to infer that it is a more economically advantaged group of minorities that owns vehicles and insurance, compared with white households.

Differences in the year and model of vehicles owned by each group might help to explain differences in average vehicle insurance expenditures. According to the U.S. Department of Energy study, white households owned newer vehicles than black or other households. About 35 percent of the vehicles owned by white households were 1981-1986 models, compared with 24 percent of vehicles owned by black and other households. The higher vehicle insurance expenditures reported by black and other households may reflect their propensity for residing in urban areas, which typically have higher insurance rates (2, 13).

Education. The percentage of households reporting vehicle insurance expenditures increased with the education level of the reference person, from 63 percent of households headed by persons without a high school diploma to 85 percent for households headed by persons with a graduate school education. Similarly, vehicle insurance expenditures

generally increased with the educational attainment of the reference person, from \$428 for households headed by persons who did not have a high school diploma to \$650 for households headed by persons with a graduate school education. Heads of households with more education tend to have higher household incomes and consequently, are likely to own newer, more expensive vehicles with greater insurance coverage.

Household Composition. Husband and wife households (with and without children) were most likely to purchase vehicle insurance (84 percent each), compared with 58 percent of single persons, 60 percent of single-parent households, and 74 percent of other households. Husband and wife with children households tended to have the highest vehicle insurance expenditures (\$630), followed by other households (\$596), husband-wife only households (\$517), single-parent households (\$424), and single persons (\$399).

Region. Percentages of urban households reporting vehicle insurance expenditures ranged between 68 percent in the Northeast to 80 percent in the South. Vehicle insurance expenditures for insurance owners were highest in the Northeast (\$776) and lowest in the South (\$471). The higher average expenditure in the Northeast was due, in part, to the higher proportion of late model cars reported (9), resulting in higher rates and/or more coverage. Moreover, 10 of the 20 States with above national average premiums were in the Northeast (1). The average number of vehicles per household was highest in the urban Midwest (3 vehicles). Rural households from all regions had lower expenditures (\$413) than urban households, reflecting the lower vehicle accident and theft rates in rural areas.

Comparison of Vehicle Owners with and without Vehicle Insurance Expenditures

In 1985 approximately 15 percent of the CEX households that reported owning vehicles had no expenditures for vehicle insurance.¹ These households may have resided in 1 of the 15 States that did not require drivers to purchase vehicle insurance, some vehicle owners may not drive, and some may be illegally uninsured motorists.

¹Some households, 11 percent, reported having neither a vehicle nor vehicle insurance expenditures. These households had the lowest average income, followed by households with vehicles but without vehicle insurance. Households with vehicles and vehicle insurance had the highest average income.

A higher percentage of low-income households and those headed by a person with a high school education (or less) owned vehicles but did not report vehicle insurance expenditures, see table. Over one-fourth of those with income less than \$10,000 and one-fifth of those with income between \$10,000 and \$19,999 were uninsured. Also, younger households were more likely to be uninsured than other age groups; 34 percent of those with a reference person under age 25 were uninsured, compared with 10 percent to 19 percent in other age categories.

A higher percentage of non-white than white households owned vehicles and did not report vehicle insurance expenditures, 23 percent and 14 percent, respectively. Single person households (20 percent) were more likely than other types of households (12 percent–15 percent) to be uninsured. A higher percentage of rural households owned vehicles but reported no vehicle insurance expenditures (19 percent), compared with urban households (13 percent–15 percent).

Percentage of households owning vehicles with no expenditures for vehicle insurance, 1985

Household characteristic	Percent uninsured	Household characteristic	Percent uninsured
All households	14.9	Education:	
Income:		No high school diploma	18.7
Under \$10,000	26.6	High school diploma	17.5
\$10,000 - \$19,999	19.9	1 - 4 years of college	10.7
\$20,000 - \$29,999	14.0	Over 4 years of college	12.6
\$30,000 - \$39,999	9.8	Family composition:	
\$40,000 and over	3.2	Husband and wife only	11.7
Age of reference person (years):		Husband and wife with own children ¹	15.3
Under 25	33.6	Single parent with children	13.5
25 - 34	15.1	Single persons	20.0
35 - 44	15.2	Other families	13.2
45 - 54	11.3	Region of residence:	
55 - 64	16.1	Urban	
65 - 74	9.9	Northeast	14.7
75 and over	18.8	Midwest	13.7
Race:		South	13.3
White	14.1	West	13.2
Black and other	23.2	Rural	19.4

¹ "Own" children includes stepchildren and adopted children of the householder.

High Cost of Automobile Insurance

Consumer costs for automobile insurance are affected by the insurance industry's loss and expense experience, reflecting claims for highway accident-related death, disability, and injury, auto theft, and property damage. Between 1980 and 1986 there was an increase in the frequency and cost of claims. There were 9 million more accidents in 1986 than 1980, caused in part by 20 million more registered vehicles. Between 1983 and 1988 there was a 71 percent increase in the average cost of a bodily injury claim and a 57 percent increase in first party medical claims (6).

Claims are affected by the rising costs for lawsuits, medical care, auto repair (3,6), and other factors such as automobile theft and fraud (6). Attorney representation in bodily injury claims rose from 31 percent in 1977 to 45 percent in 1987, increasing outlays for legal services. Health care costs were inflated by more than 8 percent a year between 1977 and 1987. Inflation for hospital costs, frequently a part of treating automobile accident injuries, increased more than 10 percent a year during that same period (10). Auto repair claims and related expenses rose 75 percent from 1982 to 1987 as a result of high costs for auto-repair parts and labor (6).

There are various ways to reduce the high costs of vehicle insurance. Increasing highway safety is one measure, including the use of seatbelts and mandatory passive restraints such as airbags; reducing speeding and drunk driving; improving truck safety; and adding crash protection features in cars (2). Lowering the costs of losses after they occur is another way (2,5,6). No fault insurance may decrease the need for expensive legal assistance. Also, revised medical fee limits are being proposed to manage health care costs (2,5).

State legislatures are acting to end escalating automobile insurance rates. Several States are seeking rate rollbacks. Also, some States are trying to increase competition in the automobile insurance market (and consequently, reduce rates) by allowing banks to offer auto insurance. At the very least, consumer groups advocate fuller disclosure of price and service information by insurers (2).

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Food and Nutrient Intakes of Low-Income Women and Children, in Metro/Nonmetro Areas, 1985/86

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Data from the 1985 and 1986 Continuing Survey of Food Intakes by Individuals (CSFII) conducted by USDA's Human Nutrition Information Service (HNIS) were used to compare food and nutrient intakes by low-income women and children in metropolitan and nonmetropolitan areas. In 1985/86 the diets of low-income women and their children in nonmetropolitan areas were similar to those in metropolitan areas. Diets of women in both environments were similar regardless of Food Stamp Program participation. Children living in nonmetropolitan areas who participated in the Food Stamp Program drank more milk and ate more vegetables and yeast bread and rolls than children who did not participate in the Food Stamp Program. In 1985/86 the diets of low-income women and their children living in nonmetropolitan areas were similar to those of low-income women and children living in metropolitan areas. The diets of women in both urbanization categories were similar regardless of their participation in the Food Stamp Program.

These findings are from the Continuing Survey of Food Intakes by Individuals (CSFII) conducted by USDA's Human Nutrition

Information Service.¹ The food and nutrient intakes presented here are weighted group means for women age 19 to 50 years and their children age 1 to 5 years based on 1 day of dietary information collected by personal interview in the spring of 1985 and the spring of 1986.

The CSFII included two samples—a sample of all-income households and a sample of low-income households. Low-income households are those having incomes before taxes for the previous year at or below 130 percent of the poverty guidelines. This income level was selected because nonelderly households at this level meet one of the criteria for participating in the Food Stamp Program. The poverty guidelines are based on household income and size. The data presented here are unpublished data from the combined low-income samples from

¹Previous articles on the CSFII appeared in the following issues of *Family Economics Review*: 1986 No. 2, 1987 No. 1, 1988 Nos. 1 and 4.

1985 and 1986. Data from each of the separate years have been published (3,4).

The urbanization categories (nonmetropolitan and metropolitan) are based on the Standard Metropolitan Statistical Areas (SMSA) defined by the U.S. Department of Commerce for the 1980 Census of Population. Metropolitan (metro) includes individuals living in central cities and suburban areas. A central city is defined as a city that has a population of 50,000 or more and is within an SMSA. A suburban area is generally within the boundaries of an SMSA but not within the legal limits of the central city. Nonmetropolitan (nonmetro) refers to areas not within an SMSA. The distributions of women and children by urbanization status are shown in the box below.

Low-income nonmetropolitan and metropolitan households had similar mean incomes (70 percent and 71 percent of the poverty guidelines, respectively). Low-income households participating in the Food Stamp Program (FSP) had a mean income of 55 percent of the poverty guidelines, significantly lower than that of nonparticipants (NFSP), 87 percent.

The estimated food intakes provided here include the mean intake in grams of specific food groups and the percentages of individuals reporting a specific food group. The estimated nutrient intakes are expressed as percentages of the 1980 Recommended Dietary Allowances (RDA). Means and standard errors of food intakes (in grams) and of proportions of RDA's provided by foods were estimated for different

	Nonmetro			Metro		
	Total number*	FSP	NFSP	Total number*	FSP	NFSP
	Percent			Percent		
Women, 19 - 50 years	803	47	53	1,827	49	51
Children, 1 - 5 years	414	49	51	1,095	58	42

*Unweighted count

sample subsets using RTI SAS SESUDAAN software to adjust for the complex survey design (2). The SESUDAAN DIFVAR option was used to estimate standard errors of differences between groups. These estimates were included in t-statistics used to compare means. Differences cited in the text include all those that reached the 95 percent level of significance.

Intakes by Women and Children

Low-income nonmetro women had food intakes that were generally similar to their metro counterparts (table 1). Nonmetro women had slightly higher intakes of coffee and tea and slightly lower intakes of fish than did metro women. These fairly minor differences in food intakes by women do not translate into any differences in food energy intake or intakes of those nutrients that are

below the RDA.² The mean nutrient intakes by women in both urbanization groups were above the RDA for

²Mean intakes below the RDA do not necessarily mean that individuals in the group were malnourished. Nutrient requirements for individuals differ, and the RDA are set high enough to meet the requirements of nearly all healthy individuals in a given sex and age group. Thus, the RDA for nutrients exceed the requirements of many individuals. Although intakes below the RDA are not necessarily inadequate, the risk of some individuals having inadequate intakes increases as the mean intake for the group falls further below the RDA(1).

Table 1. Mean intakes and percentages of individuals using selected foods, low-income women and children, by urbanization, 1 day, 1985/86

Food group/subgroup	Women				Children			
	Non-metro		Metro		Non-metro		Metro	
	Grams	Percent	Grams	Percent	Grams	Percent	Grams	Percent
Total meat, poultry, and fish	170	175	90	88	115	111	84	89
Meat mixtures	74	75	32	31	49	45	30	31
Beef	26	25	22	22	13	14	18	20
Frankfurters, sausages, & luncheon meats	14	15	27	25	19	18	39	32
Pork	19	17	26	23	10	10	22	22
Poultry	21	24	19	20	16	15	21	20
Fish and shellfish	7	* 11	5	9	3	5	6	7
Total fluid milk	169	160	50	52	371	358	87	86
Whole	106	105	34	35	277	274	64	66
Lowfat/skim	62	54	17	16	93	81	23	21
Eggs	24	23	32	29	26	22	37	36
Total vegetables	157	147	80	73	106	* 87	79	70
Total fruits	90	102	36	38	147	155	57	56
Citrus fruits and juices	50	56	21	20	56	59	27	29
Other fruits, mixtures, juices	40	46	20	23	91	95	43	40
Total grain products	202	207	93	91	193	226	98	99
Yeast breads and rolls	43	41	66	62	38	37	73	69
Other baked goods	45	39	52	47	30	* 38	58	63
Cereals and pastas	47	53	29	35	50	63	65	68
Grain mixtures	66	73	25	26	75	88	37	37
Alcoholic beverages	35	42	6	7	0	0	0	0
Fruit drinks and ades	67	79	18	18	118	91	38	31
Carbonated soft drinks	257	278	49	49	77	64	28	26
Coffee	333	* 251	48	41	0	1	1	0
Tea	190	* 102	34	19	49	* 17	17	7

*Significantly different, $p < .05$.

8 of 15 nutrients examined (protein, vitamin A, ascorbic acid, thiamin, riboflavin, niacin, vitamin B-12, and phosphorus) and below the RDA for food energy and 7 nutrients (vitamin B-6, calcium, magnesium, iron, vitamin E, folacin, and zinc). For the 7 nutrients below the RDA, the mean RDA levels of the two groups were almost identical (table 2).

Nonmetro low-income children had intakes that were similar to those of low-income metro children for total meat, poultry, fish; fluid milk; eggs; fruits; grain products; fruit drinks; and soft drinks. They had higher intakes of vegetables and tea and lower intakes of "other" baked goods such as cookies, doughnuts, and pastries. Low-income non-metro children had intakes of food energy, protein, fat, and all vitamins and minerals that were similar to or higher than intakes by low-income metro children. Average nutrient intakes by children in both urbanization groups were above the RDA for 13 of 15 nutrients examined. Intakes of iron and zinc were below the RDA for children in both urbanization categories.

Food Stamp Participation

In general, low-income non-metro women had food intakes that were similar regardless of their participation (FSP) or nonparticipation (NFSP) in the Food Stamp Program (table 4). There were several exceptions. FSP women had a lower intake of tea and a higher intake of grain-based mixtures. Both FSP and NFSP nonmetro women had intakes of vitamin B-6, magnesium, iron, folacin, and zinc that were below 65 percent of the RDA (table 3).

Metro FSP women had higher intakes of pork and alcoholic beverages and lower intakes of skim milk than did metro NFSP women. Average nutrient intakes were similar for FSP and NFSP metro women for all nutrients except vitamin E. Vitamin E intakes of FSP women were significantly higher than those of NFSP women.

Table 2. Mean intakes of food energy and selected nutrients below the 1980 Recommended Dietary Allowances by low-income women and children, by urbanization, 1 day, 1985/86

Food energy/nutrient	Women		Children	
	Nonmetro	Metro	Nonmetro	Metro
Percent of RDA				
Food energy	77	75	(1)	99
Vitamin B-6	57	57	(1)	(1)
Calcium	76	71	(1)	(1)
Magnesium	64	63	(1)	(1)
Iron	59	58	87	84
Vitamin E	82	84	(1)	(1)
Folacin	46	46	(1)	(1)
Zinc	58	57	82	78

¹Mean intakes above 1980 RDA.

Table 3. Mean intakes of food energy and selected nutrients below the 1980 Recommended Dietary Allowances by low-income women 19 to 50 years, by urbanization and Food Stamp Program status, 1 day, 1985/86

Food energy/nutrient	Nonmetro		Metro	
	FSP	NFSP	FSP	NFSP
Percent of RDA				
Food energy	76	77	77	74
Vitamin B-6	58	55	60	55
Calcium	80	72	70	72
Magnesium	65	63	64	62
Iron	62	56	59	56
Vitamin E	85	80	93	* 76
Folacin	49	44	46	45
Zinc	60	56	58	56
Vitamin A	137	98	111	109

*Significantly different, $p < .05$.

Nonmetro FSP children had higher intakes of fluid milk, vegetables, and yeast breads and rolls than did NFSP children. FSP children had higher intakes of calcium than did NFSP children, probably reflecting their higher intakes of milk. Nonmetro FSP children also had higher intakes of iron than NFSP children. Metro FSP children had lower intakes of tea and higher intakes of vitamins B-6 and E than did metro NFSP children.

Food Sufficiency

Households participating in the CSFII were asked a question about the household's food sufficiency:

"Which one of the following statements best describes the food eaten in your household during the last two months:

- Enough of the kinds of food we want to eat;
- Enough but not always what we want to eat;

Table 4. Mean intakes and percentages of individuals using selected foods by low-income women 19 to 50 years, by urbanization and Food Stamp Program status, 1 day, 1985/86

Food group/subgroup	Nonmetro				Metro			
	FSP ¹	NFSP ¹	FSP	NFSP	FSP	NFSP	FSP	NFSP
	Grams		Percent		Grams		Percent	
Total meat, poultry, and fish	171	169	88	92	176	174	86	89
Meat mixtures	78	70	29	34	67	83	27	36
Beef	26	25	22	21	24	26	20	25
Frankfurters, sausages, & luncheon meats	14	15	25	29	18	13	28	22
Pork	17	21	22	30	22	* 13	27	20
Poultry	21	22	18	20	25	23	20	20
Fish and shellfish	5	8	4	6	13	10	8	9
Total fluid milk	181	157	54	47	149	170	51	54
Whole	104	107	35	33	109	100	37	34
Lowfat/skim	76	49	19	14	39	* 69	13	20
Eggs	22	26	31	33	25	21	31	27
Total vegetables	158	156	78	83	154	141	72	74
Total fruits	88	92	33	39	101	104	36	40
Citrus fruits and juices	49	50	18	24	57	55	20	21
Other fruits, mixtures, juices	39	41	19	21	43	48	21	26
Total grain products	214	191	95	92	213	201	92	90
Yeast breads and rolls	41	45	65	67	40	43	62	62
Other baked goods	43	47	51	53	41	38	46	48
Cereals and pastas	48	47	30	28	54	53	35	36
Grain mixtures	82	* 53	27	24	79	68	28	25
Alcoholic beverages	42	28	4	7	53	* 31	8	7
Fruit drinks and ades	79	57	19	16	91	68	20	16
Carbonated soft drinks	264	251	46	51	275	280	48	50
Coffee	336	330	48	49	246	256	38	44
Tea	165	* 212	31	36	100	104	17	20

¹FSP refers to Food Stamp Program participants, NFSP to nonparticipants.

*Significantly different, $p < .05$.

- Sometimes not enough to eat; or
- Often not enough to eat."

A lower proportion of low-income nonmetro than metro households reported sometimes or often not enough food to eat (12 percent and 19 percent, respectively). Almost 22 percent of FSP households reported sometimes or often not enough to eat compared with 12 percent of NFSP households.

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Research Summaries

The Working Poor

Of the 112 million persons who spent at least half a year in the labor force in 1987, 6.4 million were members of poor families. Thus, the poverty rate among workers was 5.6 percent. Although persons from every age, race, sex, and educational group are found among the working poor, characteristics that relate most closely to poverty among workers are family relationships and education. Family structure determines the number of potential wage earners, and education is the best predictor of earnings. The working poor, as a group, owe their poverty status to low earnings (from unemployment, inability to find full-time work, and low-wage rates) and a family structure that is conducive to poverty, such as the presence of dependent children and only one earner.

Black workers have very high poverty rates (13.2 percent, compared with 4.7 percent for whites). Black men are more likely to be single than other men, and black women are far more likely than other women to maintain families themselves. These women have the highest poverty rate of any major group (see table 1). Also, employed blacks are almost 50 percent more likely than whites not to have completed high school, with low earnings as a result.

Nearly half (45 percent) of the working poor experienced unemployment at some time during 1987, compared with 12 percent of the non-poor. The median number of weeks

of unemployment was much higher for the poor than for the nonpoor workers (26 and 13, respectively). Also, the working poor were nearly four times as likely to have been limited, for at least part of the year, to working part time when they

would have preferred full-time work. The working poor have a strong tendency to work in jobs that pay low wages, and unemployment is most common among workers with low-wage jobs.

Table 1. Characteristics of poor and nonpoor workers, 1987

Characteristics	Poor workers	Nonpoor workers	Poverty rate ¹
	Percent ²		
Age (years):			
16 and over	100.0	100.0	5.6
16 - 19	7.7	4.0	10.4
20 - 24	18.4	11.1	9.0
25 - 54	65.0	71.4	5.2
55 and over	8.9	13.5	3.8
Sex:			
Male	52.3	56.0	5.3
Female	47.7	44.0	6.1
Race:			
White	72.6	87.4	4.7
Black	24.4	9.6	13.2
Family relationship:			
Husbands	26.1	35.6	4.2
Wives	10.7	25.3	2.5
Women who maintain families . . .	17.0	4.7	17.7
Men who maintain families	2.5	1.7	7.8
Others in families	13.4	16.0	4.8
Unrelated individuals	30.3	16.7	9.8
Education:			
Fewer than 4 years of high school .	38.5	15.0	13.3
4 years of high school	41.0	40.5	5.7
1 to 3 years of college	13.5	20.7	3.8
4 years of college or more	7.0	23.8	1.7

¹The number of poor workers as a percent of all workers who spent 27 weeks or more in the labor force in 1987.

²Because of rounding, sums of individual items may not equal 100.

Source: Klein, Bruce W. and Philip L. Rones, 1989, A profile of the working poor, *Monthly Labor Review* 112(10):3-13, U.S. Department of Labor, Bureau of Labor Statistics.

Table 2. Nominal, real, and average value of the minimum wage, 1967 - 1987

Year	Legislated minimum wage	
	Nominal dollars	Real value 1987 dollars
1967	\$1.40	\$4.43
1968	1.60	4.88
1969	1.60	4.67
1970	1.60	4.45
1971	1.60	4.27
1972	1.60	4.14
1973	1.60	3.90
1974	2.00	4.43
1975	2.10	4.29
1976	2.30	4.45
1977	2.30	4.18
1978	2.65	4.51
1979	2.90	4.51
1980	3.10	4.33
1981	3.35	4.27
1982	3.35	4.03
1983	3.35	3.87
1984	3.35	3.71
1985	3.35	3.58
1986	3.35	3.51
1987	3.35	3.35
Average 1967 - 1987	2.47	4.18

Source: Klein, Bruce W. and Philip L. Rones, 1989, A profile of the working poor, *Monthly Labor Review* 112(10):3-13, U.S. Department of Labor, Bureau of Labor Statistics.

Low-wage level was defined as the average minimum-wage level for 1967-87, calculated from each year's value, expressed in 1987 dollars (table 2). This value was \$4.18 per hour or \$167.20 for a 40-hour work week. Two-thirds of poor full-time workers experienced low earnings. Among those who had been unemployed, the poverty rate for persons with low earnings was 37 percent, compared with 7 percent for those who had not experienced low earnings.

Most low-wage earners were not in poverty because they were not the sole support of their families. When wives or other persons related to a householder work for low pay, their earnings are usually supplemented

Comparing Poor with Nonpoor Workers

	Poor workers	Nonpoor workers
Definition	Persons who worked or sought work for 27 weeks or more during the year and lived <u>below</u> the poverty level	Those who worked or sought work for 27 weeks or more during the year and lived <u>at or above</u> the poverty level
Industry and class of worker	About 10 percent were agricultural workers; 12 percent were nonagricultural self-employed; and 78 percent were nonagricultural wage and salary workers	Only 3 percent worked in agriculture; 9 percent were nonagricultural self-employed; and 88 percent were nonagricultural wage and salary workers
Work schedules	Of the 6.4 million working poor, 1.9 million (29 percent) worked full time, year round	Of the 107 million nonpoor workers, 75 million (70 percent) worked full time, year round
Location	Three in ten lived in non-metropolitan areas	Two in ten lived in non-metropolitan areas
Family relationship	26 percent were husbands; 11 percent were wives; 17 percent were women who maintained families; and 30 percent were persons living outside of families	36 percent were husbands; 25 percent were wives; 5 percent were women who maintained families; and 17 percent were persons living outside of families
Race	73 percent were white; 24 percent were black	87 percent were white; 10 percent were black
Education	About 40 percent were dropouts; 40 percent had completed high school; only 20 percent had attended college	15 percent were dropouts; 40 percent were high school graduates; 45 percent had attended college

by the earnings of others. The group most affected by low wages was women heading families with children; 75 percent of these women who worked full time at low wages were living below the poverty level.

The strong impact of family composition on poverty is supported by the percentages of families of the working poor with children (83 percent) and families of the nonpoor with children (55 percent). Most poor families (76 percent) had only one working member, whereas the majority (61 percent) of nonpoor families had two or more earners. Almost 40 percent of poor families were maintained by women, compared with just 12 percent of nonpoor families. Women who maintain families actually have median average weekly earnings for full-time

work that are very similar to those of married women. However, families maintained by women have only half the median earnings of married-couple families, even though average family size is about the same. Poverty is also relatively common among workers living alone or with unrelated individuals (three of ten poor workers); they are younger than most workers and generally work at low wages.

Source: Klein, Bruce W. and Philip L. Rones, 1989, A profile of the working poor, *Monthly Labor Review* 112(10):3-13, U.S. Department of Labor, Bureau of Labor Statistics.

Married-couple Families with Children

Between 1980 and 1985 there was a 6 percent decline in the number of children living with both of their biological parents in family situations. Two trends explain this phenomenon. First, the proportion of divorced Americans was higher than at any time in U.S. history. As of June 1985, 23 percent of those who had ever been married (age 15 years and over) had been divorced. Second, a record-breaking proportion of children (23 percent in 1986) were born to unmarried mothers.

Data from the Current Population Survey, collected by the U.S. Bureau of the Census, were used to report on married-couple families with at least one biological child, stepchild, or adoptive child in the household, with an emphasis on families with stepchildren. The study consisted of approximately 66,000 households surveyed in June 1980 and 60,000 households surveyed in June 1985. A child who was the biological child of one parent in a married-couple family, but not of the other, was classified as a stepchild. A child who was the biological child of both parents was classified as a biological child, and all children who were not biological children of either parent were classified as adoptive children. The number of children living with either a stepmother or a stepfather increased by nearly 12 percent between 1980 and 1985. Of all children in married-couple families, 15 percent were stepchildren in 1985, compared with 13 percent in 1980.

In white¹ married-couple families, 85 percent of children lived with their two biological parents in 1980, 12 percent lived with one biological parent and one stepparent, and 3 percent lived with adoptive parents. By 1985 these

percentages were 83 percent, 14 percent, and 2 percent, respectively. In black married-couple families, a smaller percentage of children (72 percent in 1980, 70 percent in 1985) lived with their two biological parents, but a larger percentage lived with one biological parent and one stepparent (24 percent in 1980, 26 percent in 1985). Percentages for other races, a category consisting mainly of American Indians, Alaskan Natives, Asians, and Pacific Islanders, were similar to those for whites in 1980, and did not change significantly by 1985.

In 1985, 19 percent of all married-couple families with children had at least one stepchild living in the household, compared with 16 percent in 1980. Of these married-couple families with stepchildren, 10 percent contained the biological children of only one of the parents and 9 percent had a "yours-ours" mix (both biological children and stepchildren). The great majority of stepchildren (89 percent) in married-couple families were living with their biological mothers and stepfathers.

The mix of children in a married-couple family was greatly affected by the number of times each spouse had been married. Married-couple families that contained only biological children were more likely to contain parents who had been married only to each other (88 percent in 1980, 86 percent in 1985) and for a longer period of time, than parents in families that contained stepchildren. For there to be a stepchild, at least one of the parents had to be married twice or the child had to have been born to the woman prior to her first marriage (31 percent of biological mother-stepfather families in 1980, and 34 percent in 1985). Also, adoptive families were more likely to have intact first marriages and to have been married longer than stepfamilies.

In 1985 the average age for a mother in a married-couple family with own children under age 18 in the household was 35.2 years. Mothers in stepfamily situations were younger, averaging 31.9 years of age in joint biological-step families and 34.1 years of age in stepfather-only families. Mothers in

Family Type Classification

All families were classified according to their various parent-child relationships.

1. Biological families—All children were biological children of both parents.
2. Adoptive families—All children were adoptive children of both parents.
3. Biological mother-stepfather families—All children were biological children of the mother and stepchildren of the father.
4. Biological father-stepmother families—All children were biological children of the father and stepchildren of the mother.
5. Joint biological-step families—At least one child was a biological child of both parents, at least one was a biological child of one parent and a stepchild of the other parent, and no other type of child was present; or a stepchild of each parent and no other type of child was present.
6. Joint biological-adoptive families—At least one child was a biological child of both parents, at least one was an adopted child of both parents, and no other type of child was present.
7. Joint step-adoptive families—At least one child was a biological child of one parent and a stepchild of the other parent, at least one was an adopted child of both parents, and no other type of child was present.
8. Joint biological-step-adoptive families—At least one child was a biological child of both parents, at least one was the biological child of one parent and the stepchild of the other, and at least one was an adopted child of both parents.
9. Type-unknown families—At least one child had at least one parent for whom the nature of the relationship could not be designated.

¹In this study, race refers to the race of the mother.

adoptive family situations were older, averaging 44.7 years of age in adoptive-only families and 39.3 years of age in joint biological-adoptive families. The mean age of fathers in the various family types followed a similar pattern, although husbands were 2.0 to 5.5 years older than their wives.

Parents in stepfamilies had less formal education than parents in general in 1985. Whereas 17 percent of all mothers in married-couple families had not graduated from high school, this was true for 23 percent of mothers in joint biological-step families and 20 percent of those in stepfather-only families. Findings for fathers were similar: 18 percent of all married-couple fathers had not graduated from high school, compared with 22 percent of fathers in joint biological-step families and 23 percent of fathers in stepfather-only families. Parents in stepfamilies also were less likely than the average parent to have had any college education.

Married-couple families that contained only stepchildren in 1985 were the most likely of the family types to have mothers in the labor force (59 percent) and joint biological-adoptive families were the least likely (35 percent). Between 1980 and 1985 the proportion of married-couple families with children in which both parents were in the labor force increased from 41 percent to 46 percent.

Median family income for all married-couple families in 1985 was \$28,160. The family type with the lowest median income (\$22,930) was the joint biological-step family, and the stepfather-biological mother family had the second lowest median income (\$25,270). The family type with the highest median income (\$34,850) was the stepmother-biological father family.

Source: Miller, Louisa F. and Jeanne E. Moorman, 1989, Married-couple families with children, *Studies in Marriage and the Family*, Current Population Reports, Special Studies, Series P-23, No. 162, U.S. Department of Commerce, Bureau of the Census.

Singleness in America

In 1988, 66 million or 37 percent of all adults were single, a 9 percent increase over 1970. The increase was due, in part, to a growing proportion of persons who have never married, rising age at first marriage, higher divorce rates, and an increasing proportion of the elderly among the U.S. population.

Singles were defined as unmarried adults age 15 years and over, including never-married, divorced, and widowed persons. Data were from the March 1988 Current Population Survey (CPS) conducted by the Bureau of the Census. CPS surveys approximately 57,000 households in 50 States and the District of Columbia. Additional

data were obtained from decennial censuses dating back to 1890, and the National Center for Health Statistics, Department of Health and Human Services.

In 1988, 61 percent of women and 78 percent of men 20 to 24 years old, had never married (compared with 36 percent and 55 percent, respectively, in 1970) (see table 1). Black women (75 percent) were more likely to delay marriage than white women (59 percent). Similarly, 87 percent of black men 20 to 24 years old had never married, compared with 76 percent of white men. The never-married young Hispanics were more similar to whites than blacks.

The estimated median age at first marriage is increasing—25.9 years for men and 23.6 years for women (up from 22.8 years and 20.3 years, respectively, in 1950) (table 2, pg 20).

Table 1. Never-married Americans, by age, sex, race, and Hispanic origin:¹ 1988 and 1970

Age (years)	Women		Men	
	1988	1970	1988	1970
Percent				
All races:				
20 - 24	61.1	35.8	77.7	54.7
25 - 29	29.5	10.5	43.3	19.1
30 - 34	16.1	6.2	25.0	9.4
35 - 39	9.0	5.4	14.0	7.2
White:				
20 - 24	58.5	34.6	76.1	54.4
25 - 29	26.3	9.2	41.3	17.8
30 - 34	13.0	5.5	22.6	9.2
35 - 39	7.5	4.6	12.8	6.1
Black:				
20 - 24	75.0	43.5	86.7	56.1
25 - 29	49.6	18.8	55.0	28.4
30 - 34	36.9	10.8	42.0	9.2
35 - 39	19.8	12.1	24.5	15.8
Hispanic:				
20 - 24	52.7	33.4	72.5	49.9
25 - 29	26.9	13.7	39.3	19.4
30 - 34	16.7	8.4	27.9	11.0
35 - 39	9.9	6.9	12.1	7.6

¹ Persons of Hispanic origin may be of any race.

Source: Saluter, Arlene F., 1989, Singleness in America, *Studies in Marriage and the Family*, Current Population Reports, Special Studies, Series P-23, No. 162, U.S. Department of Commerce, Bureau of the Census.

Table 2. Median age at first marriage, by sex: 1950 to 1988

Year	Men	Women
1988	25.9	23.6
1985	25.5	23.3
1980	24.7	22.0
1975	23.5	21.1
1970	23.2	20.8
1965	22.8	20.6
1960	22.8	20.3
1955	22.6	20.2
1950	22.8	20.3

Source: Saluter, Arlene F., 1989, Singleness in America, *Studies in Marriage and the Family*, Current Population Reports, Special Studies, Series P-23, No. 162, U.S. Department of Commerce, Bureau of the Census.

The **marriage rate**, defined as the number of marriages per 1,000 unmarried females age 15 and over, is declining and reached a record low of 57 marriages per 1,000 in 1985 (compared with a high of 118 reported in 1946). Of the 1,858,783 marriages documented in the 1985 Marriage Registration Area (MRA),¹ about two-thirds were first marriages and one-third were remarriages.

Of all adults who had been married, 10 percent or 14 million had been divorced and never remarried in 1988; comparable figures in 1970 were 4 percent and 4.3 million. The **divorce ratio**, defined as the number of divorced persons per 1,000 intact marriages, increased from 47 per 1,000 in 1970 to 133 in 1988, see table 3. Men had lower divorce ratios than women (110 compared with 156), because divorced men are more likely to remarry. Blacks had a higher average divorce ratio than whites (263 vs. 124). The average Hispanic divorce ratio was 137. In 1985 mean age at divorce

was 33.7 years for women and 34.4 years for men. Teenage marriages were at highest risk.

The over-65 age group has been steadily increasing in proportion to the total population (12 percent in 1987, up from 10 percent in 1970). About 25 percent or 72 million people are expected to be elderly by the year 2080. Of the 11.2 million widows and 2.3 million widowers in 1988 (excluding persons in nursing homes and other institutions), 72 percent are 65 years or older.

Increasing life expectancy is likely to prolong singleness among widows and widowers. The estimated average expected life span for men increased from 67.1 years in 1970 to 71.3 years in 1986. The corresponding increase for women was from 74.7 to 78.3 years. Average life expectancy for blacks is lower than for whites (65.2 and 73.5 years for black men and women in 1986, compared with 72.0 and 78.8 years for white men and women).

Living Arrangements of Singles

The increase in singleness has affected the living arrangements of children, young adults, and the elderly. A greater number of children under age 18 are living with one parent (15.3 million in 1988, compared with 8.2 million in 1970). Over one-half (54 percent) of all black children, 30 percent of Hispanic children, and 19 percent of white children lived with a single parent in 1988.

Divorce and record high birth-rates among unmarried women are the primary reasons for the increase in number of children living with a single parent. The number of children living with a divorced parent rose from 2.5 million in 1970 to 5.9 million in 1988. The corresponding number of children living with a never-married parent increased from 557,000 to 4.7 million children.

Table 3. Number of divorced persons per 1,000 married persons with spouse present, by sex, race, and Hispanic origin:¹ 1988, 1980, and 1970

Year and sex	Total	White	Black	Hispanic
Both sexes:				
1988	133	124	263	137
1980	100	92	203	98
1970	47	44	83	61
Male:				
1988	110	102	216	106
1980	79	74	149	64
1970	35	32	62	40
Female:				
1988	156	146	311	167
1980	120	110	258	132
1970	60	56	104	81

¹ Persons of Hispanic origin may be of any race.

Source: Saluter, Arlene F., 1989, Singleness in America, *Studies in Marriage and the Family*, Current Population Reports, Special Studies, Series P-23, No. 162, U.S. Department of Commerce, Bureau of the Census.

¹ In 1985, MRA included the District of Columbia, and all States except Arizona, Arkansas, Nevada, New Mexico, North Dakota, Oklahoma, Texas, and Washington.

An increasing proportion of young adults are living at home with their parents, instead of establishing separate households (54 percent of all young adults who were 18 to 24 years old in 1988, up from 47 percent in 1970). Of the 14.2 million young adults who relied on their parents for housing in 1988, only 1.9 million lived in a college dorm. Men were more likely to live at home than women (61 percent compared with 48 percent). This living arrangement is increasing among young adults for two major reasons: the 18- to 24-year age group is delaying a first marriage; and income increases for this group have not kept pace with housing costs. In 1985 for example, average monthly income for 18- to 24-year-olds was \$639, up from \$539 in 1980. Median gross rent was 57 percent of income, up from 45 percent in 1980. Owner costs required 89 percent of income, up from 68 percent of income in 1980, table 4.

Young adults, aged 18 to 24 years, who did not live with their parents either maintained their own family household (with or without spouse), lived alone, or shared a household with an unrelated person or persons. In 1988, 6 million young adults (23 percent of all persons in the 18-24 age group) maintained families as either the householder (one of the persons in whose name the home is owned or rented) or the householder's spouse; 2.3 million young adults or 9 percent of persons 18-24 years old lived alone or with an unrelated adult.

Living arrangements of the elderly noninstitutional population varied by age and sex. Elderly women were more likely than men to live alone (33 percent of women, 13 percent of men age 65 to 74; 51 percent of women, 22 percent of men over 75). A majority of elderly men lived with their wives (80 percent of men age 65 to 74; 67 percent of men over 75).

Based on the 1980 decennial census, about 2 percent of the 65- to 74-year age group and 10 percent of those over age 75, lived in nursing homes. Similar proportions of men and women, 65-74 years old, lived in nursing homes. After age 75, the proportion of women to men in nursing homes nearly doubled (12 percent compared to 7 percent).

Source: Saluter, Arlene F., 1989, *Singleness in America, Studies in Marriage and the Family*, Current Population Reports, Special Studies, Series P-23, No. 162, U.S. Department of Commerce, Bureau of the Census.

Characteristics of Persons Receiving Benefits

Information on persons receiving welfare assistance was collected over a 32-month period between 1984 and 1986. Data reported are from the Survey of Income and Program Participation (SIPP), conducted by the Bureau of the Census. Persons were classified by the number of months of participation in one or more major assistance programs over the 32-month period. The programs include: (1) Aid to Families with Dependent Children (AFDC), (2) General Assistance, (3) Supplemental Security Income (SSI), (4) Medicaid, (5) food stamps, and (6) Federal and State rent assistance.

The table on page 22 shows data for persons who are recipients of AFDC, General Assistance, or food stamps if they are the primary recipient or if they are the spouse or minor child of the primary recipient. Also included are persons receiving SSI payments, those covered by Medicaid, and those living in public or subsidized housing. Overall, the

Table 4. Mean income of 18- to 24-year-olds, by marital status and housing costs: 1985 and 1980

Characteristic	1985	1980
Mean income, annual:		
Total	\$7,670	\$6,467
Never married	7,046	5,821
Married	9,407	7,909
Widowed	*	*
Divorced	8,812	7,622
Mean income, monthly: ¹		
Total	639	539
Never married	587	485
Married	784	659
Widowed	*	*
Divorced	734	635
Housing costs:		
Gross rent ²	365	243
Gross owner costs ³	566	366

* Numbers were too small to calculate a mean.

¹ Annual income divided by 12.

² Specified renter-occupied housing units.

³ Specified owner-occupied housing units with a mortgage.

Source: Saluter, Arlene F., 1989, *Singleness in America, Studies in Marriage and the Family*, Current Population Reports, Special Studies, Series P-23, No. 162, U.S. Department of Commerce, Bureau of the Census.

proportion of persons who received benefits from at least one of the major assistance programs over the 32-month period was 18 percent, and 7 percent received benefits during the entire period.

When persons are classified by various demographic characteristics, differences in the level of welfare assistance reflect their degree of poverty. For example, about 20 percent of females received assistance from a major program at some time during the 32-month period, and 9 percent received assistance during the entire period. For males, comparable figures were 16 percent and 6 percent. In 1986 the poverty rate for females, 15 percent, was higher than the rate for males, 12 percent, because of two factors. First, women were more likely than men to live in a family in which no spouse was present, and the poverty rate among persons in such families was higher than the rate among persons in married-couple families or among unrelated individuals. Second, most of the persons who were age 65 and over were women. Women in this age group had a higher poverty rate than did younger women, whereas the poverty rate for men age 65 and over was the same as for younger men.

There was a strong relationship between race (and Hispanic origin) and the likelihood of receiving welfare assistance. The proportion of persons who received assistance at some time during the 32-month period was 14 percent among whites, 48 percent among blacks, and 34 percent among Hispanics. Twenty-four percent of blacks received benefits during the entire period, as did 5 percent of whites and 15 percent of Hispanics.

When classified by age, the population group with the strongest dependence on welfare benefits was the very young. Of children under age 6, 30 percent received welfare assistance at some time during the survey period, and 13 percent received benefits during the entire period. Among those age 65 and over, comparable figures were

18 percent and 11 percent. There also were differences among age groups in the likelihood of being a welfare recipient during the entire 32-month period. Among welfare recipients, 62 percent of those age 65 and over were recipients for the entire period, compared with 43 percent of children under age 6.

Persons who did not finish high school were much more likely to receive welfare benefits than high school graduates, and those who finished college rarely participated in welfare programs. Among those who did not finish high school, 30 percent received welfare

assistance at some time during the survey period, compared with 12 percent of high school graduates and 3 percent of college graduates. Receiving benefits during the entire period were 15 percent of those who did not finish high school, 3 percent of high school graduates, and less than 1 percent of college graduates.

Persons who lived in central cities had a higher rate (24 percent) of participation in welfare assistance programs than persons who lived in suburban areas (12 percent) or outside metropolitan areas (20 percent). Also, 11 percent of central city residents received benefits during

Recipients of welfare benefits

Characteristics	Receipt of major assistance ¹	
	One or more months	32 months
	Percent	
All persons	18.3	7.2
Male	15.8	5.5
Female	20.5	8.8
Race:		
White	13.9	4.7
Black	48.5	24.0
Hispanic ²	34.2	15.2
Age (years):		
Under 18	26.6	10.9
Under 6	30.1	12.8
18-24	19.9	5.0
25-44	14.7	5.2
45-64	10.8	4.5
65 and over	17.9	11.1
Education:		
Less than 12 years	29.6	14.6
12 to 15 years	11.7	3.4
16 years and over	3.2	0.6
Residence:		
Central city	23.7	11.2
Suburban	12.3	4.1
Outside of metropolitan area	20.5	7.1
Region:		
Northeast	16.8	7.8
Midwest	16.7	7.1
South	20.7	7.5
West	18.0	6.4

¹Major assistance programs include Aid to Families With Dependent Children (AFDC), General Assistance, Supplemental Security Income (SSI), food stamps, Medicaid, and housing assistance.

²Persons of Hispanic origin may be of any race.

Source: U.S. Department of Commerce, Bureau of the Census, 1989, *Characteristics of Persons Receiving Benefits From Major Assistance Programs*, Current Population Reports, Household Economic Studies, Series P-70, No. 14.

the entire period, compared with 4 percent of suburban residents and 7 percent of persons living outside of metropolitan areas.

There were only minor differences among the four regions of the country in the likelihood of residents receiving welfare assistance. The percentage of persons who received some assistance was 21 percent in the South, 18 percent in the West, and 17 percent in both the Northeast and the Midwest.

Persons who were not part of a married-couple family were over three times as likely to have received some welfare assistance as persons who were part of such a family during the entire survey period (37 percent vs. 11 percent), and they were seven times as likely to have received assistance during the entire survey period (21 percent vs. 3 percent). The proportion of persons living in female-headed households, no husband present, with related children under age 18 and who received some welfare assistance was 67 percent; the proportion who received assistance during the entire period was 42 percent.

Among men age 20 to 64 years, 35 percent who were not working at a full-time job received some welfare benefits, whereas 3 percent who worked full time during the entire survey period received benefits. Among women in the same age group, 23 percent who were not working at a full-time job received some welfare benefits, compared with 5 percent who worked full time the entire period.

Source: U.S. Department of Commerce, Bureau of the Census, 1989, *Characteristics of Persons Receiving Benefits From Major Assistance Programs*, Current Population Reports, Household Economic Studies, Series P-70, No. 14.

Barriers to Employment of Older Workers

Retirement ages have fallen steadily since World War II. Early retirement (labor force withdrawal prior to age 65) has become the norm. By age 62, almost half of all men are out of the labor force—that is, neither working nor looking for work. Anticipating a dramatic decline in the ratio of workers to retirees as the baby-boom generation becomes eligible for retirement early in the next century, Federal policy has been directed toward encouraging workers to extend their work lives. However, older workers who might want to work still face various institutional barriers through: (1) the impact of Social Security regulations and pension policies on work activity, (2) the market for part-time jobs, and (3) age discrimination.

Social Security Regulations

Social Security benefits are the major source of income for the elderly. In 1986, 9 of 10 nonmarried persons or married couples in which the husband was age 65 or older received some portion of their income from Social Security, and 60 percent relied on Social Security for more than half their total income. These benefits are based on lifetime earnings in covered employment. Currently, individuals are eligible to receive full benefits at age 65. If an individual chooses to continue working beyond age 65, he or she receives a delayed retirement credit. Many studies have found, however, that although benefit levels increase for each year of additional work, the gains from higher benefits are more than offset by the fewer number of years benefits are received.

In addition, Social Security recipients who work may only earn up to a specified amount before their Social Security benefits are reduced. Not only are half of any excess earnings lost through Social Security reductions, but all earnings are subject to Federal, State, and local income taxes as well as Social Security withholdings. Thus, some retirees could actually reduce their work effort without a loss in income.

The Social Security amendments of 1983 contained several long-term provisions designed to remove work disincentives. These included:

- *An increase in the normal retirement age.* Beginning in the year 2000, the retirement age at which beneficiaries are eligible to receive full benefits will increase gradually from 65 to 67.
- *An increase in the early retirement penalty.* Reduced benefits will continue to be available at age 62, but reduction factors will be revised to a maximum of 30 percent (for workers entitled at 62 when normal retirement age is 67) compared to the prior 20 percent reduction.
- *An increase in the delayed retirement credit.* The delayed retirement credit will increase by half a percentage point every other year, from 3 percent for workers age 62 prior to 1987 to 8 percent per year for workers age 62 after 2004.
- *A decrease in the withholding rate under the earnings test.* Beginning in 1990, the withholding rate will decrease from \$1 of every \$2 above the exempt amount for persons who attain full retirement age to \$1 of every \$3.

Pension Policies

Pension policies do not affect all workers. Of those persons receiving Social Security benefits in 1980-81, only about 57 percent of men and 31 percent of women were either receiving or expecting to receive a pension. For these people, many provisions in pension plans also encourage them to take an early retirement. Although individuals are not eligible for full Social Security benefits before age 65, full-benefit retirement ages in private and governmental pension plans tend to be much lower. In recent years, retirement programs have become increasingly liberal, allowing full benefits at earlier ages; 79 percent of pension plans surveyed by the Bureau of Labor Statistics in 1983 had no minimum retirement age or provided full benefits at age 62 or earlier, up from 55 percent in 1974.

Individuals who opt for early retirement usually receive reduced pension benefits. As with Social Security, however, reduction benefits are not always actuarially neutral. The greater number of years of pension receipt due to early retirement often more than offset any decline in benefits. Also, in many cases pension benefits are derived using a formula that accounts for Social Security benefits. Thus, public policy efforts to increase incentives to work by reducing Social Security benefits are countered by an increase in private benefits.

Early Retirement Incentive Plans (ERIP's) are in many ways an extension of early retirement provisions in pension plans. These plans allow workers to retire earlier than the normal terms of their pension plans would allow. Typically, ERIP's either liberalize the requirements for pension eligibility or provide employees with richer pension benefits. ERIP's are usually offered for only a short period, after which the normal plan rules apply.

Age Discrimination and the Market for Part-time Jobs

Relatively few older persons choose to work after first receiving retirement benefits, and those who do usually have very low levels of nonwage retirement income. The Social Security New Beneficiary Survey found that fewer than 1 in 4 persons were employed at all within 18 months to 2 years after first receiving retired-worker benefits. Because of the work disincentives inherent in Social Security and pension policies, older workers are expected to take part-time jobs, where options are frequently limited to low-paid employment. Well-paying part-time jobs are relatively scarce, reflecting the high cost of such schedules to employers. Training costs and many administrative costs are similar for full- and part-time workers. In contrast, jobs that generally require little training, by their nature, are usually low skilled and provide low pay.

Age Discrimination

Although research suggests that age discrimination exists regarding older workers' employment and advancement opportunities, relatively few older workers state they have been the victims of age discrimination. Unemployed older persons may be more likely to have been affected by discriminatory employment practices. However, few older workers search for a job whereby they would be most exposed to discrimination. Also, experience on the job may provide many older workers with the skills and abilities that prevent them from being marginal employees. In addition, the promotion expectations of some workers may decline with age.

Source: Herz, Diane E. and Philip L. Rones, 1989, Institutional barriers to employment of older workers, *Monthly Labor Review* 112(4):14-21, U.S. Department of Labor, Bureau of Labor Statistics.

CURRENT REGIONAL RESEARCH PROJECT

NC 178. Economic, Social, Psychological, and Health Consequences of the Housing Decisions of Rural Families

Administrative advisor:
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Cooperating States: University of Illinois, Iowa State University, University of Minnesota, University of Missouri, University of Nebraska, University of Wisconsin, and Cornell University (New York)

Project dates: August 1984 to September 1989

Objectives: To analyze the economic, social, psychological, and health consequences of housing decisions and conditions for North Central rural families. The decisions of interest were those related to financing, energy use and conservation, type and location of housing, and remodeling or retrofitting of the dwelling. The primary focus of the research was on decisions and consequences at the household level.

Approach: Approximately 500 interviews were conducted with rural households living in the North Central region. Over one-third of the households were headed by an elderly individual. Over 80 percent were homeowners, and one-third of these were making mortgage payments. A parallel study undertaken in New York interviewed 253 households from nonmetropolitan counties in Central and Western

New York State. Responsibility for analyzing separate sections of the data was assumed by the six States in the North Central region.

Progress: A "basebook" containing descriptive and bivariate analyses by region and by State was compiled and published in mimeographed form for distribution to researchers from each of the participating States and to their Experiment Stations. Individual researchers are responsible for doing further analysis and rewriting specific chapters of the basebook. A second publication, a monograph, has a much broader distribution. Event-history analysis of family-residential histories was conducted and reported. Also, nonlinear effects of variables such as age and housing conditions on housing behavior were analyzed.

Findings: Over one-half of the sample have done major remodeling or additions during the past 5 years. Those who remodel want to maximize the fit between their activities and their environment and, thereby, improve their quality of life. Results suggest there are two types of well-being associated with remodeling: (1) psycho/social—i.e., issues of privacy, socialization, safety, security, accessibility, comfort and (2) financial/economic—i.e., issues of value added at time of resale, payback for dollars and time invested.

The level of well-being reported by farmers was slightly lower than nonfarmers' well-being. Housing satisfaction was lower for renters than for owners, and lower for residents of apartments than for residents of mobile homes and single-family dwellings.

Selected publications:

Cook, Christine C., Earl W. Morris, and Mary Winter, editors. 1988. *Economic, Social, Psychological, and Health Consequences of the Housing Decisions of Rural Families*. St. Paul: Department of Design, Housing and Apparel.

Chi, P.S.K. and J. Laquatra. 1987. *Methods of Assessing Health Consequences of Residential Environment and Energy Decisions*. Paper presented at the Socioeconomic Energy and Analysis Conference. [Washington, DC, May 1987].

Johnston, C. and E. R. Combs. 1988. *The Well-Being of Midwest Farmers in Comparison to That of Other Rural Occupational Groups*. A research abstract presented at the annual meeting of the American Home Economics Association. [Baltimore, MD, June 1988].

Memken, Jean A., Earl W. Morris, and Mary Winter. 1988. The use of event-history data in mobility studies. *Housing and Society* 15:94-104.

Morris, Earl W. and Marianna Jakubczak. 1988. Tenure-structure deficit, housing satisfaction, and the propensity to move: A replication of the housing-adjustment model. *Housing and Society* 15:41-55.

Phillips, Ronald G., et. al. 1988. *Remodeling: The Decision-Making Process*. University of Missouri Extension.

Cost of Food at Home

Cost of food at home estimated for food plans at four cost levels, December 1989, U.S. average¹

Sex-age group	Cost for 1 week				Cost for 1 month			
	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2 ² :								
20 - 50 years	\$45.40	\$57.20	\$70.40	\$87.50	\$196.70	\$247.90	\$305.40	\$378.70
51 years and over	43.00	54.90	67.50	80.90	186.00	237.60	292.70	350.10
Family of 4:								
Couple, 20 - 50 years and children								
1 - 2 and 3 - 5 years	66.20	82.50	100.60	123.50	286.90	357.50	436.10	534.80
6 - 8 and 9 - 11 years	75.70	96.90	121.00	145.60	328.20	419.80	524.20	630.70
INDIVIDUALS³								
Child:								
1 - 2 years	12.00	14.60	17.00	20.50	52.10	63.20	73.60	88.80
3 - 5 years	12.90	15.90	19.60	23.50	56.00	68.90	84.90	101.70
6 - 8 years	15.70	21.00	26.30	30.60	68.20	91.00	113.80	132.70
9 - 11 years	18.70	23.90	30.70	35.50	81.20	103.40	132.80	153.70
Male:								
12 - 14 years	19.60	27.10	33.70	39.60	84.80	117.30	146.20	171.50
15 - 19 years	20.30	28.00	34.70	40.20	88.00	121.30	150.40	174.20
20 - 50 years	21.70	27.70	34.50	41.80	93.90	120.00	149.70	180.90
51 years and over	19.70	26.30	32.30	38.70	85.20	113.80	139.90	167.60
Female:								
12 - 19 years	19.60	23.50	28.40	34.40	85.10	101.70	123.20	148.90
20 - 50 years	19.60	24.30	29.50	37.70	84.90	105.40	127.90	163.40
51 years and over	19.40	23.60	29.10	34.80	83.90	102.20	126.20	150.70

¹ Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for the thrifty food plan were computed from quantities of foods published in Family Economics Review 1984(1). Estimates for the other plans were computed from quantities of foods published Family Economics Review 1983(2). The costs of the food plans are estimated by updating prices paid by households surveyed in 1977-78 in USDA's Nationwide Food Consumption Survey. USDA updates these survey prices using information from the Bureau of Labor Statistics, *CPI Detailed Report*, table 3, to estimate the costs for the food plans.

² 10 Percent added for family size adjustment. See footnote 3.

³ The costs given are for individuals in 4-person families. For individuals in other size families, the following adjustments are suggested: 1-person-add 20%; 2-person-add 10%; 3-person-add 5%; 5- or 6-person-subtract 5%; 7- or more-person-subtract 10%.

Consumer Prices

Consumer Price Index for all urban consumers [1982-84 = 100]

Group	Unadjusted indexes			
	November 1989	October 1989	September 1989	November 1988
All items	125.9	125.6	125.0	120.3
Food	126.9	126.5	126.1	120.2
Food at home	125.8	125.4	125.0	118.7
Food away from home	129.5	129.1	128.8	123.7
Housing	124.5	124.4	124.3	119.9
Shelter	135.2	134.8	134.1	129.1
Renters' costs ¹	140.1	140.0	139.4	134.2
Homeowners' costs ¹	140.3	139.7	138.9	133.8
Household insurance ¹	133.8	133.7	133.6	130.2
Maintenance and repairs	119.3	118.6	118.6	115.4
Maintenance and repair services	121.7	121.0	120.9	118.2
Maintenance and repair commodities	116.2	115.5	115.6	111.7
Fuel and other utilities	107.5	108.0	109.7	104.3
Fuel oil and other household fuel commodities	83.9	82.0	79.3	75.0
Gas (piped) and electricity	106.1	107.6	111.0	103.7
Household furnishings and operation	111.9	111.9	111.7	110.6
Housefurnishings	106.0	106.1	105.7	106.1
Housekeeping supplies	122.5	122.5	122.3	116.5
Housekeeping services	117.6	117.4	117.5	115.7
Apparel and upkeep	122.1	122.7	120.0	119.9
Apparel commodities	120.4	121.1	118.2	118.4
Men's and boys' apparel	121.1	120.3	117.7	118.2
Women's and girl's apparel	121.3	123.1	119.0	120.2
Infants' and toddlers apparel	117.2	118.3	118.0	117.2
Footwear	116.6	117.6	114.1	114.5
Apparel services	130.8	129.8	129.7	126.3
Transportation	115.0	114.5	113.7	110.7
Private transportation	113.7	113.3	112.4	109.6
New vehicles	120.6	118.5	117.1	118.4
Used vehicles ¹	120.1	119.7	119.8	119.7
Motor fuel	87.2	88.9	88.8	81.5
Automobile maintenance and repair	126.7	126.7	126.2	121.5
Other private transportation	138.2	137.1	135.7	132.1
Other private transportation commodities	102.1	101.9	102.0	99.4
Other private transportation services	146.0	144.8	142.9	139.1
Public transportation	131.3	130.6	130.1	125.3
Medical care	153.9	152.7	151.7	141.8
Medical care commodities	155.3	154.1	153.3	143.3
Medical care services	153.6	152.3	151.3	141.5
Professional medical services	149.3	148.6	148.0	140.4
Entertainment	128.6	128.4	127.8	122.2
Entertainment commodities	121.3	121.2	120.5	117.2
Entertainment services	138.2	137.8	137.2	129.3
Other goods and services	151.9	151.8	151.2	141.0
Personal care	127.0	126.4	125.9	121.8
Toilet goods and personal care appliances	125.1	124.4	124.0	120.7
Personal care services	129.0	128.5	127.7	122.7
Personal and educational expenses	163.5	163.5	162.9	152.7
School books and supplies	163.9	163.6	163.0	152.1
Personal and educational services	163.7	163.7	163.1	152.9

¹ Indexes on a December 1982 = 100 base.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

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