Consumer and Food Economics Research Division Agricultural Research Service

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Family Economics Review is a quarterly report on research of the Consumer and Food Economics Research Division and on information from other sources related to economic aspects of family living. It is prepared primarily for home economics agents and home economics specialists of the Cooperative Extension Service.

THE NEW ECONOMIC POLICY AND THE FAMILY IN '72

Edward G. Boehne, Federal Reserve Bank of Philadelphia

<u>Economic objectives</u>. --As a Nation we can reduce our economic objectives to three basic goals: (1) To provide jobs for those willing and able to work; (2) to prevent inflation from undermining the value of the dollar; and (3) to keep our economic dealings with the rest of the world in reasonable balance.

What we want and what we get, of course, are two different things. Rarely in our economic history have we been able to achieve all of these goals at once. Typically, we've achieved one or two to the detriment of the other. For example, in the latter part of 1950's and early 1960's, we had stable prices and high unemployment. In the late 1960's, we had low unemployment but high inflation.

But just as we've seldom hit all three objectives simultaneously, we've seldom missed all three simultaneously. Yet, we were doing just that last summer--missing all three. The unemployment rate was high, prices were rising rapidly, and for the first time in this century we faced a year when our imports would exceed our exports. Clearly, something had to be done quickly and decisively to shore up the confidence of the American family in the economy.

Enter NEP. --This was the background to the President's dramatic speech last August when he announced the New Economic Policy (NEP). First, he proposed special incentives, such as repeal of the auto excise tax to stimulate spending that in turn would create new jobs. Second, he imposed a 90-day freeze on wages and prices which was followed by the Pay and Price Boards to hold the line on inflation. Finally, he took steps that eventually led to devaluation of the dollar so that American goods could become more competitive abroad.

Outlook for employment. -- The consumer will probably open his wallet wider in 1972. He already is and will most likely continue to do so. A wild spending binge is not likely. He is still going to be careful with his money, he'll be price conscious, and more often than not in the months ahead you'll find the American consumer in the bargain basement rather than at the high-price counter.

Businessmen, too, will be spending more in 1972. They will be modernizing their production facilities to increase efficiency, and they'll be spending for pollution control as well. In addition, as the economy picks up, they'll be adding to their inventories.

Housing construction is in for another good year. Last year over 2 million housing units were built--the best in 20 years--and with mortgage money available and a strong demand for more housing, there is no reason to expect anything but another 2 million unit year.

Government spending, too, will add momentum to the economy. Federal purchases of goods and services will rise nearly \$10 billion this year over last. State and local outlays will add another \$15 billion to economic expansion.

So, add up the various components in the economy, and the outlook is for a healthy expansion. The year 1972 should be the best year in terms of real growth since 1965.

How many new jobs will be created by the economic expansion? A rough guess is that about 2 1/4 million more people will be working by the end of 1972 than were working at the end of last year. Good news to the American family? To be sure, but

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more people will also be looking for jobs, especially young people. A rough calculation indicates that there will be about 2 million entrants into the labor force this year. Simple arithmetic tells us that with 2 1/4 million new jobs and 2 million new job seekers, unemployment will be reduced one-fourth million by the end of the year. Progress, yes; but there will still be a little under 4.7 million unemployed as 1972 draws to a close. This means, in particular, that teenagers and others looking for their first jobs will have to pound the pavement to find them and some will go jobless for awhile. So you ought to advise high school graduates this spring to start early and try harder to find employment. It also means, for example, that wives going back into the labor force after being out for several years likely will have to look hard and perhaps long before coming up with a job, especially a good one.

Outlook for inflation. --There are three reasons why the rate of inflation will probably be less this year compared to last. The first is that despite all the problems that go with wage and price controls, the Pay and Price Boards are making progress against inflation. The Pay Board especially has been tightening up in recent weeks against exorbitant wage increases. They are attempting to close the gap between the standards that, in fact, apply to unionized workers and nonunionized workers.

Second, the outlook for increasing productivity--output per manhour--is good. The typical pattern during economic expansion is that businessmen are able to cut costs per unit of output. This reduces cost push pressures on prices and puts a damper on inflation.

Third, even though the economy is expanding, there is still excess capacity in plants around the country. In other words, we're still in a buyers' market and it is harder to raise prices in a buyers' market than a sellers' market.

While inflation will not end this year, it will be less--good news for the family.

<u>International outlook</u>. --Simply stated, when the dollar was devalued, American produced goods became cheaper overseas and foreign-produced goods became more expensive in the United States. The upshot of the devaluation, therefore, is that we will export more and import less with a devaluation than without it. In time, the devaluation should create several hundred thousand jobs, and that, too, is good for the American family.

A word of caution, however. Some people say that we ought to go further and put additional restrictions on imports. Then, we would create still more American jobs by keeping foreign goods out. The fallacy of that logic ought to be clear to everyone. Trade is a two-way street. If we put more restrictions on foreign goods, then other countries will put additional restrictions on American goods. All of us--U.S. and her trading partners--would be the losers. Trade makes sense, it creates jobs and makes production more efficient. Trade barriers are akin to killing the goose that lays the golden egg. They make sense only until you start thinking about the consequences.

<u>Outlook for interest rates.</u> --As you know, market rates are well below what they were last summer. Typically, mortgage rates and consumer loan rates are influenced by market rates with a lag. If this past relationship holds, as it should, we can expect further moderation in mortgage rates and rates on consumer-type loans in the immediate months ahead. Again, good news for the American family.

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SOME CURRENT POPULATION TRENDS

Conrad Taeuber, Bureau of the Census, U.S. Department of Commerce

Overall national trends. --On New Year's Day it was reported that we began the year 1972 with a population of 208.5 million persons. We had gained about 2 million during the year 1971--the result of 3.6 million births, 1.9 million deaths, and a net immigration of nearly 400,000 persons. The rate of growth of nearly 1 percent was much the same as it had been in other recent years. It was reported at the same time that the birth rate had continued its downward trend of recent years. Nevertheless, the number of babies born was almost the same as in the baby boom of 1947 when the national population was about 50 million less. The number of babies born continues to be about double the number of deaths. It would clearly require a drop in the number of births to about half the present level, or a doubling of the number of deaths, if we were to reach zero growth in the next years.

The outlook for the next years is one of continued increase in the Nation's population, even though birth rates may continue the downward trend observed in recent years. The reason for this is the relatively large number of young adults, who will be reaching the years of family formation in the next years. This is the consequence of the baby boom of the late 1940's and the 1950's. The babies of the "boom" in 1947 are reaching their 25th birthday this year and the babies of the next 10 years will be reaching maturity during the 1970's. There were about 17 million persons between the ages of 20 and 24 in 1970, by 1975 the number will have grown to 19 million, and by 1980 it will have reached 21 million--an increase of nearly one-fourth in 10 years. The number in the next 5-year age group, 25 to 29, will increase by nearly one-half during the same 10 years, from 14 million in 1970 to nearly 20 million in 1980. It seems fairly clear that we can expect continued population growth, though the rate of that growth is less easily forecast. A total population of 270 to 280 million persons by the year 2000 would result if we continue the rates of growth experienced recently. However, if the women who will be entering childbearing in the future restrict their fertility to the replacement levels, and if there is no net immigration in the future, the total population might be about 256 million in the year 2000. The important question in relation to future trends deals with the attitudes of the young people who will be contributing the bulk of the children. Women who are not yet married will contribute about 80 percent of the babies born in the next 10 years. Their attitudes toward family size and spacing of children will play a very large role in determining population growth during that period and beyond.

The postwar baby boom was not a return to the large families of our pioneer ancestors. It reflected, rather, a significant increase in the number and proportion of women who took part in childbearing. Compared to even a generation ago, there have been important changes in American patterns of family formation and childbearing. A larger proportion of women marry and they are marrying at a younger age. A larger proportion of women are having children and they are completing their childbearing within a shorter period of time. The no-child or the l-child family of the thirties has given way to the 2- or 3-child family. Fashions and practices in these matters are subject to change, as they have changed during the last generation. Surveys in which women of childbearing age are asked how many children they expect to have regularly report two or three as the preferred number. If women average only two children, we would cease to grow, except as immigration would make up the deficit. If women average three children, which is near the number which young married women say they expect to have, we would grow at a rapid rate.

There have been major changes in American society since the days when a family of 10 or more children was considered desirable. We have become a predominantly urban society; our educational levels have increased substantially both for men and for women, and we have become a more prosperous society. All of these changes have served to reduce the size of families and the levels of fertility. There are still some differences in the fertility of the several groups in our population. Urban rates are below those of the rural population; the higher the educational level of a woman, the lower her fertility; and on the whole the higher the family income, the lower the fertility. There is every reason to believe that we will continue to become even more urban; that we will continue to increase the proportion of women--and of men--who finish high school and college; and that family incomes will increase. However, recent experience has shown that although differences in fertility continue to exist, they may exist under conditions when fertility is relatively high, as well as when it is relatively low. In other words, the fact that we grow more urban, better educated, and more wealthy, indicates, but does not in itself assure, that birth rates will decline.

<u>The growth of metropolitan areas</u>. --Throughout this century the metropolitan areas have grown more rapidly than the rest of the country, and this trend continued during the 1960's. More than four-fifths of the national growth occurred in the Standard Metropolitan Statistical Areas (SMSA's), which also increased their numbers from 212 in 1960 to 243 in 1970. Within the SMSA's more than four-fifths of the growth occurred in the suburban areas; that is, those portions of the metropolitan areas that are outside the central cities. These areas have been increasing their population more rapidly than the central cities since 1920, but it was only in 1970 that they exceeded the central cities in total population. They now account for a total of 76 million persons, whereas the central cities have a total of 64 million. The total population outside the metropolitan areas was 63 million--less than the population of the central cities.

About 16 million of the suburban residents live in areas that are classified as rural, mostly outside incorporated places. In the more rural sections of the metropolitan counties, there was relatively rapid growth. Nearly a third of the rural population is living within the boundaries of the SMSA's. This is the part of the rural population which increased during the 1960's. Rural population outside these areas declined. The statement that the rural population in 1970 was approximately equal to that in 1960 masks the difference in the growth of rural population in the shadow of the large cities and a decline in the areas with less ready access to these cities.

Three-fourths of the gain in population of the metropolitan areas was due to the excess of births over deaths; only one-fourth was due to migration into these areas, including both the migration from other parts of the country and that from abroad.

The rural population. --The 1960's saw a continuation of the decline of the proportion of the Nation's population living in rural areas. The 1920 census was the first one to report that the urban population included more than one-half of the national total. The

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1970 census found that the proportion of the Nation's population that lives in rural areas has dropped to 26.5 percent. During the last 20 years there has been virtually no change in the number of persons living in rural areas--in other words, virtually all of the gain occurred in the urban sector.

The farm population continued to decline during the 1960's, dropping from about 15 million at the beginning of the decade to less that 10 million at its end. The decline in the farm population reflects both continued migration from farms, as well as changes from an agricultural to a nonagricultural occupation, without giving up the previous residence, and discontinuing most of the farming activities that were formerly carried on.

<u>Geographic shifts.</u> --The growth of population within the country has never been evenly distributed. During the 1960's, there were shifts from the center of the country to the seacoasts. In 1970 a little more than half of all our people were living within 50 miles of the seacoast, including the shores of the Great Lakes.

Changes among the States were very uneven. Three States and the District of Columbia had losses (North and South Dakota and West Virginia). The States with gains of less than 5 percent included Iowa, Kansas, Maine, Mississippi, Montana, Pennsylvania, and Wyoming. Alabama and Nebraska barely exceeded the 5 percent growth rate. At the other end of the scale was Nevada with a growth rate of 71.3 percent, and Arizona and Florida with about 36 percent. In terms of absolute numbers, California led all other States with an increase of 4.2 million persons, while Florida gained 1.9 million. Illinois, Michigan, New Jersey, New York, and Texas each gained 1 million or more.

Internal migration. --Differences in the rates of growth of States and of other areas are, in large part, the result of differences in the extent of migration. During the 1960's, the North Central States generally were areas of out-migration, the Northeastern States had a small net in-migration. The West was clearly an area of in-migration. California led all other States as the goal of migrants. It had a net gain of 2.1 million migrants during the decade. The South, which had for many years been an area of outmigration, had a net gain by migration during the 1960's. That gain was the result of a net inflow of about 1.8 million whites in contrast to a net out-migration of 1.4 million blacks. A large part of the net migration into the South was due to the movement of population into Florida, which attracted a net of 1.3 million persons. Pennsylvania led all other States in the number of migrants that it contributed to other States, with a total of nearly 400,000. Alabama, Mississippi, and West Virginia each contributed more than 200,000.

<u>Our largest minority</u>. --The black population includes about 11 percent of the total, up 0.3 of a percentage point since 1960. This increase reflects the higher growth rate of the black population as compared with the white. The black population at one time was predominantly in the South, but that has been changing rapidly and at present the South includes only 53 percent of the black people. Three of every four black persons live in SMSA's, a higher proportion than among the white population. Outside the South nearly all of the black residents are within the SMSA's-95 percent. In the South, too, the majority, 56 percent, are in the metropolitan areas.

Within the metropolitan areas, the black population is found chiefly in the central cities. There were some relative increases in the number of blacks in suburban areas, but the numbers involved are small, and the proportion of blacks in suburban areas was almost the same in 1970 as it had been in 1960--about 5 percent.

Within the central cities of the SMSA's, there was a decline in the number of white and an increase in the number of black residents. The number of black residents in these cities increased by 3.2 million, whereas the white population declined by 600,000. As a result, the percentage of the population of the central cities that is black increased from 16 percent in 1960 to 21 percent in 1970. The increase was especially marked in the largest cities--those with half a million or more inhabitants.

Although there has been considerable emphasis on the role of migration, most of the increase in the black population of central cities (with some exceptions) was the result of the excess of births over deaths in that population group. About three-fifths of the increase of blacks in central cities is the result of their own natural increase-two-fifths is the result of net in-migration.

Continued growth of the black population in metropolitan areas is clearly indicated. Even if migration into these areas were to be reduced below the levels of the 1960's, there would be a substantial growth in their black population due to excess of births over deaths. Blacks in these areas are relatively young, with large cohorts of children and youth who will be moving into adult ages in the next decades.

<u>Living arrangements.</u> --Increasing affluence and some decline in family size are only two of the developments during the decade that affected living arrangements. The number of households increased more rapidly than the population, with the result that there was a decline in the average size of household. A major element was the increase of 1-person households, which grew by more than 50 percent. About one household in every six is a 1-person household. The increase in 1-person households reflects not only a greater tendency on the part of elderly people to maintain their own homes, but also some increase in the proportion of young people who leave the parental roof to establish their own households.

There was also a rapid increase in the number and proportion of 2-person households, reflecting the growing number of couples who maintain their own homes after the children have left home, as well as some delay in the arrival of the first child in newly established families. Increases in the number of households with more than two persons were small in comparison with the increases of 1- and 2-person households.

There has also been a substantial increase in the number of families headed by a woman. The number of such families increased by a third during the decade. Nearly 11 percent of all families are in this category, but among black families approximately a fifth are headed by a woman.

The Nation's housing reflects some of the changes in the style of life that occurred during the decade. By 1970, about half of the housing had been built since the end of World War II. During that time, including the last 10 years, the average quality of housing increased. One index of quality is the presence of complete plumbing facilities (bathtub or shower, hot running water, flush toilet) for the exclusive use of the household. In 1950, about a third of the housing units in the country lacked these facilities, by 1970 this had been cut to 7 percent. Within the metropolitan areas, it was only half

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the national figure. The proportion for black households who lack these facilities also declined sharply during the 1960's, though it is still higher than that for whites in the central cities and outside. More than half the housing units in the South that are not in metropolitan areas and are occupied by black households do not have these facilities.

Home ownership has long been a prized value in American life. There has been a steady increase in the proportion of owner-occupied homes since the depression years of the 1930's. That percentage increased from 44 in 1940 to 62 in 1960. During the 1960's, the rise in home ownership was only 1 percent; however, this resulted in over 7,000,000 additional homeowners. Housing units in structures of 2-or-more units increased much more rapidly than those in single-family dwellings, and this was particularly true in the suburbs. The number of suburban housing units in multiunit structures almost doubled during the decade. More than half the units in multiunit structures are still found in the central cities, but the suburban areas increased their share from 20 to 28 percent. This trend is continuing. In recent years more housing units in multiunit structures have been erected in the suburban areas than in the central cities. Nevertheless, a little more than two-thirds of all housing units in 1970 were classified as single-family dwellings.

The increased popularity of mobile homes is reflected in the growth of the number of occupied mobile homes by about 150 percent during the 1960's. They now account for nearly 3 percent of the national housing inventory.

Despite the growing use of trailers and apartments, the average housing unit in 1970 was slightly larger in terms of number of rooms than its 1960 counterpart. With larger homes and smaller households, there was a decline in the proportion of homes that can be considered as crowded; that is, having more persons than rooms. The proportion of crowded units declined especially rapidly in the suburbs.

<u>Summary</u>. --Continued population growth, though at a lower rate than in the recent past, is indicated. The babies of the postwar baby boom are grown up and are reaching marriage age, and consequently, we can expect an increase in marriage and in new families through the 1970's. Increasingly these families will demand the services and facilities that have become important elements in the ever-rising levels of living. For the most part, they are likely to be suburban or small city residents rather than big city or rural residents. How these additional persons are distributed and what social arrangements are developed to cope with the new situations created by the increased concentration in urban and metropolitan areas will have long range consequences for the quality of life in the United States.

JEAN PENNOCK RETIRES

Jean Pennock, formerly Chief of the Family Economics Branch, retired on January 14, 1972, after 30 years of Federal service. Her many contributions to <u>Family</u> Economics Review will be missed.

THE FASTEST GROWING MINORITY: THE AGING

Herman B. Brotman, Administration on Aging, HEW

The way our country was founded and grew has guaranteed us an ample supply of minorities. Based on a wide variety of differences, we have racial minorities, ethnic minorities, religious minorities, and others. Of late, we also have new groups, like youth and women's lib, claiming minority status or treatment and willing to struggle for their version of justice. But the newest and most rapidly growing minority of all is the aging--the 65 and overs. Oddly enough, though this group eventually encompasses all the other minorities as well as the majority and though everyone struggles to live long enough to join it, it is not a well-treated minority. Perhaps the truth is that the alternative to aging is even less desirable.

During the recent past, militancy among the minorities has grown apace. Most of them forcefully demand new and expanded rights and participation. The struggle among the aging is different. Rather than militancy, for <u>most</u> of the elderly it amounts to a struggle for economic survival; for <u>many</u> it is a struggle for some social status; for <u>all</u> it is a struggle against being pushed out of the mainstream into a subculture-a subculture of poverty and of social uselessness.

It is a particularly frustrating irony that progress in man's search for a longer life should produce the "problems" of aging. In fact, the very successes in economic, medical, and industrial "progress" that now permit such a large proportion of our population to reach old age, also have produced the changes that make the elderly a generally dependent group and have robbed them of their most important and traditional functions, roles, and statuses.

<u>The rural multigeneration family has been supplanted by the urban nuclear family</u>, with the elderly living in separate households and without their former roles in family life. The individually owned family farm or craft shop, where the older head of the family owned the "wealth" and the means of production, has been replaced by corporate ownership and a wage economy in crowded urban settings. Even occupational "know how," until very recently passed on to the younger generation by the parents or through an apprenticeship, has been replaced by vocational education in the schools. All these have contributed to the wiping out of the former roles and statuses of the elderly--without satisfactory replacements--and to further reduction of ties with adult children.

Further, the growing availability of retirement income and of mandatory retirement provisions, coupled with the technologically induced lower total manpower requirements and the rapid obsolescence of old skills, has resulted in the majority of older persons being squeezed out of the labor force.

Most older people are dependent for all or a very high proportion of their income on retirement payments of various types--all of which, if traced back far enough, flow from a social policy decision and depend on the willingness of the younger population, in the so-called productive ages, to share the current "national product" by transferring purchasing power through a series of fiscal and financial arrangements. <u>A large aged population is a rather new phenomenon</u>, new to this century. Since 1900, the 65 and over population has grown much faster than the rest of the population and the 75 and over segment has grown even faster. At the turn of the century, there were three million older persons, every 25th American; today, there are 20 million, every 10th American. The 65 and over group is 6 1/2 times as large as in 1900; the under 65 is only 2 1/2 times as large. If present very low birth rates continue, by the year 2000, we will have almost 29 million older Americans, every ninth American.

This dramatic increase does not mean that older people are living very much longer, just that more people are reaching old age. The real increase in life expectancy has occurred in infancy and childhood. Since 1900, life expectancy at birth increased from an expected 47-year life span to an average of 70 years or 23 years longer. For 65-year olds, the increase has been only 2 to 3 years. However, if major medical breakthroughs are achieved, dramatic changes can be anticipated. If we could completely eliminate deaths after age 65 from the number one killer of older persons, major cardio-vascular-renal disease, life expectancy at age 65 would jump from 15 years to 25 years.

Generalized figures on average life expectancy, however, mask a modern development that has created many problems in aging, both personal and social. Life expectancy for women has increased much faster than for men. This has resulted in a growing preponderance of women as we climb the age scale.

More boy babies are born than girl babies. Male death rates are higher, however, from the beginning so that by the twenties there are equal numbers of young men and women. Thereafter, females increasingly outnumber the males. At ages 65 to 74, there are 130 women per 100 men; after 75, there are 160 women per 100 men. The average for the total 65 and over group is 140 women per 100 men.

Obviously, this means lots of widows in the population but the situation is further aggravated by our social custom for men to marry women several years younger than themselves. Thus, with 40 percent of older married men having wives who are under 65 years of age, most older men are married and most older women are widows. Widows outnumber widowers by four to one. Still, in an average year, about 15,000 older women and 35,000 older men get married.

Currently, the oldest part of the older population is growing fastest; the median age of the elderly has risen slowly to age 73. On the older side, four of every 10 older people or some 8 million, are 75 and over and of these, better than a million are 85 and over. On the younger side, better than a third, or 7 million, are under 70.

But all this could be misleading because it paints a static picture. It would be of some help if I told you that by tomorrow at this time there will be 1,000 more older people than there are right now. It would be more useful to you to know that the 1,000 is a <u>net</u> increase. Actually, about 4,000 Americans will reach age 65 and about 3,000 already 65 and over will die. Thus, our planning must take account of not merely the 1,000 increase but the 4,000 a day or 1.5 million a year who are newcomers to the ranks of the aged. They are quite different from those already aged and worlds apart from the thousands of centenarians.

There is another difference to remember--perhaps best illustrated by the story of the 80-year-old square dancer who went to a geriatric clinic when knee pains began to interfere with his dancing. After a thorough examination, the geriatric specialist gently explained the biology of the aging process, such as how it affects the different types of cells, organs, connective tissues, and metabolic and physiological processes. "You see," the doctor summed up, "its a normal aspect of growing older, do you understand?" "No," said the old gentleman, "if it's so normal, why is my right knee fine? It's just as old as the left!"

So we have to remember three kinds of differences: Those between the young and the old as group averages; those between different individuals within the older group; and those within the single older individual. All are related to aging.

Urbanization brought the population into the city where it has aged; suburbanization has taken the younger population out of the city but has left the elderly behind. On a national basis, a slightly larger proportion of older people live in nonmetropolitan areas than do younger people (40 percent vs. 35 percent) and they live in towns rather than on the farms, a trend made possible by social security coverage which permits farmers to retire. Among the over 60 percent of the population now living in metropolitan areas, on the other hand, most of the young group live in the suburbs while most of the elderly live in the central city.

<u>Geographically</u>, older Americans are distributed among the States in a pattern <u>quite similar to that for the total population</u>. The three most populous States, California, New York, and Pennsylvania, accounted for just over a quarter of the older population and just under a quarter of the total population. Adding the next three States, Illinois, Ohio, and Texas, trings the six-State proportions to just over 40 percent. The 10 largest States, adding in Florida, Michigan, New Jersey, and Massachusetts, had about 56 percent of the old or population and 55 percent of the total.

Stated anoth r way, a quarter of all older Americans lives in just three States, half lives in just eight, and three-quarters live in 19. At the other extreme, the 21 smallest States in total population accounted for only 10 percent of the older population.

<u>Problems of daily living</u>, whether urban or rural, <u>present special difficulties to</u> <u>older persons</u>. In transportation alone they face growing crises such as in shopping, in visiting friends nd relatives, in getting to social, cultural, or entertainment opportunities, and in ge ing to a medical office or facility (if it exists).

Some of the problems may be eased or made worse by the older person's living arrangements. More than 80 percent of older men live in a family setting, 70 percent with a wife present. Another 16 percent live alone or with nonrelatives and only less than 4 percent are in institutions. Among older women, on the other hand, only 61 percent live in a family setting and only 34 percent with a husband present. An astonishing 35 percent live alone or with nonrelatives and over 4 percent in institutions.

Thus, quite contrary to one of the most troublesome and false stereotypes, over 95 percent of older Americans do live in the normal community--not in institutions-and they depend on community resources and services for survival.

We know that older people tend to have more and longer hospital stays, more doctor visits, more days of some degree of disability, and that they spend more on medicine--usually to treat a chronic condition. What does this mean for mobility?

Chronic conditions range from a visual impairment corrected by eyeglasses to completely disabling arthritis. Of the older people outside of institutions, 14 percent have no chronic conditions at all and 67 percent have chronic conditions that do <u>not</u> interfere in any way with their mobility. In other words, a total of 81 percent of the aged in the community have no limitations on their mobility. Another 8 percent have some trouble getting around but can still manage on their own, sometimes using a mechanical aid. Another 6 percent need the help of another person to get around, and only 5 percent is homebound.

The popular picture of the decrepit, doddering oldster is so gross an exaggeration as to be completely misleading. The overwhelming majority of older people can easily manage in the community if society permits. They could manage even better if society would encourage such activity through the provision of essential services.

Now for some economics. <u>The median income of older families and individuals</u> is consistently less than half of that of their younger counterparts. In 1970, the median income of older couples was about \$86 a week and of older people living alone or with nonrelatives, \$37 a week.

According to the official poverty index, in 1970 almost 5 million, or a quarter, of all older Americans lived in households with total income below the poverty threshold for that type and location of household. Of the aged poor, about 65 percent were women and 85 percent were white. Although the total number of poor is decreasing, the aged poor form a slowly increasing porportion of the total. The aged make up 10 percent of the population but 20 percent of the poor. If you're old, you're twice as likely to be poor.

As might be expected, older people, having half the income, spend about half as much as do younger consumers. By the same token, their consumption pattern is different, revealing the interaction between continuing needs and restricted income.

Proportionately, older consumers spend <u>more</u> of their income on food, housing, household operations, and medical care than do younger units. To compensate for these larger expenditures for essentials, they spend proportionately less than younger units on transportation, clothing, household furnishings, and recreation. However, studies of consumption by units at the same income level show similar expenditure patterns regardless of age. We must conclude, therefore, that it isn't that older people need so much less, they just can't <u>afford</u> a more reasonable standard of living.

Paying the costs of purchasing health care for the older population is complicated not only by the fact that their needs increase just as their incomes are slashed by retirement, but also by the fact that their needs change to long term care as a result of the prevalence of chronic conditions, diseases, and impairments. In fiscal year 1970, per capita health care expenditures for older persons were 3 1/2 times as high as those for under 65 persons (\$791 vs. \$226) and two-thirds of the bill for older persons was paid by public programs. The older population makes up 10 percent of the total population but used 27 percent of the value of health care (\$15.7 billion out of \$58 billion).

Groupdata can supply only a general or average background, but some day somebody in a specific community will have to apply this knowledge to specific people at a specific time to meet specific needs in a specific environment. You are the experts in community organization--in the less urban U.S. The eight million more disadvantaged older people in your areas need and deserve your interest and help.

OUTLOOK FOR FOOD PRICES, CONSUMPTION, AND EXPENDITURES

Hazen F. Gale, Economic Research Service, USDA

<u>Food prices.</u> --The retail food price index rose 3 percent in 1971, much smaller than the 5.5 percent increase in 1970. Larger supplies of food products brought a slowdown in farm prices, and marketing charges increased much more slowly.

The food-at-home component of the index was 2.4 percent higher and the awayfrom-home component jumped 5.2 percent in 1971. These were sharp cutbacks from the 4 and 7.5 percent increases in 1970.

Prices of food in grocery stores began 1971 only slightly ahead of a year earlier. From there the gap widened until midyear. It narrowed briefly during Phase I wage and price controls and spurted in the final 2 months.

The rise in prices of meals and snacks eaten away from home continued unabated until price controls were invoked. Even then, they continued to creep upward, but in December the increase was the smallest monthly rise in several years.

Prices of crop products accounted for much of the increase. Fats and oils prices averaged more than 9 percent above 1970. Fresh fruit, processed fruits and vegetables, and bakery and cereal products also were up significantly. Livestock product prices edged up as increases for fish, beef, and dairy products were nearly offset by sharp declines for pork and eggs.

Food prices may increase around 4.5 percent in 1972 with the food-at-home component climbing 4 percent. Meats will account for much of the increase because of much higher prices of pork and moderately higher beef prices. Price increases also are expected for eggs, fish, and processed fruits and vegetables. Barring cold weather, fresh produce prices are expected to remain stable for the next few months, but could dip below last year's levels when cold weather last winter and spring reduced supplies of vegetables and destroyed part of the citrus crop. Prices of many processed foods will increase at about the same rate as in 1971.

As 1972 began, the food price index was about 4.5 percent above a year earlier, but in the next few months the year-to-year rise may narrow if supplies of some livestock products increase as expected.

Phase II will have two major impacts on food prices. First, retail prices will be held down by the rules laid down by the Price Commission. For many food products the controls may be fairly effective. Many housewives are quite familiar with a wide range of items in grocery stores, and they are in a good position to monitor price changes. Also, food brands and specifications frequently are easy to identify, which facilitates direct price comparisons. The high turnover rate increases the shopper's familiarity with the products and their prices, making it easier to spot sharp changes for particular items. Because of the high visibility of food price changes, most marketing firms may restrict price increases to those items where increased raw material costs strongly justify higher prices.

The second major impact of Phase Π on food prices will be on the marketing cost side. Over time the difference between retail prices and the returns to farmers is approximately the same as the cost of labor and other goods and services purchased by processors, wholesalers, and retailers, and includes a small profit margin. With

wage increases limited by the 5.5-percent guideline and the expected winding down of industrial price rises in 1972, cost pressures on marketing firms may ease later in the year. This will keep marketing charges from resuming the rapid rate of increase in 1970. Nevertheless, the spread between farm and retail prices will likely increase this year at least as much as last year, perhaps between 2.5 and 3.5 percent.

<u>Per capita food consumption</u>. --Food consumption per person increased another 1 percent in 1971, the sixth consecutive annual increase. This is the longest and steepest rise since World War II. Substantial gains in consumption of meat and processed fruits accounted for the 1971 increase. Consumption of poultry, eggs, and cereal products also totaled more than in 1970. Partly offsetting were decreases for fish and fresh vegetables.

All of the 3 percent increase in meat consumption came from a 10 percent rise in per capita consumption of pork. Beef consumption was nearly the same as in 1970, the first time in several years that beef consumption failed to increase. The small rise in poultry consumption came from a 6 percent gain for turkey. Dairy products consumption was unchanged last year as 6 percent more cheese overcame decreases for most other products. The boost in consumption of canned and frozen citrus products accounted for much of the gain in use of processed fruit. If it had not been for the freeze in January 1971, consumption of citrus products would have been larger. Cold weather caused reduced output and late crops for many vegetables, so total vegetable consumption edged lower. Potato consumption increased again continuing a recovery from the low levels of the 1950's.

The 6-year rise in per capita food consumption may come to an end in 1972, but it should remain close to 1971's record level. Meat will again be a leader, but this time on the downside. A boost in beef consumption will not fully compensate for declines in consumption of pork, veal, and lamb and mutton. Despite a prospective decline in pork use, per capita pork consumption will still be larger than in any year since 1959.

An increase in poultry consumption will help offset the decline for meat, but the rise is expected to be smaller than in many other years of the past decade. Egg consumption may decrease this year, stopping a modest 2-year upturn.

Dairy products could edge lower again in 1972, though larger cheese consumption may again soften the fall. Fluid milk and cream consumption likely will continue its downward trend. In 1971 the product weight was 10 percent below the 1960 total and on a milk equivalent basis it was down 20 percent.

Use of fats and oils has been booming for a number of years, but in 1971, total domestic use was curbed by large exports of butter and soybean oil and the accompanying sharp increase in prices of shortening, margarine, and cooking oils. Exports may ease in 1972 and lower prices encourage greater domestic consumption of vegetable oils. These gains will be partly offset by smaller supplies of lard associated with the cutback in hog production.

With normal weather and some moderate increases in planted acreage, vegetable consumption may edge up a little. Winter and spring crops may total a little larger this year than last.

Potato supplies are heavy again this year, so per capita consumption may equal last year's total. However, the switch from fresh to processed use likely will continue.

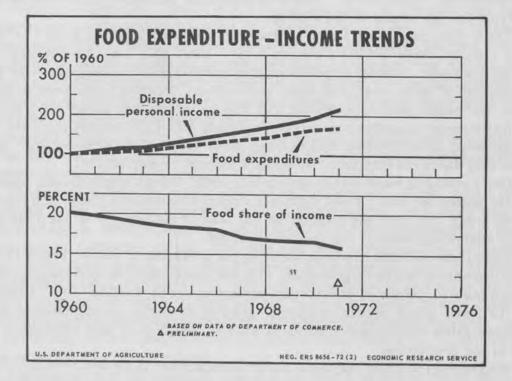
Since 1960 fresh use has declined 30 percent and processed use has risen 125 percent.

Citrus crops have escaped serious damage from cold weather so far and a crop about the same as last year is in prospect.

The large grain crop in 1971 will have very little influence on per capita consumption of food in 1972. Products made from wheat generally respond little to price changes and the farmer's share of the retail price is relatively small so that large changes infarm prices have little effect on retail prices. Also, the effect of the large wheat crop on farm prices is reduced by price supports.

<u>Food expenditures</u>. --The slowdown in food prices last year was chiefly responsible for the slower rate of increase in total food spending. In 1971 personal expenditures for food rose \$4.4 billion and totaled \$118.4 billion. In 1970 the increase was nearly \$8 billion. The gain could be somewhat larger in 1972 than in 1971, as higher prices, larger population, and some pickup in spending for food away from home all combine to push total food expenditures towards \$125 billion.

The acceleration in food expenditures will be far smaller than the increase in income, so the share of disposable income spent on food will likely decline again in 1972. In 1971 it averaged 16 percent, down substantially from 1960 (see figure).



CLOTHING AND TEXTILES: SUPPLIES, PRICES, AND OUTLOOK FOR 1972

Virginia Britton, Consumer and Food Economics Research Division, USDA

<u>Clothing expenditures and prices</u>. --Consumers spent an average of \$275 per person on clothing and shoes in 1971, according to preliminary figures. This was \$18 higher than in 1970. About half of the increase was caused by inflation, but half was a real increase-3 percent in terms of dollars of constant value (table 1).

The price level for apparel and upkeep continued to increase in 1971, though less rapidly than in any year since 1966. As normally occurs, the rise in the apparel and upkeep index was less than the rise in the all-items index of the Consumer Price Index (table 2).

With a growing economy in 1972 and price increases of perhaps 3 percent under price controls, more dollars will be spent on clothing by the average person than in 1971 and expenditures in terms of dollars of constant value will show some further advance.

<u>Use of raw materials</u>.--Use of all fibers by U.S. mills during 1971 was estimated to have increased about one-tenth as textile activity revived from the slow level of 1970. Use of cotton gained 3.5 percent while use of manmade fibers gained nearly 20 percent. Given a continued recovery in textile activity, mill use of total fibers will probably increase further in 1972. On a per capita basis, about 51 pounds of fiber were used by U.S. mills in 1971, including 19 pounds of cotton, 1 of wool, and 31 of manmade fibers. In addition, there were substantial net imports of textile products.

From 1960 to 1971, while mill use of all fibers increased 64 percent, mill use of cotton declined 6 percent and wool declined 54 percent; manmade fibers increased nearly 250 percent. The result was that manmade fibers accounted for 61 percent of estimated total fiber use in 1971 compared with 29 percent in 1960.

Future growth of imports of manmade fiber textiles and wool textiles and of apparel will be restrained by the bilateral noncotton textile agreements which became effective October 1, 1971 with Japan, Hong Kong, Taiwan, and South Korea. Imports of cotton textiles are already limited by a similar agreement. These quotas and the reduced value of the U.S. dollar are expected to decrease competition for domestic producers of textiles and apparel products by limiting low-price imports.

<u>Fabric flammability</u>. --Flammability standards have gone into effect for large carpets and rugs and for small carpets and rugs, and a standard will go into effect in 1972 for children's sleepwear. A proposed standard for flammability of mattresses has been issued for comment by the public and industry. These standards, issued by the U.S. Department of Commerce (DOC), are summarized in table 3. In addition, a draft of a proposed standard for blankets is under review in the Office of Flammable Fabrics, National Bureau of Standards at DOC. During 1972, the Bureau will institute testing for flammability of children's dresses, upholstered furniture, and draperies.

For children's sleepwear, an earlier mandatory compliance date than July 28, 1973, was not feasible because the machinery and the procedures do not presently exist for fire-retardant treatment of about 80 percent of the volume of sleepwear now being marketed. Industry sources claim that the flammability standard for children's sleep-

Table 1.--Annual expenditures on clothing and shoes, 1929-71

Years <u>1</u> /		capita litures	Percent of expenditures for personal consumption		Aggregate expenditures	
	1958	Current	1958	Current	1958	Current
	Dol.	Dol.	Dol.	Dol.	Bil. dol.	Bil. dol.
1929 1930-40 1941-46 1947-61 1962-65 1966 1967 2/ 1968 1968 1969 1970 1971 <u>3</u> /	149 122 151 144 160 185 184 188 192 190 196	77 51 100 140 170 204 213 231 248 257 275	13.0 11.8 11.8 9.0 8.4 8.7 8.5 8.3 8.3 8.3 8.3	12.1 10.7 12.9 9.4 8.3 8.6 8.6 8.6 8.6 8.6 8.5 8.5 8.6	18.2 15.6 20.7 23.5 30.6 36.4 36.6 37.8 38.8 38.9 40.6	9.4 6.5 13.7 22.9 32.4 40.3 42.3 46.3 50.3 52.6 57.0

1/ Earlier years are grouped on basis of similarity in level of per capita expenditures in 1956 follars.

2/ Revised data for 1967 to 1970.

3/ Preliminary.

Source: Department of Commerce.

Index	1967	1968	1969	1970	1971
Consumer Price Index	+2.9	+4.2	+5.4	+5.9	+4.3
Apparel and Upkeep Index 1/	+4.1	+5.4	+5.8	+4.1	+3.2
Men's and boys' clothing	+3.6	+5.7	+6.3	+4.2	+2.7
Women's and girls' clothing -	+4.6	+5.9	+5.5	+3.8	+3.5
Footwear	+4.9	+5.3	+6.2	+5.3	+3.2

Table 2.--Annual percentage change in selected indexes of consumer prices, 1967-71

1/ Also includes infants' wear, sewing materials, jewelry, and apparel upkeep services, for which separate indexes are not available.

Source: Bureau of Labor Statistics.

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Items covered	Standard takes effect on items manufactured after	Coverage	Nature of standard
Large carpets and rugs (All large items.)	April 1971	All items must meet the standard	In a controlled test using a lighted pellet to simulate a lighted match, a fire goes out after spreading less than 3 inches.
Small carpets and rugs (Items no longer than 6 feet with an area no greater than 24 square feet. Bath mats are included.)	December 1971	Any item not meeting the standard must be so labeled.	Same test as for large carpets and rugs.
Children's sleepwear (Pajamas, nightgowns, robes, and other sleepwear, in sizes up to and including 6X, as well as fab- rics intended for use in children's sleepwear.)	July 1972 to July 1973	All garments not meeting the standard must be labeled: "Flammable (Does not meet the U.S. Depart- ment of Commerce Standard DOC FF-3-71). Should not be worn near sources of fire."	Fabrics and garments must not ignite and burn when tested in a vertical position by a brief exposure to flame. Provision is also made for fabrics which melt and drip on contact with flame.
	July 28, 1973	All garments must meet the standard.	
Mattresses (Mattresses, mattress pads.)			Proposed standard requires that 3 cigarettes be burned on specified mattress locations, both on the bare mattress and between 2 sheets on the mattress without causing the mattress to ignite. (Cigarettes have been found to be the principal cause of bedding fires.)

Table 3. -- Flammability standards issued

wear will make it difficult for the consumer to purchase lightweight, cool, absorbent nightwear for hot-weather use; that durable-press blends will not be available; that many nightwear items will have reduced service life, perhaps by 33 to 50 percent; and that children's nightwear will cost substantially more, perhaps 25 to 50 percent. DOC estimated that a garment might cost as much as \$1 more as a result of meeting the standards.

Actions enforcing the Flammable Fabrics Act and the flammability standards established under it were taken by the Federal Trade Commission (FTC) in 1971. The FTC found dangerously flammable certain items, mostly imported, such as organdy, silk organza, brocade lace, nylon scarves, children's sweat shirts if worn with fleecy sides exposed, ladies' pajamas, feathered cuffs on dresses and jump suits, and fake fur car coats. In October 1971, the FTC found some shag rugs being produced in the United States to be dangerously flammable. The FTC is applying the flammability standards also to wigs and hairpieces since the DOC determination that these are apparel.

The FTC announced in November 1971 that it had set up a Flammable Fabrics Information Center designed to provide consumers and others with information about FTC actions involving enforcement of the Flammable Fabrics Act. Any person may telephone questions, toll free, (800) 424-8589, Monday through Friday, from 9 a.m. to 5 p.m., eastern time. The FTC will issue a press release only when some formal action is taken by the FTC regarding flammable products. The FTC will not publish lists of retailers who may have sold the flammable products, but this information can be obtained by calling the toll-free number.

To understand and interpret flammability standards, the consumer should understand factors affecting degree of flammability--the combination of fabrics and findings used, the fibers from which they are made, and special finishes used. A garment may be flammable because one part or fiber supports combustion readily. The weight and construction of the fabric affect flammability, with a heavy tightly woven fabric having more flame resistance than a sheer or pile fabric. Flame resistance is improved by the application to some fabrics of special flame-retardant finishes, but these are affected by the method and amount of subsequent laundering and drycleaning. The flammability of various fibers may be summarized briefly as follows $\frac{1}{--}(1)$ Some fibers are naturally flame-resistant: wool, silk, glass, modacrylic, vinyon, and saran. (2) Some fibers can be given a flame-retardant treatment with some loss of other properties such as durability and aesthetics. Without treatment, the following fibers ignite readily and are not self-extinguishing: cotton, linen, acetate, triacetate, and rayon. (3) Some fibers are not readily ignited, but when ignited, they burn and have other unpleasant reactions: spandex, rubber, some olefins, nylon, and polyester. (4) Acrylic ignites and burns readily.

Flame-retardant <u>finishes</u> have recently been developed for cotton-tufted rugs; cotton knits and sleepwear; cotton printcloth and sateen; wool; cellulosic materials including cotton, rayon, and paper; and nylon, polyester, and other manmade fibers.

^{1/} For further details, see Blandford, Josephine M., and Gurel, Lois M., Fibers and Fabrics. U.S. Dept. Comm., Nat. Bur. Standards, Consum. Inform. Ser. 1, 1970. U.S. Government Printing Office, Washington, D.C.20402. 65 cents a copy.

Flame-retardant fabrics have been announced in tricot, lace, flannel, polyester printcloth, pile, and nylon.

<u>Product developments</u>. --Product developments announced during the past year consisted largely of improved finishes, particularly for durable press and washability as well as fire-retardance.

Improvement of durable press and abrasion-resistance properties of cotton fabrics is promised by research underway at USDA's Southern Marketing and Nutrition Research Division (SMNRD). Work includes the following: (1) Cotton and cotton blends that have been treated for durable press remain smooth and durably creased after laundering and line drying as well as tumble drying (the common requirement). (2) Garments made from durable-press cottons can be altered and pressed at home or at the store when a catalyst is added to the durable-press finish. (3) Improvement of cotton raincoats is sought in research on durable-press finishes that are durably water repellent, but permit fabrics to be laundered effectively. (4) The advantages of mercerization of cotton with liquid ammonia have encouraged the development of processing equipment for continuous treatment of woven fabric and its adaptation to circular knit goods. (5) For knit goods, blends of cotton with no more than 35 percent polyester increased resistance to flat abrasion and increased bursting strength while maintaining good moisture absorption.

SMNRD also reports that cotton lace that stretches was made by treating cotton lace with a process originally developed to give stretch to woven cotton.

Improvements for wool reported from research by USDA's Western Marketing and Nutrition Research Division includes: (1) Woven fabrics of 100 percent wool that can be machine washed and tumble dried without felting and shrinkage and that suffer little from mechanical shrinkage. (2) Hand-knitting yarns may become the first application of the Division's electrical plasma treatment for wool and wool blends which produces yarns that are soft, strong, and resistant to repeated machine laundering.

Industry has also announced improvement in treatment of cotton and wool fabrics, as well as improvements for manmade fibers and fabrics. (These improvements are discussed in the complete text of this paper. To order, see p. 2 for instructions.)

Improved hides and leathers have been reported. The superior bedpads of shearlings (sheepskins with the wool evenly clipped) when tanned by the glutaraldehyde process developed at USDA's Eastern Marketing and Nutrition Research Division have proved successful in 3 years of tests in institutions. The shearlings have maintained their original shape after 54 launderings in a washer and dryer. This tanning process and a process for wash-fast leather dyes developed by the Division are being used on leather for shorts, shirts, and golf gloves.

Developments in standards and labels for textile products. --In addition to the permanent care labeling discussed on page 23 of this issue, other developments have occurred. The FTC issued complaints of misbranding and false advertising of textiles against various manufacturers and sellers as the FTC continued its efforts to enforce the labeling acts for wool products, fur products, and textile fiber products. About 2, 600 laboratory tests on fabrics are run each year by the FTC--about 29 percent were tests for fiber labeling and 80 percent for flammability in the 1970-71 fiscal year.

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Voluntary standards for body size measurements of apparel have been approved by the National Bureau of Standards and are now in effect for boys' apparel, women's patterns and apparel, and young men's apparel. A revised standard has been proposed for girls' apparel. Interested parties have until March 3, 1972, to file comments with the Bureau on measurements for slims, regular, and chubbies, in size 7 to 16.

<u>Developments in knitted fabrics</u>.--The knitting industry estimates that knits accounted for more than a third of all apparel fabrics in 1970 and will continue to increase. In addition to the special properties of knits, rapid fashion changes, approximating 6 to 8 seasons a year, have played a part in the growth of knits. Manufacturers of knit fabrics are able to respond quickly to fashion changes because of the flexibility of the knitting process and the relative profitability of short production runs compared with weaving.

To compete with knits, stretch is being added to woven fabrics by using textured polyester filament, by blending spandex with polyester-rayon and polyester-cotton, by adding anidex (a stretch fiber), by mechanical shrinkage, and by chemical treatment. It seems likely that woven fabrics will continue to be used for durable staples such as jeans, as well as for tailored suits and other garments that are highly constructed.

Knitted fabrics, providing stretch and wrinkle-resistance, have long been used in underwear and nightwear and in recent years have become popular for women's dresses, slacks, and suits and are increasingly used for men's slacks, sport jackets, shirts, and suits.

Double-weft knits (sold mostly for women's clothing) have been the fastest growing segment of the industry, but there has been some recent slowdown and clearance sales. Modified raschel and tricot knits are expected to be increasingly important for men's suitings in wool blends and cotton blends during the coming years. These warp knits are more stable than double-weft knits and present fewer tailoring problems.

COMPUTER-ASSISTED INSTRUCTION IN HOME ECONOMICS

The Department of Agriculture will cosponsor a workshop for home economists in extension and college and secondary school teaching on the use of computer materials in educational programs. Several computer-assisted instructional programs on consumer credit, financial management, family food management, and other home economics topics will be presented to workshop participants, with aids on the use of these materials in lessons, curriculum plans, and work with families.

Additional materials for computer-assisted dissemination are being developed in the Consumer and Food Economics Research Division, USDA.

The workshop will be held on the Michigan State University campus June 30 to July 14, 1972. Further information may be obtained by writing to Dr. Frances Magrabi at the address given on page 2 of this issue.

CARE LABELING OF WEARING APPAREL

Permanently attached care labels will soon appear on most articles of wearing apparel as a result of a new rule issued by the Federal Trade Commission. The rule is intended to help consumers select apparel according to the type of care necessary and avoid damage to items through improper care. The care instructions, which apply to articles leaving manufacturing plants after July 3, 1972, must (1) fully inform the purchaser about regular care and maintenance procedures, (2) warn the purchaser of any care methods usually applicable to similar articles that should not be used, (3) remain legible for the useful life of the article, and (4) be made readily accessible to the user.

All domestic and imported garments and hosiery are covered by the rule. In addition, fabrics sold to consumers for home sewing of wearing apparel must be accompanied by care labels that can be attached permanently by sewing, ironing, or other household methods. Footwear, other than hosiery, and articles used exclusively as headwear or handwear are excluded from the rule.

The care instructions must apply to the entire item including nondetachable linings, trim, and other details. Any exceptions must be indicated on the label. An intentionally removable part, such as a zip-out liner, must be labeled separately when it requires a different care procedure from the main garment. With approval from the FTC, nonpermanent labeling, such as a hang-tag, will be allowed on items that would be substantially impaired by a permanent label, and (with approval) items priced at \$3 or less that are completely washable will be exempted from any labeling.

ADDRESS CHANGES

If you are moving, changing your name, or otherwise altering your mailing address, be sure to send us the current address label from <u>Family Economics Review</u> when you request the change. Having the label helps us to make the proper changes more quickly and accurately. Extension agents -- please inform your State office of any changes.

SOME NEW USDA PUBLICATIONS

(Please give your ZIP code in your return address when you order these.)

The following are for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402:

- . RURAL HOMEOWNERS' USE OF MORTGAGE CREDIT IN THE OZARK REGION. AER 211. 30 cents.
- . FOOD GUIDE FOR OLDER FOLKS. HG 17. Revised. 20 cents.
- . ROSES FOR THE HOME. HG 25. 15 cents.
- . VEGETABLES IN FAMILY MEALS--A GUIDE FOR CONSUMERS. HG 105. Revised. 20 cents.
- BREADS, CAKES, & PIES IN FAMILY MEALS: A GUIDE FOR CONSUMERS. HG 186. 20 cents.
- . CONTROLLING HOUSEHOLD PESTS. G 96. 20 cents.
- . COCKROACHES: HOW TO CONTROL THEM. L 430. 10 cents.
- . 5-BEDROOM HOUSE, PLAN NO. 7186. M 1198. 5 cents.
- . HOW TO BUY FOOD: A BILINGUAL TEACHING AID. (note: Spanish and English) PA 976. 50 cents.

CPI REFLECTS REPEAL OF NEW CAR EXCISE TAX

The Consumer Price Index for November 1971 and succeeding months does not include the Federal excise tax on new cars that was repealed by the Revenue Act of 1971. Since the act provided for refund of the tax to persons who bought a new car on August 15, 1971, or later, the Consumer Price Index for August, September, and October 1971 was recalculated to reflect the refunds. The revised and previously published data (shown in the December issue of FER) are as follows:

	Octobe	er 1971	Septem	ber 1971	August 1971		
Item	Revised	Previously published	Revised	Previously published	Revised	Previously published	
All items	122.4	122.6	122.2	122.4	122.1	122.2	
Transportation	119.3	120.6	118.6	119.8	119.3	120.1	
Private	117.2	118.6	116.4	117.8	117.3	118.1	

Source: BLS News, December 22, 1971.

FAMILY ECONOMICS REVIEW

COST OF FOOD AT HOME

Cost of food at home estimated for food plans at three cost levels, December 1971, U.S. average 1/

	Cost	t for 1 we	ek	Cos	t for 1 mon	nth
Sex-age groups 2/	Low-cost plan	Moderate- cost plan	a contraction of the second second	Low-cost plan	Moderate- cost plan	the second se
FAMILIES	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Family of 2: 20 to 35 years 3/ 55 to 75 years 3/ Family of 4: Preschool children 4/ School children 5/ INDIVIDUALS 6/	19.00 15.50 27.60 32.10	24.20 20.20 35.10 41.00	29.90 24.30 43.00 50.60	82.40 67.50 119.60 139.00	105.20 87.70 152.60 178.00	129.40 105.60 185.90 218.80
Children, under 1 year 1 to 3 years 3 to 6 years 6 to 9 years Girls, 9 to 12 years 12 to 15 years 15 to 20 years 15 to 20 years 15 to 20 years 15 to 20 years Nomen, 20 to 35 years 75 years and over Pregnant Nursing Men, 20 to 35 years	3.70 4.70 5.60 6.80 7.80 8.60 8.70 8.00 9.30 10.70 8.00 7.70 6.50 5.90 9.60 11.10 9.30 8.60 7.60 7.10	4.60 5.90 7.20 8.80 10.00 11.10 11.10 10.20 12.20 13.60 10.20 9.90 8.50 7.50 12.00 13.80 11.80 11.00 9.90 9.60	5.20 7.10 8.70 11.00 11.80 13.50 13.20 12.40 14.60 16.50 12.40 11.90 10.10 9.20 14.20 16.10 14.80 13.50 12.00 11.60	15.90 20.40 24.30 29.60 33.60 37.10 37.90 34.50 40.30 46.40 34.80 33.40 28.30 25.70 41.40 48.00 40.10 37.30 33.10 30.90	20.10 25.70 31.30 38.00 43.50 48.20 47.90 44.40 53.10 59.10 44.40 42.70 36.70 32.70 51.80 59.70 51.20 43.00 41.40	22.50 30.70 37.60 47.50 51.00 58.40 57.00 53.70 63.30 71.50 53.60 51.60 43.90 40.00 61.40 70.00 64.00 58.30 52.10 50.10

1/ Estimates computed from quantities in food plans published in Family Economics Review, October 1964. Costs of the plans were first estimated by using average price per pound of each food group paid by urban survey families at 3 income levels in 1965. These prices were adjusted to current levels by use of Retail Food Prices by Cities, released by the Bureau of Labor Statistics.

Persons of the first age listed up to but not including the second age. 10 percent added for family size adjustment. 34/

Man and woman, 20 to 35 years; children 1 to 3 and 3 to 6 years.

Man and woman, 20 to 35 years; child 6 to 9; and boy 9 to 12 years.

Costs given for persons in families of 4. For other size families, adjust thus: 1-person, add 20 percent; 2-person, add 10 percent; 3-person, add 5 percent; 5-person, subtract 5 percent; 6-or-more-person, subtract 10 percent.

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		Northeast		North Central			
Sex-age groups <u>2</u> /	Low-cost plan	Moderate- cost plan	Liberal plan	Low-cost plan	Moderate- cost plan	Liberal plan	
FAMILIES	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	
Family of two, 20 to 35 years 3/ Family of two, 55 to 75 years 3/ Family of four, preschool children 4/ Family of four, school children 5/ - INDIVIDUALS 6/	21.10 17.20 30.60 35.60	26.70 22.20 38.90 45.40	31.60 25.80 45.50 53.60	19.00 15.60 27.60 32.00	23.20 19.40 33.70 39.40	28.80 23.30 41.50 48.80	
Children, under 1 year 1 to 3 years 3 to 6 years 6 to 9 years Girls, 9 to 12 years 12 to 15 years 15 to 20 years 12 to 15 years 12 to 15 years 12 to 15 years 15 to 20 years 15 to 20 years 15 to 20 years 5 to 55 years 35 to 55 years 55 to 75 years 75 years and over Pregnant Nursing	4.10 5.20 6.20 7.60 8.60 9.50 9.70 8.80 10.30 11.90 8.90 8.50 7.20 6.50 10.50 12.20	5.20 6.60 8.00 9.70 11.20 12.40 12.30 11.40 13.60 15.10 11.30 10.90 9.30 8.30 13.20 15.20	5.50 7.60 9.20 11.70 12.50 14.50 14.10 13.20 15.60 17.50 13.10 12.60 10.80 9.90 15.00 17.10	3.70 4.70 5.60 6.80 7.70 8.50 8.70 7.90 9.40 10.80 8.00 7.60 6.50 5.90 9.60 11:20	4.40 5.60 6.90 8.40 9.60 10.60 10.50 9.80 11.70 13.10 9.80 9.40 8.10 7.20 11.40 13.20	5.00 6.90 8.40 10.60 11.40 13.00 12.60 12.00 14.30 16.10 11.80 11.40 9.60 8.80 13.60 15.70	
Men, 20 to 35 years 35 to 55 years 55 to 75 years 75 years and over	10.30 9.50 8.40 7.90	13.00 12.10 10.90 10.50	15.60 14.20 12.70 12.30	9.30 8.70 7.70 7.20	11.40 10.60 9.50 9.20	14.40 13.10 11.60 11.20	

Table 2.--Cost of 1 week's food at home estimated for food plans at 3 cost levels, December 1971, for Northeast and North Central Regions 1/

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Table 3.--Cost of 1 week's food at home estimated for food plans at 3 cost

levels, December 1971, for Southern and Western Regions 1/

		Sc	outh		West			
Sex-age groups 2/	Low-cost plan	Another low-cost plan <u>7</u> /	Moderate- cost plan	Liberal plan	Low-cost plan	Moderate- cost plan	Libera plan	
FAMILIES	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollar	
Family of two, 20 to 35 years 3/ Family of two, 55 to 75 years 3/ Family of four, preschool children 4/ Family of four, school children 5/	17.70 14.40 25.60 29.80	16.90 13.60 24.60 28.60	22.70 19.00 32.80 38.30	27.60 22.60 39.80 46.80	19.50 15.80 28.30 32.90	23.60 19.80 34.40 40.00	29.40 24.00 42.10 49.50	
INDIVIDUALS 6/								
Children, under 1 year	3.40 4.30 5.20 6.30 7.20 7.90 8.10 7.40 8.60 9.90 7.50 7.10 6.00 5.50 8.80 10.20 8.60 8.00	3.30 4.20 5.00 6.20 6.80 7.60 7.70 7.00 8.40 9.60 7.10 6.80 5.60 5.20 8.60 10.00 8.30 7.60	4.30 5.50 6.70 8.20 9.40 10.40 9.50 11.40 12.70 9.60 9.30 8.00 7.10 11.20 12.90 11.00 12.90 11.00 10.20	4.90 6.60 8.10 10.20 11.00 12.60 12.40 11.50 13.60 15.30 11.50 11.10 9.40 8.60 13.20 14.90 13.60 12.40	3:80 4.80 5.80 7.00 8.00 8.80 8.90 8.20 9.60 11.00 8.20 7.80 6.60 6.00 9.70 11.30 9.50 8.80	4.50 5.80 7.10 8.50 9.80 10.90 10.80 10.00 11.90 13.20 10.00 9.60 8.30 7.30 11.60 13.40 11.50 10.70	5.00 6.90 8.50 10.70 11.50 13.20 12.80 12.10 14.20 16.00 12.20 11.70 10.00 9.10 13.90 15.70 14.50 13.20	

See footnotes 1 to 6 of table 1, p. 25

7/ Special adaptation of low-cost plan especially suitable for food habits in the Southeastern States.

CONSUMER PRICES Consumer Price Index for Urban Wage Earners and Clerical Workers (1967 = 100)

Group	Jan. 1972	Dec. 1971	Nov. 1971	Jan. 1971
All items	123.2	123.1	122.6	119.2
Food	120.3	120.3	119.0	115.5
Food at home	118.2	118.2	116.7	113.4
Food away from home	128.6	128.3	128.2	123.4
Housing	127.3	126.8	126.4	122.7
Shelter	132.3	131.6	131.3	128.0
Rent	117.1	116.9	116.6	112.9
Homeownership	137.8	137.0	136.7	133.4
Fuel and utilities	118.7	117.9	116.8	112.1
Fuel oil and coal	118.7	118.1	118.1	116.7
Gas and electricity	119.0	118.2	116.2	111.5
Household furnishings and operation	119.5	119.6	119.5	115.4
Apparel and upkeep	120.2	121.8	121.9	117.6
Men's and boys'	119.9	121.6	121.8	118.0
Women's and girls'	120.2	123.2	123.4	117.4
Footwear	122.7	123.1	123.2	119.8
Transportation	119.0	118.6	118.8	117.5
Private	116.4	116.3	116.6	115.8
Public	143.4	139.7	139.3	133.9
Health and recreation	124.3	123.9	123.7	119.8
Medical care	130.5	130.1	129.7	124.9
Personal care	118.1	117.9	117.9	115.3
Reading and recreation	121.4	121.1	120.8	117.3
Other goods and services	123.5	123.0	122.8	118.9

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

Index of Prices Paid by Farmers for Family Living Items (1967 = 100)

Item	Feb. 1972	Jan. 1972	Dec. 1971	Nov. 1971	0ct. 1971	Sept. 1971	Feb. 1971
All items	123	121	121	120	120	120	117
Food and tobacco	-	-	117	-	-	116	-
Clothing	-	-	129	-	-	128	-
Household operation	-	-	118	-	-	118	-
Household furnishings	-	-	115	-	-	115	-
Building materials, house	-	-	128	-	-	126	-

Source: U.S. Department of Agriculture, Statistical Reporting Service.

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