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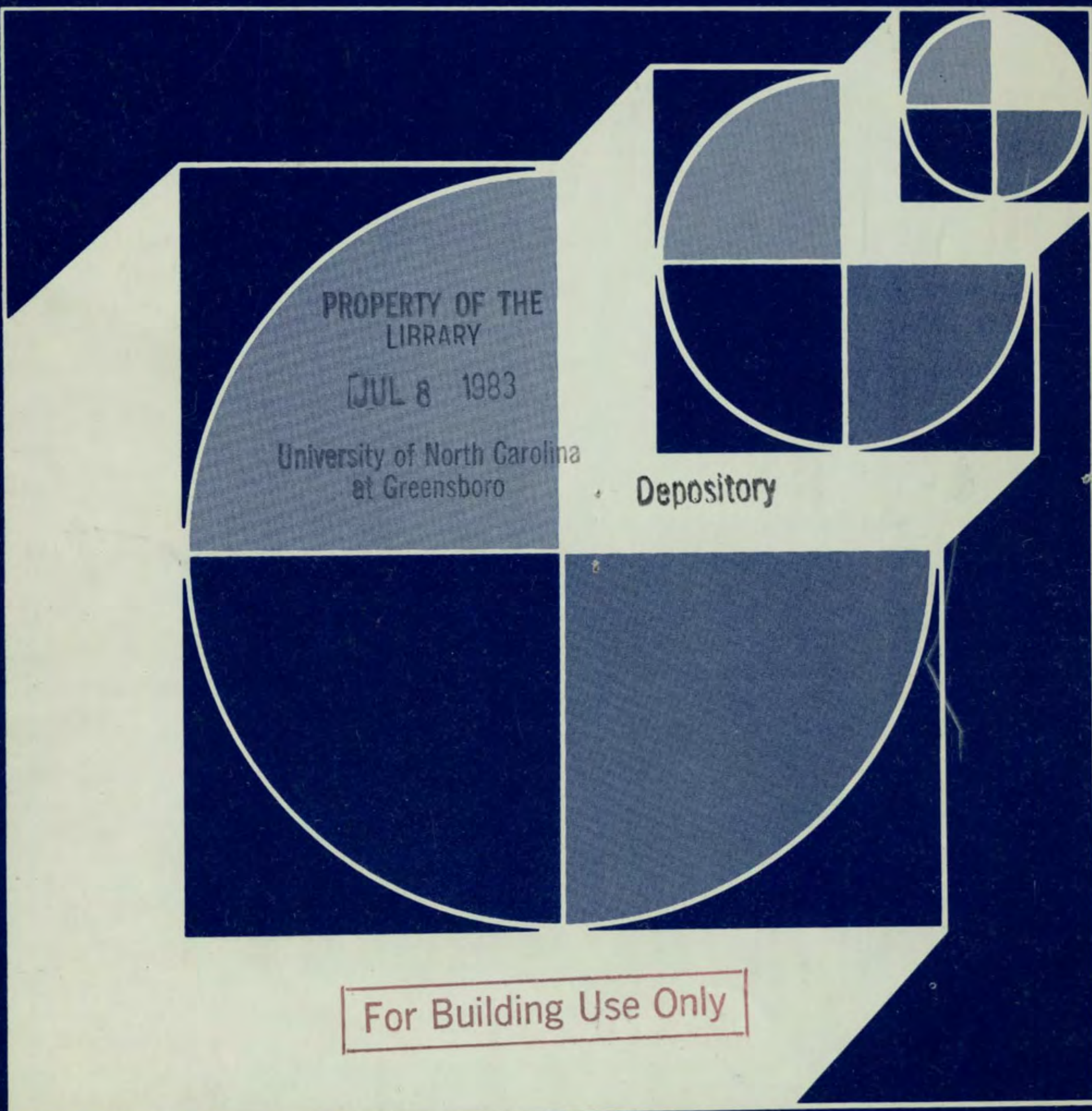

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Issued July 1983

Household Wealth, 1962-81

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Households can increase their wealth in two ways--either through saving a portion of current income in excess of liquidations and new credit obligations or increasing the value of assets already owned. Between 1962 and 1981 household wealth in the United States increased significantly as the result of both of these processes. During the same 20-year period households made fundamental changes in their portfolio of assets. In 1962 households held about 28 percent of their assets in tangible form, such as real estate and consumer durables, and the remaining 72 percent in financial assets. By 1981 the importance of tangible assets had increased to 36 percent and financial assets had declined to 64 percent. This shift in the household portfolio was the result of sustained investment in tangibles, especially owner-occupied housing, and rapid increases in the value of real property.

The amount of wealth held by households and the rate at which they accumulate it are important indicators of family economic well-being and financial progress. Furthermore, the forms in which wealth is held provide a good measure of how responsive households can be in meeting financial crises. This paper reviews the level and composition of household wealth in the United States from 1962 to 1981 and examines the implications of these wealth patterns for family economic stability and security.[1]

[1] Trend information in this paper on the household sector of the economy or households as a group is based on aggregate data from the National Income and Product Accounts and the Flow of Funds Accounts (see "Interpreting Statistical Data in Family Economics," Family Economics Review 1983(1):21-26). Information on the wealth and asset holdings of specific types of households is based on survey data (1, 2).

Increases in Wealth

One way households assess their financial progress is to periodically review their net worth position, that is, the difference between their assets and liabilities. Recent unemployment and rising bankruptcy rates indicate that some households have made little or no financial progress during the past several years. Nonetheless, households as a whole have increased their level of wealth in every year since 1962. The net worth of the household sector grew from approximately 1.2 trillion dollars (about $18,000 per household) in 1962 to approximately 8.9 trillion dollars (about $108,000 per household) in 1981. In constant (1972) dollars household net worth tripled during the 20-year span; on a per household basis, net worth increased from $15,400 in 1962 to $36,600 in 1981.

Personal saving contributed significantly to household wealth during the past 20 years. The annual growth in net worth, however, reflects not only the personal saving rate, but also the revaluation of assets to reflect their changing market value. The rate of net worth change is much more volatile than the national saving rate, and one rate cannot be predicted or calculated from the other (table 1). During the period of 1962-82 the saving rate averaged 6.6 percent within a relatively narrow range of 4.9 to 8.2 percent. The rate of change in net worth, however, ranged from -0.3 percent to 15.3 percent, averaging 8.3 percent. Generally, during economic upturns the rate of net worth change rises more rapidly than does the personal saving rate. Similarly, during downturns the saving rate does not appear to slow as much as the rate of net worth change. This suggests that households may not change their saving habits in response to economic changes as rapidly as the market applies new values to household assets in the event of an economic recession or recovery.

As the general level of household wealth rose during the sixties and seventies, not all types of households benefited equally. Comparison of findings from two household surveys of saving and wealth indicates that low- and middle-income households may have benefited slightly more from the increase in wealth than did high-income households. High-income households have traditionally held the vast majority of financial assets, and in many cases these assets comprise their primary form of wealth. The revaluation process that occurred as part of the growth in household wealth during the past 20 years favored holders of tangible rather than financial assets. Middle- and low-income households, which tend to hold a large portion of their wealth in houses and automobiles, therefore, often saw their wealth growing at a more rapid pace than that of financial asset holders.

The percent of wealth concentrated in high-, medium-, and low-income groups in 1962 and 1979 is shown in table 2. In 1962 high-income households held an estimated 48 percent of total household wealth; by 1979 their share had decreased to 44 percent. Much of the decline in the wealth share of high-income households is attributable to the redistribution of housing wealth between 1962 and 1979. In 1962 the lowest 80 percent of income earners held only 58 percent of all home equity. In 1979 this group held 65 percent of home equity. In 1979 the highest income households continued to hold almost three-fifths of all financial, business, and other assets, down only slightly from their 1962 shares.

Table 1. *Measures of saving, and rates of change in household net worth, 1962-82*

Rate	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Household saving[1]	5.5	4.9	6.0	6.4	6.9	7.4	6.7	6.0	8.0	8.2	6.2
Net worth change[2]	-.3	7.3	7.0	7.8	2.5	11.6	11.9	1.1	4.7	9.3	10.6

Rate	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982
Household saving[1]	7.8	7.3	7.8	6.9	5.9	6.1	5.9	5.8	6.4	7.0
Net worth change[2]	4.2	4.5	12.8	12.6	8.7	13.9	13.1	15.3	6.2	[3]NA

[1]As calculated in the National Income and Product Accounts:

$$\text{Saving rate} = \frac{\text{Personal saving}}{\text{Disposable personal income}}$$

where disposable personal income is total personal income less personal tax and nontax payments, and personal saving is disposable personal income less personal consumption expenditures, interest paid by consumers to business, and personal transfer payments to foreigners. Calculated from National Income and Product Accounts, U.S. Department of Commerce, Bureau of Economic Analysis, 1962 to 1982, inclusive.

[2]Calculated from annual asset and liability data in the household sector balance sheets, Board of Governors of the Federal Reserve System, 1982, Balance Sheets for the U.S. Economy 1945-81, Flow of Funds.

[3]Not available.

Changes in the Household Portfolio

There were several important changes in the household portfolio of assets between 1962 and 1981. These changes reflected economic conditions, especially inflation in real estate and housing; the preferences of households, especially young families forming new households; and changing regulations and new offerings in the financial markets, especially the expansion of pension programs and the introduction of money market funds. The combined result of these changes was an increase in the relative importance of tangible assets in the household portfolio and a decline in financial assets.

The principal change in the portfolio has been an upward trend in the value and relative importance of home equity and land (table 3). Most of this increase is attributable to a rapid upward trend in property values rather than increased saving and investing in these assets by households.

Table 2. *Wealth concentration by income levels, 1962 and 1979*

Household wealth	Percent of aggregate wealth concentrated in households with:			Total
	Highest 20 percent of income	Middle 40 percent of income	Lowest 40 percent of income	
		1962[1]		
Total wealth concentration	48	32	20	100
Equity in home	42	38	20	100
Equity in automobile	30	51	19	100
Financial assets	58	32	10	100
Equity in own business and/or farm	61	25	14	100
		1979[2]		
Total wealth concentration	44	34	22	100
Equity in home	35	40	25	100
Equity in automobile	30	47	23	100
Financial assets	56	30	14	100
Equity in own business and/or farm	58	29	13	100

[1]Calculated from estimates of wealth held by income groups and estimates of income distribution, in Survey of Changes in Family Finances, by Dorothy S. Projector, Board of Governors of the Federal Reserve System, 1968.

[2]Data taken from "Composition of the personal wealth of American households at the start of the eighties," by Robert B. Pearl and Matilda Frankel (paper presented at the annual meeting of the American Economic Association, Washington, D.C., December 1981).

Generally, households devote a large portion of their savings to housing, but the share of the household savings dollar used for the acquisition of housing and other tangibles varied from year to year and recently trended downward (table 4).

Another factor may have influenced the growth in home equity and land in the household portfolio. Survey data on household wealth in 1962, 1972-73, and 1979 show a broadening base of home ownership. In the Survey of Financial Characteristics of Consumers conducted for the Federal Reserve Board in 1963 (covering wealth in 1962), 57 percent of the households reported home equity among their assets (2). In the 1972-73 Consumer Expenditure Survey, the percentage reporting home equity was 59 percent. In the U.S. Department of Health and Human Services 1979 Income Survey Development Program, 64 percent reported holding equity in a home (1).

Another major change in the household portfolio has been the decline in importance of corporate equities. Between 1962 and 1981 corporate equities dropped 10 percentage points from about 21 percent to about 11 percent of the household portfolio. This drop is primarily the result of declining value of corporate equities over the 20-year period rather than declining savings additions to these assets or diminishing numbers of investors. As would be expected in a price sensitive environment such as the stock market, annual investments in corporate equities ranged from net withdrawals to 5.5 percent of the total savings dollar. The proportion of households owning corporate equities has increased from 16 percent in 1962 to 20 percent in 1972-73 and 1979 (1, 2).

Table 3. ***Distribution of household assets, selected years 1962-81***

Assets	1962	1967	1972	1977	1981
			Percent distribution		
Total	100.0	100.0	100.0	100.0	100.0
Tangible assets	28.4	27.2	29.9	35.7	35.9
Housing	15.1	13.9	15.8	19.5	19.9
Consumer durables	9.5	9.4	9.8	10.7	10.1
Land	3.8	3.9	4.3	5.5	5.9
Financial assets	71.6	72.8	70.1	64.3	64.1
Currency, check deposits	3.4	3.4	3.3	3.1	2.8
Small time and saving deposits	9.9	11.2	12.6	14.0	11.7
Money market fund shares	--	--	--	.1	1.7
Large time deposits	.1	.2	.6	.9	1.7
Credit market instruments	7.5	6.5	6.1	6.7	7.1
Corporate equities	20.9	24.1	21.1	11.1	11.2
Life insurance reserves	4.4	3.9	3.3	2.8	2.2
Pension fund reserves	5.2	6.2	7.5	7.1	7.6
Equity in noncorporation business	19.5	16.5	14.8	17.6	17.6
Security and miscellaneous credit	.7	.8	.8	.9	.9

Source: Board of Governors of the Federal Reserve System, 1982, Balance Sheets for the U.S. Economy 1945-81, Flow of Funds.

Life insurance reserves have also declined in importance in the household portfolio from 4.4 percent of assets in 1962 to 2.2 percent in 1981. This trend has mirrored the decline in annual investment in cash value life insurance.

At the same time that life insurance reserves have declined as a percent of household assets, pension reserves have increased. Annual additions to these reserves have claimed an increasing share of the savings dollar. The increase in pension reserves is the product of two factors. There was a moderate increase in the number of workers covered by pension plans during the seventies which may have resulted in more dollars flowing into this asset. The age distribution of the population, however, accounts for more of the increase than other factors. The influx of the large "baby boom" generation into the labor force has added net contributors to pension assets and has not yet generated many draws on these accounts. Pension assets will probably continue to increase both in absolute amount and as a percent of household wealth until this generation of workers begins to retire.

The most recent shifts in household assets have been in saving and checking accounts, certificates of deposit, and money market funds. Through the mid-seventies households maintained about 3.4 percent of their assets in currency and demand deposits. In 1976 a small number of households began to use a new financial instrument--interest-bearing money market fund shares--to meet the liquidity needs provided previously by demand deposits. The shift from no-interest and low-interest accounts to higher yield money market funds and time certificates of

Table 4. *Distribution of annual additions to assets, selected years 1962-81*

Item	1962	1967	1972	1977	1981
Increase in all assets[1]	$67.9	$110.8	$214.7	$350.9	$465.1
			Percent distribution		
Tangible assets	40.2	36.4	38.7	33.4	23.6
Housing	18.8	9.8	13.0	14.9	9.4
Fixed assets	7.0	6.5	8.7	3.5	4.6
Durables	12.1	18.9	16.1	14.1	8.2
Inventories	2.3	1.2	.9	.9	1.4
Financial assets	59.8	63.6	61.3	66.6	76.4
Currency, check deposits	-1.8	8.9	6.5	5.7	5.6
Time and saving deposits	38.4	31.8	34.7	30.6	14.1
Money market fund shares	--	--	--	.1	23.1
Securities (corporate equities)	-.3	--	1.1	5.5	4.1
Life insurance reserves	5.4	4.5	3.1	3.2	2.1
Private pension reserves	8.2	7.4	5.2	9.6	11.1
Government insurance and pension reserves	5.1	5.0	5.4	6.4	8.0
Miscellaneous financial assets	4.8	6.0	5.3	5.5	8.2

[1] Billions.

Source: Board of Governors of the Federal Reserve System, Flow of Funds, 1962 to 1982, inclusive.

deposit intensified through 1981. The share of household assets held in money market funds increased from 0.1 percent in 1977 to 1.7 percent in 1981 (table 3). Large time deposits also increased from 0.9 percent of household assets to 1.7 percent in 1981. During this same period currency and checking deposits declined to 2.8 percent of household assets.

In 1981 money market fund shares claimed 23 percent of the annual savings dollar, the largest component of saving in that year (table 4).[2] Money market funds did not exist in 1962. In 1981 an estimated one in eight households held shares in these funds.

Implications of Current Wealth Patterns

Gains made in the acquisition of wealth between 1962 and 1981 allowed households to gradually assume increased financial risks over that 20-year period.[3] This is evident in several financial patterns which developed during that period. First, as household wealth increased, the liabilities of the household sector also increased, resulting in a slow but sustained rise in the debt/asset ratio of households (table 5). Much of the debt incurred by households was used to finance the purchase of housing and other tangibles which greatly appreciated in value and enhanced the net worth position of some housholds. Debt, like wealth, is not evenly distributed among all households, however. The increase in the debt/asset ratio has taken place concurrently with rising rates of default and personal bankruptcy.

[2]Recently the percent of household assets held in money market fund shares has declined rapidly as households have made large withdrawals from the funds. Between December 1, 1982, and February 28, 1983, the total assets held in these funds declined by almost 20 percent. This sharp decline has been attributed to the introduction of federally insured bank and thrift association accounts competitive with the funds and a rally in stock market prices which began in August 1982.

[3]Other economic changes, such as increased labor force participation rates for married women, may also have contributed.

The second factor indicating increased exposure to financial risks in households today is the recent shift from insured and liquid assets to uninsured and illiquid assets in the household portfolio. The general trend toward increased emphasis on tangible assets in the portfolio and the very recent surge in the acquisition of corporate equities may place some households, particularly middle- and high-income ones,

Table 5. ***Debt/asset ratio of households, 1962-81***

Year	Debt/asset ratio
1962	12.5
1963	12.9
1964	13.2
1965	13.4
1966	13.8
1967	13.3
1968	13.0
1969	13.7
1970	13.7
1971	13.8
1972	14.0
1973	14.9
1974	15.3
1975	14.7
1976	14.6
1977	15.4
1978	15.7
1979	15.9
1980	15.2
1981	15.4

Source: Calculated from asset and liability data, Board of Governors of the Federal Reserve System, 1982, Balance Sheets for the U.S. Economy 1945-81, Flow of Funds.

in a position where they cannot respond rapidly to economic change or financial crises.

If the acquisition of household wealth continues to be goal specific (as trends in housing wealth and retirement assets indicated in the sixties and seventies); households may need to make special efforts to build and maintain liquid assets to meet financial setbacks and problems. Some of the long-term growth in debt may, in fact, be related to increased illiquidity. Households may be substituting credit lines for liquid assets in order to meet short-term and unanticipated needs for money.

Households have become very sensitive to the yields earned by their assets and have demonstrated a willingness to change their portfolio in response to changing yields. To be effective in exercising this flexibility, households will need to work to improve their financial planning and management skills.

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Food Shopping Skills of the Rich and the Poor

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Expertise in shopping for food is the ability to select food with qualities the shopper values most. Two qualities that many food shoppers seek are low cost and high nutrient content. High energy (calorie) value is considered desirable by some shoppers and undesirable by others.

In this study the nutrient return per dollar's worth of food and the amount of nutrients per 1,000 calories (nutrient density) in food used by households have been employed as indicators of food shopping expertise. Food use data are for households with different economic characteristics included in the Nationwide Food Consumption Survey 1977-78. Generally, food shopping expertise of households with low food costs, with low incomes, and receiving food stamps was as good or better than that of other households.

Approach

Over 14,000 housekeeping households from a stratified area probability sample in the 48 conterminous States were selected for this study. Housekeeping households are those with at least 1 person having 10 or more meals from household food supplies during the survey week. In the survey an interviewer collected information on quantity and cost of foods used during the week prior to the interview. "Food used" refers to food and beverage (alcoholic and nonalcoholic) that disappeared from household food supplies. This included food and beverage eaten at home, carried from home in packed meals, thrown away, and fed to pets (other than commercial pet food). Information was also obtained on income, food program participation, and other factors expected to affect food consumption.

The nutritive value of food used was calculated using standard reference tables of food composition compiled from USDA's Nutrient Data Bank. Values were for the edible portion of food as brought into the household, except that vitamin values were adjusted for losses during cooking. "Edible portion" refers to all food except those parts that are clearly inedible such as bones in meat. All fat on retail meat cuts was considered to be edible. Dietary levels of protein, calcium, iron, magnesium, phosphorus, vitamin A, thiamin, riboflavin, niacin, vitamin B_6, vitamin B_{12}, and vitamin C were calculated. Calcium, iron, magnesium, and vitamins A, B_6, and C were given special consideration because they were found in an earlier study to be present in less than recommended amounts in many diets (1). The amount of energy provided per dollar and the percentage of energy from fat were also studied.

The money value of food used for a week (food dollars) included the reported cost of purchased food and the estimated value of food that was home produced or received as gift or pay. Estimated value was based on the average price per pound paid for the food by survey households in the same region and season.

Food shopping expertise of groups of households with different food costs and incomes was studied. Food cost level was defined as the money value of food per "equivalent" person. An equivalent person was counted as 21 meals from home food supplies in a week (based on 3 meals for 7 days). The equivalent person was used to attempt to adjust for variation among households in the number of meals eaten from home food supplies by household members and guests. Two indicators of income were used: the previous year's income as a percent of the Federal poverty threshold, and eligibility for the Food Stamp Program as determined from the survey data.

Nutrients Per Dollar's Worth of Food

Households with lower money value of food per person received greater average return per dollar in energy and all nutrients than households with higher money value (table 1). For example, households that had food costs in the thrifty food plan cost range ($8 to $11.99 per person per week in 1977-78) selected foods that provided 9 to 25 percent more of nutrients per dollar than households with about twice that food cost ($16 to $19.99 per person). This may be attributed partly to the differences in their household size (table 2) and the economies associated with buying and using food in large as opposed to small households. The effect of household size and other factors on the nutrient return per dollar is under study.

Households with low food costs, despite their higher nutrient return per dollar, were less likely to have diets that provided recommended levels of nutrients than households that spent more dollars for their food (2). Also, the higher average return in nutrients per dollar's worth of food does not mean necessarily that these households consciously choose more nutritious foods than households with lower return per dollar. Diets that are low in cost usually include some relatively inexpensive foods in large quantities. Some of these foods--such as enriched and whole-grain flour and bread, some cereals, dry beans, and potatoes--furnish substantial amounts of several nutrients.

Households with incomes below the poverty thresholds had lower average home food costs per person and made selections that provided more nutrients per dollar than households with higher incomes. Likewise, households that were eligible for food stamps (recipients and nonrecipients) had lower average food costs per person and higher average nutrient return per dollar than households not eligible for food stamps. Households receiving food stamps had higher food costs and about the same or slightly higher return in 9 of the 11 nutrients studied than did households eligible for but not receiving food stamps. The two exceptions, calcium and magnesium, are among the problem nutrients.

Table 1. *Nutrients per dollar's worth of food used at home*[1]

Households[2]	Money value of food per person[3] per week	Food energy	Calcium	Iron	Magnesium	Vitamin A value	Vitamin B_6	Vitamin C
	Dollars	Kcal	Mg	Mg	Mg	IU	Mg	Mg
All households	17.00	1,236	457	8.4	170	3,333	0.91	57
Money values of food per person[3] per week:								
Under $8	6.57	1,669	620	12.1	222	3,922	1.22	62
$8 to $11.99	10.24	1,463	557	10.3	197	3,782	1.08	63
$12 to $15.99	14.01	1,342	515	9.2	183	3,533	.98	60
$16 to $19.99	17.86	1,240	461	8.5	170	3,390	.92	58
$20 to $29.99	23.74	1,137	407	7.7	158	3,145	.85	55
$30 and over	37.17	970	331	6.5	136	2,750	.73	47
Past year's income as percent of poverty threshold:[4]								
0 to 99 (below threshold)	14.16	1,423	510	10.1	186	3,792	1.04	60
100 to 199	15.36	1,344	489	9.4	182	3,709	1.00	61
200 and over	18.20	1,165	439	7.9	163	3,094	.86	55
Food stamp status:[4]								
Eligible	14.72	1,388	501	9.9	185	3,832	1.03	60
Receiving	15.15	1,416	497	10.2	182	3,972	1.06	61
Not receiving	14.44	1,389	503	9.7	187	3,739	1.01	60
Not eligible	17.69	1,203	447	8.1	167	3,218	.89	56

[1] Includes nutritive value and money value (1977-78) of food used by household members and guests that was bought, home produced, or received as gift or pay.

[2] Over 14,000 housekeeping households (those with 1 person having 10 or more meals from household food supplies during week of survey) from USDA's Nationwide Food Consumption Survey 1977-78.

[3] A person is equal to 21 meals from household food supplies during week.

[4] Some households excluded because of missing data.

Table 2. *Nutrients per 1,000 calories in food used at home*[1]

Households[2]	Household size	Fat	Calcium	Iron	Magnesium	Vitamin A value	Vitamin B_6	Vitamin C
	Persons	Pct[3]	Mg	Mg	Mg	IU	Mg	Mg
All households	2.76	43.2	370	6.8	137	2,696	0.74	46
Money values of food per person[4] per week:								
Under $8	3.63	40.1	371	7.2	133	2,350	.73	37
$8 to $11.99	3.32	42.0	381	7.0	135	2,585	.74	43
$12 to $15.99	3.02	42.9	384	6.8	137	2,634	.73	45
$16 to $19.99	2.74	43.3	372	6.8	137	2,735	.74	47
$20 to $29.99	2.34	43.9	358	6.7	139	2,767	.74	48
$30 and over	1.79	44.6	341	6.7	140	2,834	.75	49
Past year's income as percent of poverty threshold:[5]								
0 to 99 (below threshold)	2.77	42.3	359	7.1	130	2,665	.73	42
100 to 199	2.78	42.8	364	7.0	136	2,761	.74	45
200 and over	2.75	43.6	377	6.8	140	2,656	.74	47
Food stamp status:[5]								
Eligible	2.84	42.6	358	7.0	132	2,737	.73	43
Receiving	3.19	42.8	351	7.2	129	2,805	.75	43
Not receiving	2.66	42.4	362	7.0	134	2,692	.72	43
Not eligible	2.68	43.3	371	6.8	139	2,676	.74	46

[1] Includes nutritive value of food used by household members and guests that was bought, home produced, or received as gift or pay.
[2] Over 14,000 housekeeping households (those with 1 person having 10 or more meals from household food supplies during week of survey) from USDA's Nationwide Food Consumption Survey 1977-78.
[3] Percent of energy provided by fat.
[4] A person is equal to 21 meals from household food supplies during week.
[5] Some households excluded because of missing data.

Compared with all households, those receiving food stamps obtained 7 to 29 percent more of the 11 nutrients per dollar's worth of food used.

The food shopping practices that lead to differences in nutrient return per dollar are under study. Greater nutrient return appears to be associated with the use of larger shares of food dollars for milk, eggs, legumes, and grain products, and smaller shares for meat, poultry, fish, and alcoholic beverages.

Nutrients Per 1,000 Calories

Selecting a diet that provides recommended amounts of nutrients and is not excessive in calories is difficult for many people. Therefore, nutritionists sometimes assess the quality of a diet by its nutrient content per 1,000 calories. Nutrient dense diets--those with high vitamin and mineral content per 1,000 calories--are considered to be most desirable. Diets that have extremely high fat density, on the other hand, are considered to be undesirable.

Over 43 percent of the energy in edible foods brought into households and used during the survey week came from fat (table 2).[1] The proportion of energy from fat was slightly lower for households with lower rather than higher food budgets, those with lower rather than higher incomes, and those eligible rather than not eligible for food stamps.

The nutrient density differences among groups of households studied were small and inconsistent among nutrients. Generally, households on tight food budgets had slightly more calcium and iron and slightly less vitamins A and C per 1,000 calories than households spending more for food. The presence of more children in the relatively large size, low-budget households, and the children's use of milk may account for the slightly higher calcium density.

Households with high incomes selected diets that were slightly more dense in calcium, magnesium, and vitamin C but in none of the other eight nutrients studied. These relationships occurred both when income was measured relative to the poverty threshold and to standards for eligibility for food stamps. Diets of households receiving food stamps were as nutrient dense or slightly more dense than those of eligible households not receiving food stamps for 9 of the 11 vitamins and minerals. Exceptions were calcium and magnesium.

[1]As defined earlier, edible food used includes fat on meat and cooking and salad oils, some of which probably was not actually eaten. Therefore, the percent of energy from fat in this study is a measure of fat available for consumption in the home, not fat intake.

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Some New USDA Publications

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- FOOD CONSUMPTION: HOUSEHOLDS IN THE WEST, SPRING 1977, NATIONWIDE FOOD CONSUMPTION SURVEY 1977-78. September 1982. Stock No. 001-000-04302-1. $8.50.
- FOOD CONSUMPTION: HOUSEHOLDS IN THE SOUTH, SPRING 1977, NATIONWIDE FOOD CONSUMPTION SURVEY 1977-78. September 1982. Stock No. 001-000-04301-3. $8.50.

Consumer Perspectives: Imported vs. U.S.-Made Apparel

By Kitty G. Dickerson
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Effects of Imported Apparel in the United States

If American consumers were to take an inventory of their closets, most would find they now own a sizeable, and perhaps surprising, quantity of garments produced in other countries. At one time most of the imported apparel items seen in the United States were sweaters, children's shirts, inexpensive men's shirts, and other low- to moderate-priced garments. Now, imported apparel is present in virtually all categories and price lines, including those carrying expensive, prestigious brand names. For some garments, more imported items are sold in U.S. markets than comparable domestic garments. The ratios of imported to domestic garments for several women's and children's categories are given in the table on this page.

Imported textile and apparel shipments for 1982 were the highest in history, creating a trade deficit of over $6 billion (6). Only the oil and auto industries had greater trade deficits (1). Data indicate that shipments of imported apparel have increased at a far greater rate than domestic shipments of U.S. apparel manufacturers (3).

If one issue were singled out as the one of most concern to the U.S. textile and apparel industry, it would be that of imported products and the resulting impact on domestic manufacturing. Imports are viewed by the U.S. textile and apparel industry as a major factor in the steady decline of employment in this sector--from the employment of 2.5 million persons in 1973 to 2.16 million persons in 1980 (5). This sector's share of the Nation's industrial work force declined from 12.0 to 10.6 percent between 1973 and 1980. The combined fiber/textile apparel industries are, however, the Nation's largest industrial employer, providing jobs for one out of every eight persons in manufacturing (4). Unemployment

Women's and children's apparel--impact of imports

[For certain product categories in women's, girls', and infants' apparel in 1979]

Item	Imports per 100 garments produced in the United States
Coats:	
Cotton	170
Manmade fiber	63
Playsuits, cotton	36
Blouses:	
Cotton	215
Wool	80
Knit shirts:	
Cotton	104
Manmade fiber	54
Skirts:	
Cotton	65
Wool	27
Suits, wool	30
Sweaters:	
Cotton	177
Wool	261
Manmade fiber	133
Trousers and slacks:	
Cotton	64
Manmade fiber	35
Brassieres, manmade fiber	60

Source: Apparel Job Training and Research Corporation, 1981, Analysis of Problems and Needs of the Import Impacted Segments of the Women's and Children's Apparel Manufacturing Industry, p. 41, U.S. Department of Commerce, International Trade Administration.

tends to run higher than that for all other manufacturing--especially for portions of 1982. When unemployment was about 10 percent for the country as a whole, the jobless rate ranged between 15 and 19 percent for textiles and apparel, particularly during the summer and early fall months of 1982. While imports alone cannot be blamed for the decline of U.S. industry or for the disproportionate unemployment rate, the domestic industry suffers to the extent that imports replace U.S. products in sales.

U.S. companies are at a distinct disadvantage in competing against imported clothing. A great deal of labor is required to manufacture clothing because automation cannot be applied as successfully in this industry as in many others. Frequent fashion changes also minimize efficiencies of volume production needed to justify expensive automation. Thus, low labor costs in developing countries facilitate apparel production at costs far below that in the United States. Although workers in the U.S. clothing industry earn less than two-thirds the average wage of all manufacturing in this country, their average pay of $4.50 per hour--or slightly over $7 including benefits--is considerably higher than that of an apparel worker in Hong Kong, Taiwan, and Korea who makes slightly over $1 per hour including benefits (5). Operators in Thailand and the Philippines earn less than 50 cents an hour; those in Sri Lanka, less than 20 cents. These wages make it difficult for American industries to compete.

U.S. textile/apparel industry leaders have fought for tariffs, quotas, and other measures to protect the domestic sector from the influence of imports. Most economists say, however, that the U.S. consumer is better off economically not to limit imports They assert that the consumer has a right to be able to buy items as cheaply as possible, and if another country can produce an item for less than the United States, then consumers should be able to buy from that country.

While the American industry argues that the resulting demise of the textile/apparel sector will be costly both at present and in the long run to U.S. citizens in their roles as consumers and taxpayers, importers and retailers contend that consumers save by buying imported goods. Groups from both perspectives have produced impressive studies which support their respective positions with regard to limiting imported apparel shipments into the United States.

Consumers' Views

To give the consumer an opportunity for input on this issue, a study was conducted to register consumer views on several issues related to imported versus U.S.-made apparel. The study focused on apparel since the term "textiles" would have been interpreted quite differently from one consumer to another. Funding for the study was provided by the Virginia Agricultural Experiment Station and the Agricultural Research Service of the U.S. Department of Agriculture. A total of 1,350 consumers in 32 States participated in the study through a telephone survey. A profile of the demographic characteristics of persons interviewed indicated that the study included a cross section of the U.S. population.[1]

Responses provided a consistent, and somewhat surprising, message regarding imported versus U.S.-made apparel.[2] Overall, consumers expressed preference for domestic garments over imports and concern for the effects of foreign-made items on U.S. industry. Despite the limited media attention

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[1]Description of portions of the first phase of the survey can be found in Kitty G. Dickerson, 1982, Imported versus U.S.-produced apparel: Consumer views and buying patterns, Home Economics Research Journal 10(3):241-252; and Kitty G. Dickerson, 1982, Consumers' views on restricting imported apparel, Journal of Consumer Studies and Home Economics 6(2):161-174.

[2]More detailed information on consumer responses can be found in How Do Consumers Feel About Apparel Imports? Copies available from Kitty G. Dickerson, Department of Clothing and Textiles, College of Home Economics, 137 Stanley Hall, University of Missouri-Columbia, Columbia, Mo. 65211.

given the apparel trade deficit, consumers were accurately aware that the United States imports far more clothing than it exports; they say they are concerned for what this means for the U.S. industry and workers' jobs, and indicated that this concern influences their purchasing situations. Further, they perceive a comparative wage advantage for most importing nations. In addition, 55 percent of the respondents favored stronger laws to limit imports. This was particularly surprising at a time when consumers appear to want no additional government regulations.

Consumers' expression of strong preference for domestic products was not anticipated by the researcher nor was the degree of concern shown for the effects of imports. The researcher had anticipated that consumers would give little concern to the country of origin for their clothing purchases if product qualities and price were appealing.

Results suggest that consumers are not apathetic nor indifferent to the issue of whether the apparel they buy has been produced in the United States or elsewhere. No doubt some of this concern is a reflection of current public sentiment related to the trade deficit and unemployment in this country associated with auto imports. This study was completed, however, prior to the peak of publicity on the auto industry dilemma, as well as before the escalation of joblessness in this country.

Consumers have obviously encouraged the influx of imported apparel products by buying them. Thus, one might ask whether their actions are inconsistent with responses given in the survey. Several possible explanations exist. Some consumers may have answered as they thought they should so they did not seem unpatriotic. Others may abandon patriotism to favor their wallet if imports are cheaper. In some instances, a comparable U.S.-made item is not available to the consumer. Furthermore, obscure labeling makes it difficult for the most dedicated consumer to determine where an item was made. Foreign country of origin labeling is required if more than 50 percent of the value[3] of a garment is added in another country (2). No similar requirement exists for U.S.-manufactured clothing. Hence, because of difficult-to-find labeling, the consumer may at times buy foreign-made items with the misconception that they are American-made.

Consumers may underestimate the total impact of small, relatively inexpensive clothing purchases. Media sources have sensitized the American public to the auto trade deficit to such an extent that a great many consumers at least consider the effects their purchases will have on the U.S. economy, even if they finally opt for foreign cars. Few consumers are likely to give the same consideration to the purchase of clothing items. Yet, the total impact of imported apparel purchases in the United States will result in a record trade deficit for 1982.

Pro-American views of the respondents in the study run counter to most economists' views that consumers benefit from having goods produced where they can be made most cheaply. On the other hand, political and economic events of the last few years may have stirred consumers' loyalties, counterbalancing to a degree the desire for bargains.

The issue of apparel imports is a highly controversial one for which there is no simple solution. International trade in this sector, like all others, involves not only economic issues but also many political and social aspects of global relations as well. The United States cannot simply cut off imports from other countries and retain a politically favorable position with those nations. Imposing trade barriers usually results in retaliation by other countries. Furthermore, these industries are critical to the economic development of third world countries. Apparel production, in particular, may be the first and most important industry in a third world country's effort to develop. Arguments could be made that the United States might otherwise subsidize a developing country; its fledgling apparel industry at least allows the people an opportunity to preserve dignity through earning foreign exchange.

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[3] Manufacturing cost.

While there is no easy answer to the question of imports, America has become, in fact, a melting pot of goods from all over the world. One who makes a purchase is now indeed a consumer of the world. That person is also a citizen of the world as well. Thus, consumer awareness of the broader issues involved is important, for the choice between a domestic or foreign-made item should be an informed decision and not one of casual indifference. The consumer vote does count--economically, politically, and socially--both within this country and the broader world.

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Federal Student Aid Programs, 1983-84

College education is costing more each year. Even with careful planning the rising cost may well exceed many families' resources. Although Federal aid is becoming more difficult to obtain, it is still the major source of financial aid for college students.

This abstract provides a general overview of five Federal financial aid programs: Pell Grant, Guaranteed Student Loan, Supplemental Educational Opportunity Grant, College Work Study, and National Direct Student Loan Information is also provided on a federally funded loan that is not dependent on a student's needs--Parental Loans to Undergraduate Students.

Pell Grant

Designed to provide a foundation of financial aid for needy students, the Pell Grant is one of the largest student aid programs. This grant does not have to be repaid, and students receiving a Pell Grant may also receive aid from other sources. Students must meet certain financial criteria to qualify for the Pell Grant. The U.S. Department of Education (DOE) uses a standard formula to evaluate information on a student's application.[1] This formula produces a student aid index number that determines a student's eligibility for a Pell Grant.

The amount that a student can receive for the 1983-84 academic year (July 1, 1983 to June 30, 1984) will depend largely upon program funding and eligibility needs--approximately 2 million students received up to $1,800 for the 1982-83 academic year.

Guaranteed Student Loan

The Guaranteed Student Loan (GSL) program provides guarantees of repayment in case of default to private lenders, such as banks, credit unions, or savings and loan associations, who are willing to provide student loans. Students from families with an adjusted gross income of less than $30,000 automatically qualify for GSL's. If a student's family income exceeds $30,000, then eligibility is determined by a financial needs test that adjusts for family income, family size, school expenses, and the number of family members attending college. An estimated 3.5 million students from families earning less than $30,000 were eligible for GSL's in the 1982-83 academic year.

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[1] The Family Contribution Schedule, which describes the formula in detail, can be obtained by writing to Federal Student Aid, P.O. Box 84, Washington, D.C. 20044.

The maximum amount that undergraduate students can borrow through the GSL program is $2,500 per year; graduate students can borrow $5,000. The total GSL debt for undergraduate students cannot exceed $12,500; graduate students' total debt can not exceed $25,000, including loans received during their undergraduate years.

GSL's carry a 9 percent interest rate for new borrowers. Students who currently have a 7 percent GSL are assured that rate on additional GSL's. Loan repayments run from 5 to 10 years depending upon the amount of the loan. Borrowers who have a loan at a 9 percent interest rate begin repayment 6 months after leaving school; borrowers who have a 7 percent interest rate begin repayment 9 to 12 months after leaving school.

Lenders can charge an "origination fee" of 5 percent which is deducted before a student receives the loan. An insurance premium is also required and varies in amount; it cannot exceed 1 percent of the outstanding principal balance of the loan.

Supplemental Educational Opportunity Grant

The Supplemental Educational Opportunity Grant (SEOG) is a campus-based Federal aid program. Annually, DOE provides a specified amount of funds to colleges for distribution as SEOG's. These grants are for undergraduates only and do not have to be repaid. The maximum amount a student can receive is $2,000 per year depending on his or her need, the availability of SEOG funds at the educational institution, and the amount of other aid the student is receiving.

College Work-Study

The purpose of the College Work-Study (CWS) program is to provide undergraduate and graduate students part-time employment. The total CWS award depends on a student's need, the amount of money the school has available, and other aid the student is receiving. Students must work for a public or private nonprofit organization; they are paid the Federal minimum wage, and are limited in the number of hours they may work per week.

National Direct Student Loan

Through the National Direct Student Loan (NDSL) program, low-interest loans are made available to undergraduate and graduate students via the college's financial aid office. This program is not offered at all educational institutions.

Students who are enrolled in a vocational program or have completed less than 2 years of a program leading to a B.A. or B.S. degree may borrow a total of $3,000. Undergraduate students who have completed 2 years of study toward a B.A. or B.S. degree and have achieved third year status may borrow a total of $6,000, including funds borrowed for the first 2 years of study. Graduate students may borrow a total of $12,000, which includes any amount the student borrowed as an undergraduate. Interest rates for NDSL's are 5 percent. The maximum loan repayment period is 10 years and begins 6 months after the student graduates.

Parental Loans to Undergraduate Students

An additional Federal program, Parental Loans to Undergraduate Students (PLUS) was designed to give parents the opportunity to borrow on behalf of their children. Students are not required to take a financial needs test for this program.

PLUS loans are made by lending institutions, as are GSL's. The maximum loan limit for undergraduate and graduate students is $3,000 per year, for a total of $15,000 for full-time students. Independent undergraduate students may borrow up to $2,500 per year. PLUS loans that are combined with GSL's cannot exceed the yearly and total GSL undergraduate limits of $2,500 and $12,500. The interest rate is 12 percent, and there is no "origination fee." An insurance premimum is required and usually varies in amount; the premium cannot exceed 1 percent of the outstanding principal. Repayment begins within 60 days of obtaining the loan.

Sources: National Commission on Student Financial Assistance, [no date], The 97th Congress and student financial assistance. U.S. Department of Education, 1982, The Student Guide: Five Federal Financial Aid Programs, 1982-83. U.S. Department of Education, 1983, The Student Guide: Five Federal Financial Aid Programs, 1983-84.

Sources of Retirement Income

In 1980 there were 19 million aged households in which at least one member was 65 years old or older. Of these, 8 million contained married couples, while 11 million contained one or more persons who were either unrelated or related other than by marriage. Thirty-five percent had incomes less than $5,000, 31 percent had incomes of $5,000 to $9,999, 23 percent had incomes of $10,000 to $19,999, and 12 percent had incomes of $20,000 or greater.[1]

[1]Because income was self-reported, the data are subject to underreporting errors.

Social security was the most common source of income (table 1). About 90 percent of the households received social security benefits. Asset income was the next most common source, with 66 percent reporting asset income. Earnings were received by 23 percent

A comparison by Radner of 1972 Current Population Survey adjusted income levels to social security and Federal income tax records found the adjusted 1972 income would be 41 percent higher than reported. (Daniel B. Radner, 1982, Distribution of family income: Improved estimates, Social Security Bulletin 45(7):13-21.)

Table 1. *Importance of income sources for aged households,*[1] *by total money income, 1980*

Income source	Total money income				
	All households	Less than $5,000	$5,000 to $9,999	$10,000 to $19,999	$20,000 or more
Percent of all households with income from--					
Earnings	23	6	19	36	58
Retirement pensions	93	88	98	96	91
Social security	90	87	94	92	84
Government employee	12	3	10	20	28
Private	22	4	24	39	36
Asset income	66	38	72	89	97
Public assistance	10	24	5	1	0
Percent of all households receiving 50 percent or more of total money income from--					
Earnings	10	1	5	16	32
Retirement pensions	75	86	84	62	29
Social security	59	84	73	33	1
Government employee	4	1	3	8	8
Private	2	1	2	3	2
Asset income	9	2	6	14	27
Public assistance	3	8	1	0	0

[1]Households in which at least 1 member was aged 65 years or older.

Source: Upp, Melinda, 1983, Relative importance of various income sources of the aged, 1980 Social Security Bulletin 46(1):3-10, U.S. Department of Health and Human Services, Social Security Administration.

of all aged households, private pensions by 22 percent, and public assistance by 10 percent. Low-income households were less likely than high-income households to report income from earnings and assets, and more likely to report income from public assistance. Fifty-nine percent of all aged households received half or more of their income from social security; among low-income households, 84 percent relied on social security for at least half of their total income.

A smaller percent of nonmarried person households than of married couple households had income from earnings and private pensions (table 2); whereas, a larger percent reported public assistance income.

The percentage of households with income from earnings has dropped from 36 percent in 1962 to 23 percent in 1980 (table 3). Accompanying this decline has been an increased reliance on social security, other pensions, and assets. Public assistance has declined in importance.

Source: Upp, Melinda, 1983, Relative importance of various income sources of the aged, 1980, Social Security Bulletin 46(1): 3-10, U.S. Department of Health and Human Services, Social Security Administration.

Table 2. ***Importance of income sources for aged households,[1] by marital status, 1980***

Income source	Married couples	Nonmarried persons
Percent of all households with income from--		
Earnings	36	13
Retirement pensions	95	93
Social Security	92	90
Government-employee	15	9
Private	32	14
Asset income	69	52
Public assistance	5	14

[1]Households in which at least one member was aged 65 years or older.

Source: Upp, Melinda, 1983, Relative importance of various income sources of the aged, 1980, Social Security Bulletin 46(1): 3-10, U.S. Department of Health and Human Services, Social Security Administration.

Table 3. ***Total money income: Relative importance of specified sources for all aged households,[1] selected years***

Income Source	1962	1971	1980
Percent of households with income from--			
Earnings	36	31	23
Retirement pensions	74	90	93
Social security	69	87	90
Private	9	17	21
Government employee	5	6	12
Asset income	54	49	66
Public assistance	13	10	10

[1]Households in which at least one member was aged 65 years or older.

Source: Upp, Melinda, 1983, Relative importance of various income sources of the aged, 1980, Social Security Bulletin 46(1):3-10, U.S. Department of Health and Human Services, Social Security Administration.

The Nation's Families, 1960-90[1]

The Joint Center for Urban Studies of MIT[2] and Harvard University has issued a report focusing on the demographic and socioeconomic trends of the Nation's population, households, and families. Past and future trends and the implications of these trends are presented in the report.

Past trends of three generations are examined using birth cohort analysis--that is, a group of individuals born in the same years are followed as they age. Cohorts born before 1921 represent the older generation, those born between 1921 and 1940 represent the middle generation, and births from 1941 to 1960 are included in the younger generation. Data used to study the three cohorts came from a variety of sources, including Decennial Censes of Population and Housing, Current Population Surveys, Panel Study of Income Dynamics, and Annual Housing Surveys.

Past trends indentified as having a major impact on the Nation's household composition are decreased formation of married-couple households and increased formation of other types of households; smaller households; and more two-earner, married-couple households. These trends are strongly related to women's participation in the paid labor force that enabled them to maintain independent households, delay marriage, and delay having children.

These past patterns are expected to continue largely because of the attachment of younger women to the paid labor force. By 1990 the Nation's families will experience further increases or decreases in the following trends:

- A decrease in married-couple households as a proportion of all households.
- An increase in households headed by young people, single parents, divorcees, and the elderly, resulting in a rise in "other" households as a proportion of all households.
- A drop in the number of children in all households.
- A decline in household size as a result of the increase in formation of "other" types of households and the predicted decline in the birth rate.
- A slight increase in the proportion of two-earner, married-couple households.
- A decrease in one-earner, married-couple households, but an increase in other types of one-earner households.
- An increase in no-worker households as a result of an increase in the proportion of households maintained by the elderly, young students, and single parents.

The attachment[3] of wives to the labor force may result in two-worker families investing in timesaving tools, purchasing more services, and looking for convenient housing near school and recreation facilities. Women who head families are expected to increase their attachment to paid work. Subsequently, they are expected to have higher incomes and more stable consumption patterns. Reliance on public assistance is expected to decrease, whereas reliance on educational advancement, vocational training, and job placement programs is expected to increase. Future working mothers will probably expand their use of child care arrangements to include public schools as child care facilities for preschoolers and for older children after school hours. More young men and women in the future will stay unmarried longer. As these young adults accept their single way of life, they may become less mobile and more home oriented--that is, they will begin to purchase homes and spend more time and money in their homes.

The proportion of households maintained by men and women over 65 is expected to increase. These elderly citizens tend to have relatively low incomes, a high rate of

[1]Abstracted with permission of authors.

[2]Massachusetts Institute of Technology.

[3]Attachment is the degree to which a woman's commitment to her work is permanent and substantial.

residential stability, and a high rate of ownership. The capital-gains tax provisions for the one-time exclusion of gain on principal residences and the development of new retirement communities may encourage the elderly to sell their homes and migrate to these communities, thus making existing housing available for other groups.

Source: Masnick, George and Mary Jo Bane, 1980, The Nation's Families: 1960-1990, Joint Center for Urban Studies of MIT and Harvard University, Cambridge, Mass. Copies are available from Auburn House, 131 Clarendon Street, Boston, Mass. 02116, for $10.95, paperback, and $19.95, hardback, plus postage.

Households and Families, March 1982

Of the estimated 83.5 million households in the United States in March 1982, 61.0 million, or about three-fourths, were family households (two or more persons who are related and living together). Married couples represented 81.3 percent, female households (no husband present) 15.4 percent, and male households (no wife present) 3.3 percent of all family households. The remaining 22.5 million households were made up of persons living alone (86.2 percent) or with unrelated persons (13.8 percent).

Between 1970 and 1982 the average household size and the average family size decreased as follows:

	1970	1982
Households:		
Adults	2.05	1.97
Children (under 18)...	1.09	.75
Total................	3.14	2.72
Families:		
Adults	2.25	2.24
Children (under 18)...	1.34	1.01
Total................	3.58	3.25

Almost all of the drop in family size was attributable to a decrease in the average number of children. Several factors accounted for the decrease in household size, including a 78 percent increase in the number of one-person households and a decrease in the number of births.

Many young men and women are delaying marriage. From 1970 to 1982, the proportion of adults 20 to 44 years of age who had never married increased. The greatest increase was in the 25 to 29 age group. The proportion of women 25 to 29 who had never married doubled from 11 percent in 1970 to 23 percent in 1982. The percentage of men who had never married in the same age group increased from 19 percent to 36 percent. In 1982 more than half of all women and men in the 20 to 24 age group had never married (53 and 72 percent, respectively). The Bureau of the Census, U.S. Department of Commerce, predicts that most men and women will eventually marry; during the interim, however, some are choosing other living arrangements, such as living as unmarried couples. In 1982, there were about 1.9 million unmarried couples, representing about 4 percent of all unmarried and married couples. In four-fifths of these cases, one or both partners were less than 35 years of age.

In 1982 most noninstitutionalized persons age 65 and over resided with another relative; the proportion declined slightly from 70 percent in 1970 to 68 percent in 1982. The remainder lived alone or with an unrelated person. Widowed persons 65 and over, however, were more likely to live alone or with an unrelated person (72 percent) than in a family situation (28 percent).

Source: U.S. Department of Commerce, Bureau of the Census, 1982, Households, families, marital status, and living arrangements: March 1982 (advance report), Current Population Reports, Population Characteristics, Series P-20, No. 376.

Revised Labor Force Series From Current Population Survey

Beginning with data for January 1983, the Bureau of Labor Satistics made changes in presentation, classification, and estimating procedures in labor force data derived from the Current Population Survey (CPS). Included in the changes that became effective with the January 1983 data are four separate modifications:

1. Persons in the Armed Forces stationed in the United States are included in the national labor force, in employment totals, and in the base for the overall unemployment rate. As a result, the overall unemployment rate is reduced by one- or two-tenths of a percentage point.

2. All occupations in the CPS are coded according to the classification system developed for the 1980 decennial census, which evolved from the 1980 Standard Occupational Classification system. The new classification system provides comparabilility between the CPS and other data sources, but comparisons with historical CPS data are not possible without major adjustments. Differences between 1970 and 1980 occupational systems affect the classifications at all levels, and only about 35 percent of the occupational categories are directly or nearly comparable, as shown in the table below.

Occupational groupings based on the 1970 and 1980 census classification systems

1970	1980
White-collar workers	Managerial and professional speciality
Professional and technical workers	Executive, administrative, and managerial
Managers and administrators, except farm	Profesional speciality
Sales workers	
Clerical workers	Technical, sales, and administrative support
	Technicians and related support
	Sales occupations
Blue-collar workers	Administrative support, including clerical
Craft and kindred workers	
Operatives, except transport	Service occupations
Transport equipment operatives	Private household
Nonfarm laborers	Protective service
	Service, except private household and protective
Service workers	
Private household workers	
Other service workers	Precision production, craft, and repair
Farm workers	Operators, fabricators, and laborers
Farmers and farm managers	Machine operators, assemblers, and inspectors
Farm laborers and supervisors	
	Transportation and material moving occupations
	Handlers, equipment cleaners, helpers, and laborers
	Farming, forestry, and fishing

3. Data are now being published for the "black" population instead of for the broader "black and other" category. Historically, blacks have predominated the "black and other" group--92 percent in the 1960 census and 89 percent in the 1970 census. By 1980, Asians, Indians, and Alaskan natives made up 15 percent of the "nonwhite" population. Labor market and other characteristics varied considerably by race; the broader category no longer adequately represented black status. At present the "other races" classification is too small to be statistically reliable and is not being published.

4. Data from the 1980 census are used to adjust CPS sample areas which are chosen to represent other sections of the country not included in the sample. Adjustments (weights) are needed to correct for differences existing at the time of the most recent census between the distribution by race and residence of the population in sample areas and in represented areas.

Sources: Bregger, John E., 1982, Labor force data from the Current Population Survey to undergo revision in January 1983, Monthly Labor Review 105(11):3-6. Green, Gloria Peterson, Khoan tan Dinh, John A. Priebe, and Ronald R. Tucker, 1982, Revisions in the Current Population Survey beginning in January 1983, Employment and Earnings 30(2):7-15.

Journey to Work

The Journey-to-Work Supplement to the 1979 Annual Housing Survey was sponsored by the U.S. Department of Transportation for the purpose of formulating transportation-related energy policies, determining national energy patterns, and predicting future energy needs. Comparable data have been collected each year since 1974. Means of transportation, travel distance, and travel time to work for the Nation were determined by region, metropolitan or nonmetropolitan residence, race, sex of householder, and family income. Findings include:

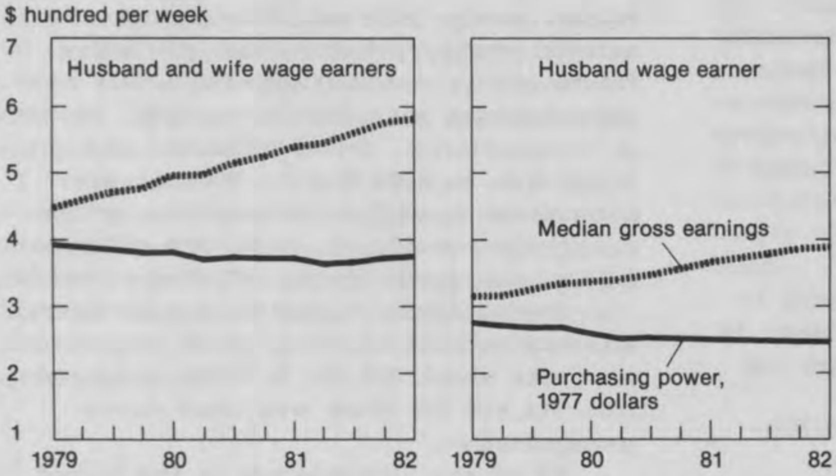
- Median family income for householders who used an automobile or truck to get to work was about $19,400 in 1979, compared with $14,000 for those who used public transportation.
- Of all the householders in the United States, 69 percent drove to work alone in 1979, while 17 percent rode to work in carpools and 6 percent used public transportation.
- Average (mean) distance to work was about 11 miles among householders in the United States in 1979, while the average travel time was approximately 23 minutes. The distance of the typical trip to work increased slightly between 1975 and 1979, with no corresponding increase in average travel time.
- The rates of driving to work alone and of using public transportation were essentially the same in 1979 as they were in 1974. The proportion of householders who carpooled rose from 14 percent in 1974 to 17 percent in 1979.
- Of all the householders in the United States who used some form of public transportation to get to work in 1979, 50 percent lived in the northeast region of the country.

Source: U.S. Department of Commerce, Bureau of the Census, 1982, The journey to work in the United States: 1979, Current Population Reports, Special Studies, Series P-23, No. 122.

Some New USDA Charts

Chart 124

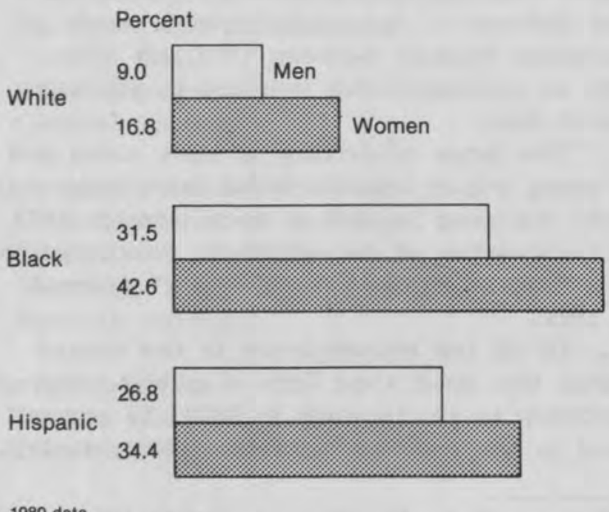
Family Purchasing Power



Quarterly data.
Source: Bureau of Labor Statistics.

Chart 143

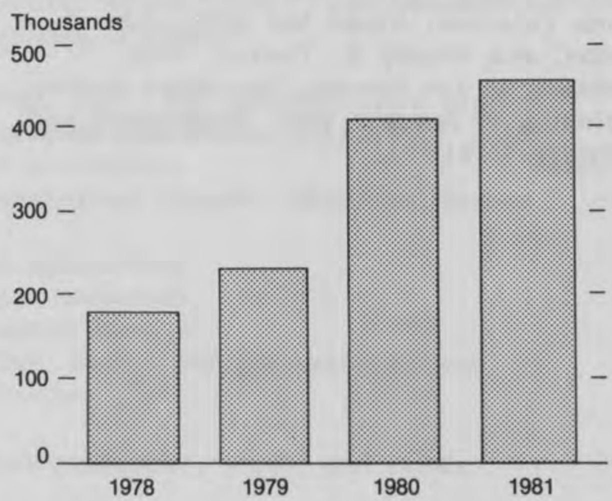
Poverty Rate of the Elderly



1980 data.
Source: Bureau of the Census.

Chart 126

Number of Personal Bankruptcies Filed



Source: Administrative Office of the U.S. Courts.

Cost of food at home estimated for food plans at 4 cost levels, April 1983, U.S. average[1]

Sex-age group	Cost for 1 week				Cost for 1 month			
	Thrifty plan[2]	Low-cost plan	Moderate-cost plan	Liberal plan	Thrifty plan[2]	Low-cost plan	Moderate-cost plan	Liberal plan
FAMILIES								
Family of 2:[3]								
20-54 years	$34.50	$44.50	$56.00	$67.00	$149.70	$193.50	$242.60	$290.40
55 years and over	31.10	39.90	49.50	59.10	135.00	173.10	214.60	255.80
Family of 4:								
Couple, 20-54 years and children--								
1-2 and 3-5 years	49.10	62.60	78.20	93.60	212.40	271.70	339.00	405.30
6-8 and 9-11 years	59.10	75.80	95.10	113.70	256.20	328.70	411.90	492.90
INDIVIDUALS[4]								
Child:								
7 months to 1 year	7.10	8.50	10.40	12.30	30.70	37.00	45.10	53.30
1-2 years	8.00	10.10	12.40	14.80	34.50	43.70	53.90	63.90
3-5 years	9.70	12.00	14.90	17.90	41.80	52.10	64.60	77.40
6-8 years	12.30	15.70	19.60	23.40	53.20	67.90	84.90	101.60
9-11 years	15.40	19.60	24.60	29.40	66.90	84.90	106.50	127.30
Male:								
12-14 years	16.40	20.70	26.00	31.00	71.10	89.90	112.50	134.40
15-19 years	18.00	22.90	28.70	34.40	77.90	99.20	124.30	149.20
20-54 years	17.30	22.40	28.30	34.00	75.00	97.30	122.70	147.40
55 years and over	15.40	19.80	24.70	29.60	66.90	86.00	107.00	128.20
Female:								
12-19 years	14.60	18.60	23.00	27.40	63.20	80.40	99.60	118.70
20-54 years	14.10	18.10	22.60	26.90	61.10	78.60	97.80	116.60
55 years and over	12.90	16.50	20.30	24.10	55.80	71.40	88.10	104.30
Pregnant	17.60	22.40	27.70	32.80	76.40	97.20	119.80	142.30
Nursing	18.70	23.80	29.60	35.20	81.10	103.00	128.40	152.50

[1]Assumes that food for all meals and snacks is purchased at the store and prepared at home. Estimates for each plan were computed from quantities of foods published in the Winter 1976 (thrifty plan) and Winter 1975 (low-cost, moderate-cost, and liberal plans) issues of Family Economics Review. The costs of the food plans were first estimated using prices paid in 1965-66 by households from USDA's Household Food Cosumption Survey with food costs at 4 selected levels. USDA updates these survey prices to estimate the current costs for the food plans using information from the Bureau of Labor Statistics: "Estimated Retail Food Prices by Cities" from 1965-66 to 1977 and "CPI Detailed Report," tables 3 and 9, after 1977.

[2]Coupon allotment in the Food Stamp Program based on this food plan.

[3]10 percent added for family size adjustment. See footnote 4.

[4]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 percent; 2-person--add 10 percent; 3-person--add 5 percent; 5- or 6- person--subtract 5 percent; 7- or more-person--subtract 10 percent.

Consumer Prices

Consumer Price Index for all urban consumers [1967 = 100]

Group	Apr. 1983	Mar. 1983	Feb. 1983	Apr. 1982
All items	295.5	293.4	293.2	284.3
Food	291.9	290.5	289.0	283.9
Food at home	283.4	281.9	280.3	277.9
Food away from home	318.0	316.5	315.2	303.6
Housing	320.3	318.6	318.5	309.4
Shelter	341.7	339.3	339.2	331.4
Rent, residential[1]	234.5	233.6	233.1	220.1
Fuel and other utilities	363.6	363.8	364.6	339.2
Fuel oil, coal, and bottled gas	610.6	625.3	654.0	641.3
Gas (piped) and electricity	420.5	418.0	414.5	377.8
Household furnishings and operation	239.0	237.6	236.7	232.6
Apparel and upkeep	195.5	194.5	192.0	191.9
Men's and boys'	187.8	186.7	184.4	183.1
Women's and girls'	160.6	160.0	155.7	160.9
Footwear	207.5	206.6	205.6	205.6
Transportation	292.3	287.4	289.9	282.9
Private	287.5	282.7	285.2	278.8
Public	361.1	354.5	355.2	339.3
Medical care	353.5	352.3	351.3	321.7
Entertainment	244.6	244.6	243.1	233.9
Other goods and services	283.2	281.9	281.6	253.8
Personal care	259.1	257.8	257.8	245.9

[1] See "Consumer Price Index: Changes in Homeownership Component," Family Economics Review 1983(1):32 for explanation of rental equivalence measure.

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

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Agricultural Outlook '84—New Date Announced

The Agricultural Outlook Conference will be held from October 31 to November 3, 1983. "Home Economics: Outlook for Families" will feature several speakers who will address problems facing families in a changing social and economic environment. This Conference is free, and all are encouraged to attend. Please preregister by writing: Outlook '84, Room 5143, South Building, Washington, D.C. 20250. To obtain Conference materials and a building pass, Conference participants are asked to go to the Patio in USDA's Administration Building at 12th and Independence Avenue, S.W., Washington, D.C.

An informal pre-Conference home economics brunch will be held on Monday, October 31, at Hogates Seafood Restaurant, 9th and Maine Avenue, S.W., Washington, D.C. To make a reservation please send a check for $12, payable to HE-170, to Velda Rankin, ES-USDA, Room 5411, South Building, Washington, D.C. 20250. The cost will be $13 at the door for reservations not made or received by Friday, October 21. The time of the luncheon and the speaker will be announced at a later date.

Information for the Outlook for Families program can be obtained from Kathleen K. Scholl by writing to Family Economics Research Group, ARS-USDA, Room 442A, Federal Building, Hyattsville, Md. 20782, or by calling 301-436-8461.