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BUREAU OF LABOR STATISTICS
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A. F. Hinrichs, *Acting Commissioner*

Spending and Saving of the Nation's Families in Wartime

Prepared by
Cost of Living Division
Faith M. Williams, *Chief*

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LETTER OF TRANSMITTAL

United States Department of Labor,
Bureau of Labor Statistics,
Washington, D. C., October 15, 1942.

The Secretary of Labor:

I have the honor to transmit herewith a report on spending and saving of the Nation's families in wartime, presenting data on distribution of income among a cross section of farm and nonfarm families, and the way in which those funds are spent or saved. The report was prepared in the Cost of Living Division by Alice C. Hanson and Jerome Cornfield.

A. F. Hinrichs, *Acting Commissioner.*

Hon. Frances Perkins,
Secretary of Labor.

Bulletin No. 723 of the

United States Bureau of Labor Statistics

[Reprinted from the MONTHLY LABOR REVIEW, October 1942, with additional data]

SPENDING AND SAVING OF THE NATION'S FAMILIES IN WARTIME

This report presents data on distribution of income among a cross section of the Nation's families and the way in which those funds are spent or saved. It combines data for rural families, both farm and nonfarm, with those for city families. Separate information for city families was presented in the Monthly Labor Review for September 1942 in an article entitled, "Income and Spending and Saving of City Families in Wartime." (See Bureau of Labor Statistics Bull. No. 724.)

Changes in American economic life since the outbreak of war in Europe in September 1939 have probably been as drastic and as rapid as in any other period of our Nation's history. In the 2 years ending with April 1942, the number of persons employed had increased by 5.6 millions, unemployment had dropped to 3.0 million persons, and income payments to individuals had expanded by 34.4 billion dollars, an increase of 46 percent. From the time of the battle of Dunkerque and the fall of France in June 1940 to April 1942, the total war contracts let by the Federal Government had exceeded 112 billion dollars and total Federal Government spending had reached the rate of 3¾ billion dollars per month. The volume of bank deposits and indexes of retail sales were well above 1929 levels. At the same time materials were being rapidly diverted from consumer goods into military channels, with consequent growing scarcity of goods available to the general population.

Such far-reaching developments cannot take place without great changes in customary peacetime buying and living habits of civilians. At the same time, with larger funds than ever before in the hands of would-be purchasers, and with no corresponding increase in the supply of consumer goods and services, the possibility of competitive bidding and rapid price advances becomes a grave danger to the economy. In 1941 and early 1942 it became increasingly clear that unless taxes, savings, or some other form of deferred purchasing power could drain off excess funds, prices were likely to give rise to an inflationary spiral despite programs of price control and rationing.

These general developments made it especially important to have actual data regarding the amounts by which family incomes were increasing and the ways in which these added funds were being spent. Accordingly, the Bureau of Labor Statistics and the Bureau of Home Economics of the Department of Agriculture undertook concurrent studies of the incomes, spending, and saving of city and rural families.

Source of Data

These national estimates of the volume of spending and saving by American families are based upon two field surveys, conducted in the spring of 1942. Agents of the Bureau of Labor Statistics interviewed city families and single consumers in 62 cities, and agents of the Bureau of Home Economics of the U. S. Department of Agriculture visited farm and rural nonfarm families and single consumers in 45 counties. The data cover two periods: the year 1941 and the first quarter of 1942. The results of the urban and rural surveys have been combined by the cooperating Bureaus[1] to yield a set of Nation-wide estimates for all consumers. A more detailed statement on the nature of the surveys and the methods used will be found in the earlier report.[2]

Increase in Incomes

The income of the typical family[3] in the United States illustrates the changes which took place from 1941 to the first quarter of 1942. Such a family had a money income in 1941 of $1,480; by the first quarter of 1942 this had risen by 4 percent to $1,540, figured at an annual rate. One-half of the Nation's families in each period had smaller money incomes.

The general nature of the increase in family income during the course of this war period is indicated by table 1. The latest pre-war period for which comparable figures are available is 1935-36. At that time,

TABLE 1.—*Percentage Distribution of Aggregate Income and Aggregate Expenditure of Consumers, by Money Income, 1935-36, 1941, and 1942*[1]

[Preliminary national estimates including both urban and rural consumers[2]]

Net money-income class	All families[3]			Aggregate consumer money income			Aggregate consumer expenditure		
	1935-36	1941	1942[1]	1935-36	1941	1942[1]	1935-36	1941	1942[1]
$0 to $500	25	16	16	5	2	2	8	4	4
$500 to $1,000	28	19	16	15	7	5	18	8	7
$1,000 to $1,500	20	16	15	18	9	7	20	11	10
$1,500 to $2,000	11	14	14	15	12	9	15	13	12
$2,000 to $3,000	10	20	20	17	24	20	17	26	24
$3,000 to $5,000	4	10	13	11	18	19	10	18	21
$5,000 and over	2	5	6	19	28	38	12	20	22
Total	100	100	100	100	100	100	100	100	100

[1] Annual rate for 1942 based on first quarter; does not include families with negative incomes.
[2] Prepared by the Bureau of Labor Statistics and Bureau of Home Economics in cooperation; final estimates based on comparisons with data available from other Government sources are in process of preparation by the two agencies.
[3] Includes families of 2 or more persons and single consumers.

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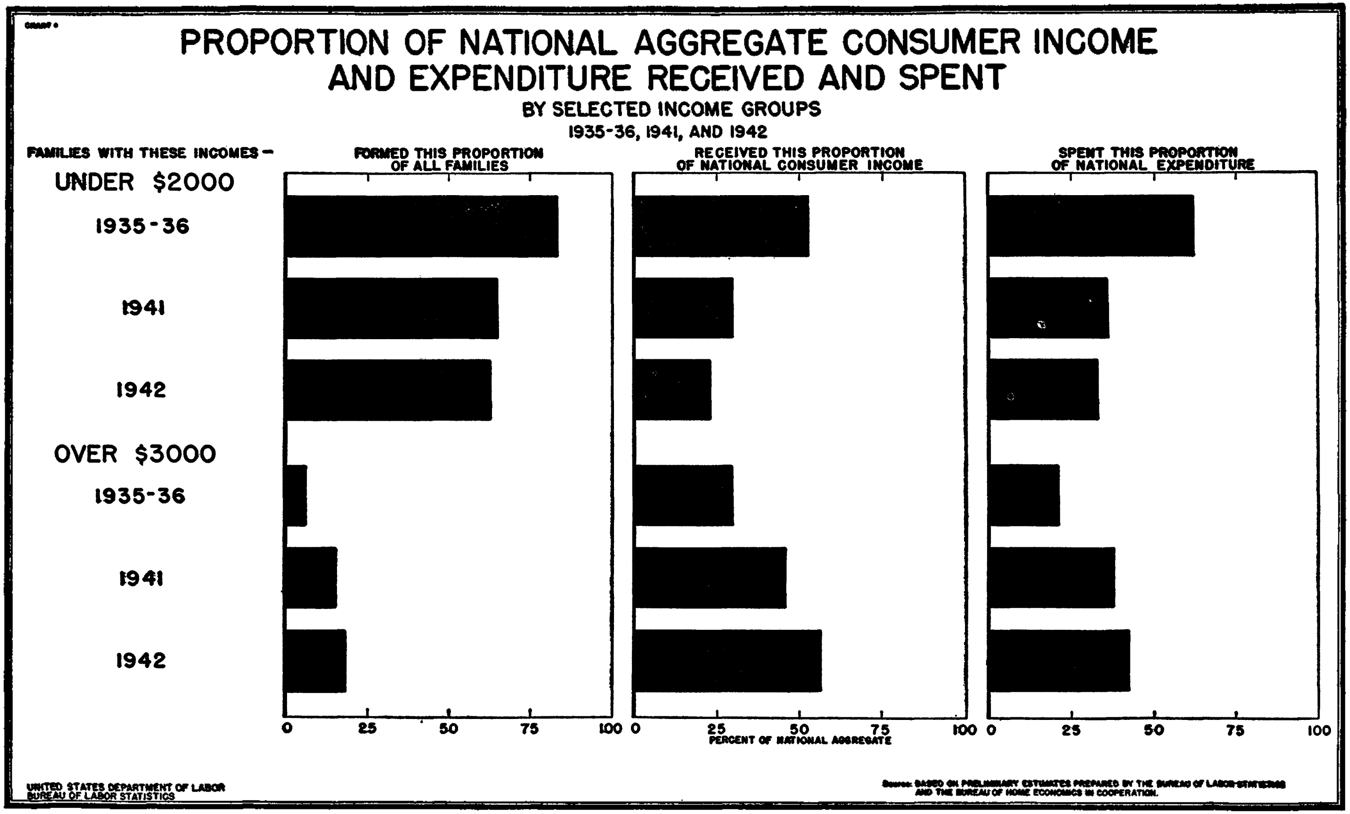
[1] For the Bureau of Home Economics the combination was developed by Dorothy S. Brady under the general direction of Hazel K. Stiebeling.

[2] The general procedures of interviewing, editing and tabulating of returns, and general definitions of terms are the same as those used in the Study of Consumer Purchases in 1935-36. (See appendixes to Bureau of Labor Statistics Bulletins 642 to 649, inclusive, or to Bureau of Home Economics Bulletins from the Study of Consumer Purchases). Those data formed the basis of the three reports of the National Resources Committee entitled, "Consumer Incomes in the United States" (1938); "Consumer Expenditures in the United States" (1939); and "Family Expenditures in the United States" (1941). In the present report families have been classified according to their money incomes, rather than their "total incomes" as defined in 1935-36, since it is the flow of money funds in the Nation's markets which is most important to an understanding of civilian spending and saving, and inflation. Data on "total incomes" (money plus income in kind) are also presented on a more inclusive basis than in the 1935-36 studies. The sampling of the present survey is entirely different from the 1935-36 surveys and was designed for the primary purpose of yielding national estimates. It is discussed, for city families, in the appendix which appears in Bureau of Labor Statistics Bulletin No. 724 (the reprint of the article in the September 1942 Monthly Labor Review with additional data).

[3] The term "family" or "consumer" is used to include both families of two or more persons and single consumers (persons who did not pool their incomes or expenditures with anyone else). About six-sevenths of the Nation's consumers were composed of families of two or more persons and about one-seventh of single consumers. Single consumers were predominant at lower income levels and families at higher levels, though some of each were found at all income levels.


PROPORTION OF NATIONAL AGGREGATE CONSUMER INCOME
AND EXPENDITURE RECEIVED AND SPENT
BY SELECTED INCOME GROUPS
1935-36, 1941, AND 1942
FAMILIES WITH THESE INCOMES –
FORMED THIS PROPORTION OF ALL FAMILIES
RECEIVED THIS PROPORTION OF NATIONAL CONSUMER INCOME
SPENT THIS PROPORTION OF NATIONAL EXPENDITURE
UNDER $2000
1935-36
1941
1942
OVER $3000
1935-36
1941
1942
0
25
50
75
100
PERCENT OF NATIONAL AGGREGATE
UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS
Source: BASED ON PRELIMINARY ESTIMATES PREPARED BY THE BUREAU OF LABOR STATISTICS AND THE BUREAU OF HOME ECONOMICS IN COOPERATION.

the greater part of American families were receiving incomes concentrated at the lower levels. More than half had cash incomes below $1,000, compared with somewhat over a third in 1941; almost three-fourths had cash incomes below $1,500, compared with one-half in 1941; and less than one-sixth had incomes above $2,000, compared with more than one-third in 1941. Incomes as a whole again moved upward from 1941 to the first quarter of 1942 despite the normal seasonal low in cash farm incomes in the first quarter of the year (see chart 1).

Because, with rising incomes, there were fewer families whose incomes were below the $2,000 level in 1941 and 1942, this group of families received proportionately less of aggregate national income than in 1935–36. Families whose incomes were above the $3,000 level, on the other hand, were more numerous and as a group they received and spent a greater part of the national total. The fact that there were fewer low-income families in 1941 and 1942 means that many who in earlier years were in those brackets have now moved up into higher-income brackets. The consequent decreased share of national income received by the low-income group has sometimes been wrongly interpreted as proof that such families have not benefited from the general increase in income, or that this decreased share is inconsistent with the sharp rise that has occurred in wage and salary income. It should be clear, however, that insofar as low-income families have shared in the rise in income there are bound to be fewer of them.

Implications for fiscal policy.—These changes in income have important implications for fiscal policy and for the entire question of price control. The heart of the inflation problem is the pressure of an increasing volume of expenditures on a constant or decreasing supply of consumer goods. In the first quarter of 1942, however, over two-fifths of the purchasing power of American families was in the hands of families with incomes above $3,000, with little more than one-tenth in the hands of those with present incomes below $1,000. To the extent that incomes continue to rise, the bulk of the purchasing power will become concentrated in what were considered middle and high money income groups in the pre-war period.[4]

Farm and Nonfarm Income

Both farm and nonfarm families [5] have shared in these general increases in income. Thus from 1935–36 to 1941, 18 percent of all nonfarm families shifted from the class with income under $1,000 to the higher income classes; the corresponding percentage for farm families was 22 (table 2). The median money income for nonfarm families rose from $1,214 to $1,875, for farm families from $494 to $860. One-seventh of all farm families had incomes above $2,000 in 1941 as compared with only one-twentieth in 1935–36. The somewhat greater movement of farm families than of nonfarm families from the

[4] It should not be assumed that the distribution of all families by total money income will correspond in any but a rough sense to the distribution of income tax returns by net taxable money income. Aside from the fact that the money income of a family will usually be higher than its net taxable income, the income-receiving units are quite different. A "family" is here defined as a group of persons sharing income and expenditure. The income tax return covers the combined incomes of husband and wife only when they file a joint return but never includes separate incomes received by other members of the family. Such members file separate returns if their income is above the exemption limit, and many will not file if the income is below it. Separate returns and community property returns of husband and wife also contribute to the differences in concept.

[5] In this paragraph "families" is used to mean only families of 2 or more persons, since comparable data for 1935–36 are available only for this group.

lowest money-income levels to higher levels in this period is explained, at least in part, by the differing sources of income of the two groups. The incomes of farm families even at the lowest levels are largely dependent upon the nature of the market for agricultural products. Increased demand and higher prices for their products have shifted a relatively larger number of farm families to higher income levels. In nonfarm areas, however, at the lowest income levels there is a much larger number of persons who are dependent upon pensions and other forms of fixed income, whose incomes are unaffected by general increases in employment and earnings, and not at all by higher prices, since they have no products to sell.

TABLE 2.—*Percentage Distribution of Farm and Nonfarm*[1] *Families,*[2] *by Money Income, 1935–36, 1941, and 1942*[3]

[Preliminary national estimates [4]]

Net money income class	1935–36		1941		1942 [3]	
	Nonfarm	Farm	Nonfarm	Farm [5]	Nonfarm	Farm [5]
$0 to $500	14	51	8	32	9	34
$500 to $1,000	26	28	14	25	13	16
$1,000 to $1,500	23	11	16	15	14	10
$1,500 to $2,000	15	5	16	11	16	8
$2,000 to $3,000	13	3	27	9	24	7
$3,000 to $5,000	6	1	13	6	16	7
$5,000 and over	3	1	6		8	
Total	100	100	100	100	100	100

[1] Includes city families and rural nonfarm families.
[2] Includes only families of two or more persons.
[3] Annual rate for 1942 based on first quarter.
[4] Prepared by the Bureau of Labor Statistics and the Bureau of Home Economics in cooperation.
[5] The percentage of families having net losses may be derived by subtracting the sum of the distribution shown from 100.

Notwithstanding the recent increases in farm incomes, farm families in 1941 were concentrated at the lower-cash-income levels to a greater extent than were nonfarm families. It does not follow, however, that differences in the kind and quantity of goods and services available to the two groups are as marked. Income in kind (such as the value of home-grown food, housing of home owners, free fuel and other goods received without direct money payment) is of considerably greater importance in farm than in nonfarm areas. Thus, at every income level the average value of income in kind was much greater than for

TABLE 3.—*Average Yearly Income in Kind of Farm and Nonfarm*[1] *Families,*[2] *by Money-Income Class, 1941*

[Preliminary national estimates [3]]

Net money-income class	Nonfarm	Farm
$0 to $500	$163	$417
$500 to $1,000	172	529
$1,000 to $1,500	150	557
$1,500 to $2,000	162	602
$2,000 to $3,000	176	603
$3,000 to $5,000	213	719
$5,000 and over	358	
Median family [4]	157	530

[1] Includes city families and rural nonfarm families.
[2] Includes only families of 2 or more persons.
[3] Prepared by the Bureau of Labor Statistics and the Bureau of Home Economics in cooperation.
[4] These averages represent the income in kind of the families with the incomes below which half the nonfarm and farm families and single consumers in the Nation fall, respectively.

nonfarm families (table 3). If the money value of such goods is added to actual money income, the total income of the median farm family [6] is increased by 70 percent, that of the median nonfarm family [6] by less than 10 percent. Hence, if the value of money plus income in kind is taken as the measure, differences in well-being between farm and nonfarm families are considerably less marked than a comparison of money incomes alone would indicate.

Living-Cost Changes

The changes in income must be viewed against a background of rising living costs. Both the Bureau of Labor Statistics index of the cost of living to city workers and the Bureau of Agricultural Economics index of the prices of goods farmers buy for family living rose 7 percent from 1935–36 to the year 1941. The cost-of-living index for city workers rose another 8 percent from the average of 1941 to the average of the first 3 months of 1942, and the cost-of-living index for farmers rose 13 percent over the same period. In consequence the increases in money income discussed in the preceding sections have resulted in smaller increases in real income. The changes in expenditures and savings discussed in the following sections must also be viewed against this background of rising living costs, although higher living costs in themselves do not explain the changes that occurred. Thus the average family with an income increase of 4 percent from 1941 to the first quarter of 1942 spent less than 2 percent more for family living—not enough to keep up with rising living costs. This meant that consumers were buying fewer or were using cheaper goods in the first quarter of 1942 than in 1941. At the same time 65 percent of the rise in money income of the typical (median) family with income around $1,500 between 1941 and the first quarter of 1942 went to enlarge its savings, which increased 47 percent over 1941.

Use of Increased Income

The year 1941 was a period in which the production of war goods and the production of consumer goods were expanding simultaneously. More consumer goods were being turned out than at any other time in history. Increasing incomes in that year resulted in sharply increased purchases of many types of goods. This was true not only in the aggregate for the Nation but at each income level above $1,500. By the first 3 months of 1942, however, the first effects of the curtailment in the production of consumer goods on consumer spending had already become apparent. The attack on Pearl Harbor had intensified the Nation's fighting mood. Conversion of the automobile industry was under way. Personal taxes were higher, but they still took less than 1 percent of income at the middle income level. Despite higher living costs and taxes, savings increased markedly for all families except for those which had had a recent decline in income. Expenditures for current living were lower (table 4).

[6] See footnote 3, p. 2.

TABLE 4.—*Average Yearly Expenditure, Savings, and Taxes per Family,*[1] *by Money-Income Class, 1935–36, 1941, and 1942*[2]

[Preliminary national estimates including both urban and rural consumers [3]]

Net money-income class	Money expenditure for family living			Net saving or deficit			Taxes, gifts and contributions to persons outside economic family		
	1935–36	1941	1942 [2]	1935–36	1941	1942 [2]	1935–36	1941	1942 [2]
$0 to $500	$394	$370	$424	−$115	−$87	−$172	$10	$17	$16
$500 to $1,000	747	738	784	−37	−20	−64	31	29	24
$1,000 to $1,500	1,154	1,155	1,160	32	55	52	54	48	44
$1,500 to $2,000	1,542	1,576	1,524	112	116	180	78	71	72
$2,000 to $3,000	2,038	2,214	2,012	289	166	336	121	112	128
$3,000 to $5,000	2,778	3,086	2,880	724	489	644	228	190	232
$5,000 and over	5,888	6,758	6,116	4,420	3,724	7,936	1,244	1,228	1,480
Median family [4]	914	1,361	1,380	−9	87	128	40	60	60

[1] Includes families of 2 or more persons and single consumers.
[2] Annual rate for 1942 based on first quarter.
[3] Prepared by the Bureau of Labor Statistics and the Bureau of Home Economics in cooperation.
[4] These averages represent the expenditures of the family with the income below which half of the families and single consumers in the Nation fall.

Definition of Savings

The savings figure as calculated in this survey measures net change in assets and liabilities for each family. It does not measure the total amount of assets on hand in the form of bank deposits, cash, etc. It includes net reductions in outstanding debts, both installment and open-book credit, amounts owing to banks, insurance companies, etc. It also includes payments of life-insurance premiums, payments on principal on mortgages on the family home or other real estate owned by the family, purchases of Government or other bonds or stocks, and other investments. Advance payments on Federal income tax, in excess of amounts due in the first quarter of 1942, were treated as a part of savings for that period. Increases in liabilities, on the other hand, such as net increases in borrowings or amounts owed on installment accounts were subtracted, thus reducing the net savings figure. Likewise, drawing on past savings, such as net reductions in bank accounts or cashing of bonds or other securities, constitutes a deduction from the net savings figure. Each family or single consumer interviewed gave a statement of the increase or decrease over the period in each class of assets and liabilities, and the net reckoning of these items determined how much he was "in the red" or "in the black" for the period.

Changes in Savings and Expenditures

Savings by families with incomes below $2,000 rose markedly from 1935–36 to 1941, but fell for families with higher incomes. In 1935–36 many of the low-income families had suffered sharp decreases in income and had not cut their scale of living accordingly. In 1941 there were considerably fewer such families in the low-income brackets. The lower savings in 1941 by families with incomes over $2,000 suggests a large amount of anticipatory buying at that time. In the first quarter of 1942, compared with the year 1941, savings for all but the lowest income families rose markedly. Thus savings by families with incomes between $1,500 and $2,000 were 50 percent greater, and in the next higher bracket more than doubled.

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The expenditures on automobiles (purchase and operation) and on furnishings and equipment may be used to illustrate the differences in the way in which war-time conditions affected the spending of increased incomes as between 1941 and the first quarter of 1942. These two types of purchases account for a large part of all consumer durable goods. At every level of income 1941 expenditures for each of these groups was considerably higher than in 1935–36 (table 5). Thus, families with incomes between $1,500 and $2,000 were spending one-fifth more for automobiles and four-fifths more for housefurnishings and equipment. By the first quarter of 1942 despite a continuing increase in income, families had cut their buying of furnishings and automobiles. This was true for all but the lowest income level. For families with incomes above $1,000 the drop in automobile expenditure was sufficient to carry it below even the 1935–36 rate. Part of this drop is of course explained by the normal seasonal decrease in expenditures for automobile operation in the winter, but most of it was due to the unavailability of new cars and tires and even certain types of parts. The drop in purchase of furniture and equipment, although marked, still left the first quarter expenditures above the 1935–36 rate.

TABLE 5.—*Average Yearly Expenditure per Family*[1] *for Automobiles, Furnishings, Clothing, and Food, by Selected Money-Income Classes, 1935–36, 1941, and 1942*

[Preliminary national estimates including both urban and rural consumers [2]]

Net money-income class, and year	Automobile purchase, operation, and maintenance	Household furnishings and equipment	Clothing	Food
$500 to $1,000:				
1935–36	$39	$19	$84	$269
1941	58	35	85	271
1942 [3]	48	28	76	304
$1,500 to $2,000:				
1935–36	138	55	173	494
1941	165	99	183	514
1942 [3]	104	64	168	536
$3,000 to $5,000:				
1935–36	307	96	365	750
1941	364	188	402	906
1942 [3]	240	164	380	908

[1] Includes families of 2 or more persons and single consumers.
[2] Prepared by the Bureau of Labor Statistics and the Bureau of Home Economics in cooperation.
[3] Annual rate for 1942 based on first quarter.

The change in expenditures for these two important groups of durable goods between 1935–36 and 1941 is typical of the way in which families spend money for all durable goods of this kind. Such expenditures are dependent not only upon the amount of income in the possession of consumers, but also upon whether income is increasing or decreasing. In times when income is increasing and the future looks bright, a given amount of income will usually give rise to a considerably higher volume of expenditures on durable goods than it will when incomes are decreasing, the future is uncertain, and purchases can be postponed.[7] Since incomes were higher and increasing more rapidly in 1941 than in 1935–36, larger expenditures for durable goods were to be expected.

[7] Other analyses of changes in expenditures and savings with changes in income show the same tendency. (See Factors Governing Changes in Domestic Automobile Demand: The Dynamics of Automobile Demand (New York, 1939), by C. F. Roos and Victor von Szeliski; and Statistical Investigations of Saving, Consumption and Investment, with Bibliographical Footnotes, by Mordecai Ezekiel, in American Economic Review, March and June 1942 (pp. 22–49, 272–307).

In the first quarter of 1942, of course, the situation was entirely different. Shortages of materials, conversion to war production, and tightening of credit terms reversed the trend of buying which might have been expected to follow rising incomes and there was a marked decline in buying of consumer's durable equipment.

The very high rate of spending for family living in 1941 as compared with 1935–36 and the sharp drop in the first quarter of 1942 suggest the operation of an additional factor in these markets: a considerable amount of anticipatory buying in 1941. It therefore seems likely that many families, especially those with incomes above $1,500 in 1941, began 1942 with considerable stocks on hand to face the curtailed production of durable and semidurable goods of the war years.

Part of the funds thus released in the first quarter of 1942 by the drop in expenditure for durable goods has been diverted to other types of goods for which prices have been rising. Food expenditures in particular have been affected by rising prices, so that in 1942 they accounted for a larger percent of income at each income level up to $2,000 than in 1941. The increase in food expenditures, however, was considerably less than the rise in food prices, suggesting that families were buying less food or cheaper food in 1942. Expenditures also were somewhat higher for housing and medical care. The higher medical-care expense in the winter of 1942 reflects a normal seasonal difference. Housing expenditures were higher partly because of greater fuel requirements in winter but also because of increased rents in defense areas and some rise in fuel prices.

The greater part of the funds released by decreases in durable-goods expenditure in the first quarter of 1942, however, has appeared in increased saving.

Savings Outlook for Remainder of 1942

Several factors affecting the level of savings in the latter part of 1942 were not operating in the first quarter of the year, although it is difficult at this time to assess the net effect of these forces. Some of the forces producing the high level from January through March will not affect the situation in later months. Other new factors making for higher savings have already appeared.

The decline in volume of many consumer goods available (if accompanied by price-control programs effective enough to prevent price spirals or "black markets" and rationing programs widespread enough to limit rising expenditures for substitutes) will leave many purchasers with no alternative except to save more. The Department of Commerce index of total sales of consumer goods showed a continuous drop from January to June, notwithstanding higher prices. The trend was reversed in July with a sharp upturn. A second important element contributing toward increased savings is the patriotic appeal for war-bond purchases. The Treasury campaign for voluntary deductions of 10 percent of pay envelopes and pay checks got under way in the second quarter of 1942. If these appeals do not prove adequate to meet the situation, there remains the possibility that steps will be taken toward compulsory pay-roll deductions. Still another factor operating to increase savings, at least for a period, is the new governmental regulation regarding charge accounts. Beginning July 10, 1942, stores may no longer furnish credit to customers whose accounts for the second month previous are not paid in full. This will mean that those persons who had substantial amounts owing on charge accounts will be paying off balances during the latter part of the year to an extent probably greater than the amount of new charges they can incur. During the period that unpaid balances remain, this factor will operate to increase savings.

By far the largest part of the increase in savings must be attributed to larger savings by individual families, unexplained by any change in their economic circumstances. Thus city families whose incomes were approximately the same in both periods were nevertheless saving at a considerably higher rate in the first quarter of 1942 than in the year 1941. Although any definitive statement on the reasons for this increase in savings must await a detailed analysis of changes in the various components of savings, it appears likely that a net reduction in the volume of outstanding consumer debt was a prominent cause. Thus, virtually all of the increase in savings between 1941 and the first quarter of 1942, as estimated by the Securities and Exchange Commission, is accounted for by changes in the volume of outstanding debt. The Department of Commerce estimates that short-term consumer debt will be reduced by a total of $3,500,000,000 in 1942 because of credit restrictions and the curtailment of the production of consumer durable goods.

In the first quarter of 1942 this reduction was due primarily to a decrease in new commitments on installment purchases, rather than to an increase in gross repayments of consumer debts. For example, if a family in 1941 paid off $500 on old debts but incurred an increased obligation of $800 for a new car and had no other changes in debts or savings, it would have had a $300 deficit for the year. If in the first quarter of 1942 the same family paid off another $125 on old debts (an annual rate of $500) but did not incur new obligations for a car or any other purpose, it would have been saving at a rate of $500 per year. Thus, if old debts were being repaid at a normal rate and new debts not being incurred to any substantial extent because of the unavailability of many durable consumer goods and the tightening up of installment credit, the volume of outstanding debt would be expected to decline and net consumer savings to increase by the same amount. As outstanding debt is curtailed, new funds will be released for other uses. It is by no means certain that they will necessarily be used for saving.

A second factor in the increase in savings in 1942 is that increases in income are not immediately accompanied by extensive changes in the level of living (see table 6). For example, a family may continue for some time to live in the same house and wear much the same kind of clothing. Increases in income consequently are at first often devoted largely to increased savings.

Although the difference in savings between families having increased and unchanged incomes is not so large as has sometimes been claimed, it is a factor. As soon as families have become accustomed to their new level of income, however, it is entirely possible that their level of savings will tend to be reduced and be more nearly like that of families in their particular income bracket whose income was not changed. Since it is unlikely that the increases in income will continue at the same pace that they have in the past 2 years, the number of families living on incomes to which they have adjusted their expenditures may be expected to increase.

TABLE 6.—*Average Yearly Expenditure and Savings for City Families,*[1] *by Income Change From 1941 to 1942*[2]

Money-income class in 1942[2]	Consumers whose incomes in 1942—					
	Decreased 5 percent or more	Changed less than 5 percent	Increased 5 percent or more	Decreased 5 percent or more	Changed less than 5 percent	Increased 5 percent or more
	Expenditure for family living			Savings		
$0 to $1,000	$802	$618	$606	−$337	−$35	−$15
$1,000 to $1,500	1,390	1,214	1,153	−181	34	62
$1,500 to $2,000	1,760	1,594	1,536	−81	126	157
$2,000 to $3,000	2,316	2,080	2,094	0	242	290
$3,000 and over	4,176	3,614	3,607	143	1,228	1,059

[1] Includes families of 2 or more persons and single consumers.
[2] Annual rate for 1942 based on first quarter.

In addition to uncertainty as to whether the first-quarter level of savings[8] has actually continued since that time it should be noted that while the 1942 level was above that of 1941 for the income group over $1,500, in general it did not exceed the 1935–36 levels of saving to any significant extent.

Farm and Nonfarm Saving and Spending

As indicated in an earlier section of this article, farm families in general have smaller cash incomes, and much more income in kind, than city families. At each level of money income their expenditures reflect profoundly different ways of life. These differences in expenditure are much more basic than are differences in spending between urban families living in different regions, or even between urban and rural nonfarm families. Such differences are especially important at this time because they mean that the inflationary effects of income in the possession of a farm family may be quite different from the effects of an equal income in that of a nonfarm family.

Most pronounced are the differences in the amount of saving and total expenditure at each income level in 1941. Thus, the typical (median) farm family[6] with a money income of only $750 was saving as much as the typical (median) nonfarm family with an income more than twice that amount ($1,640). At the income level of $1,500–$2,000, nonfarm families were saving an average of $50 in 1941, farm families over $500. In general, at the lowest income levels, total expenditures of farm and nonfarm families were equal, but as income increased farm families spent a considerably smaller percent of each dollar of additional income than did nonfarm families. Thus, the actual expenditures of farm families with incomes over $3,000 were only half those of nonfarm families with the same incomes and their savings were proportionately greater (chart 2).

There are two main reasons for this great difference. The first is the importance of home-produced food and other goods and services received in kind by farm families (see table 3), which means they have proportionately more money left after their basic requirements for

[6] See footnote 3, p. 2.
[8] Another factor which may lead to a somewhat lower level of savings, a relatively small one, is the treatment of advance payment of Federal income taxes in calculating quarterly savings (see p. 7). This constituent of savings will not be present in all the later quarters of 1942. Unless compensating increases in other forms of saving occur, therefore, the volume of savings may be expected to decline on this account.

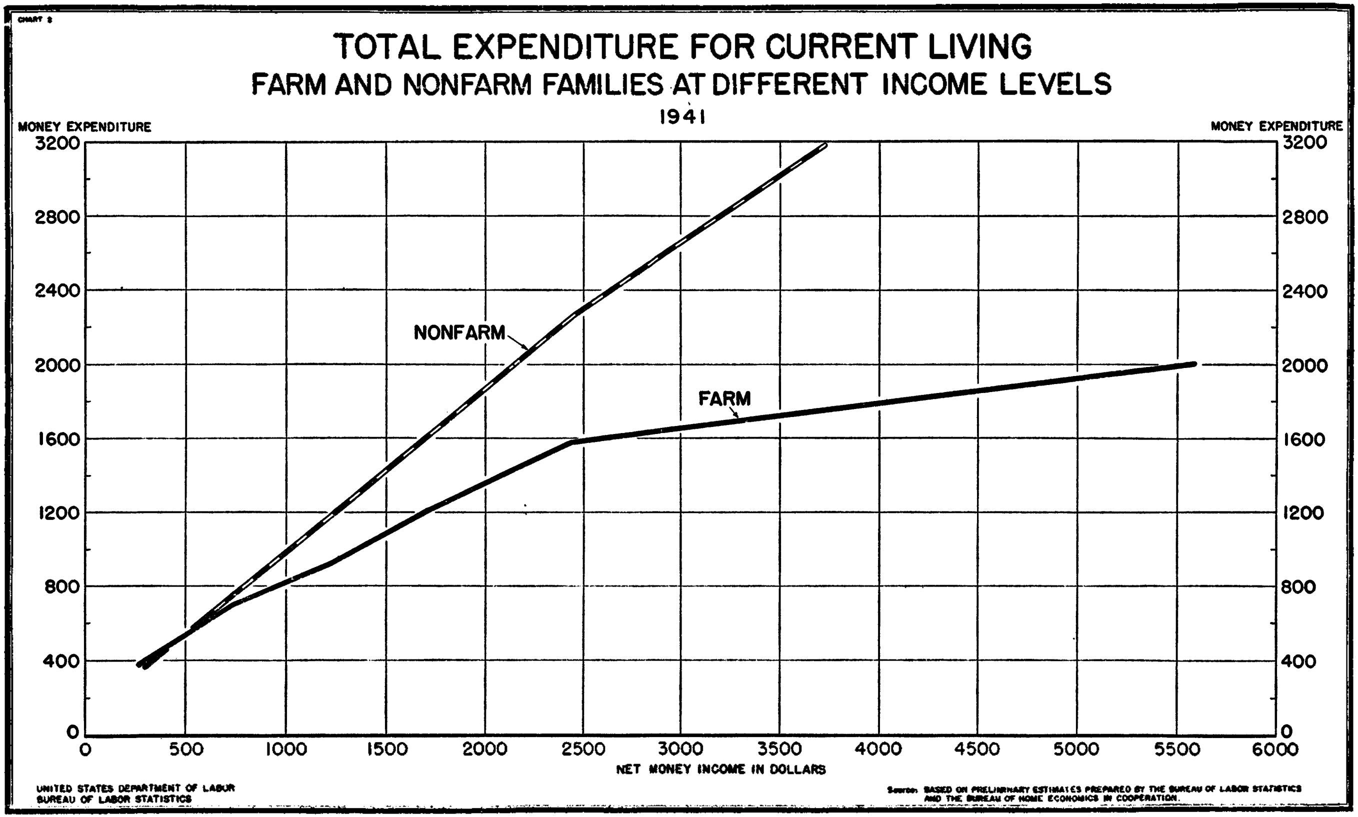
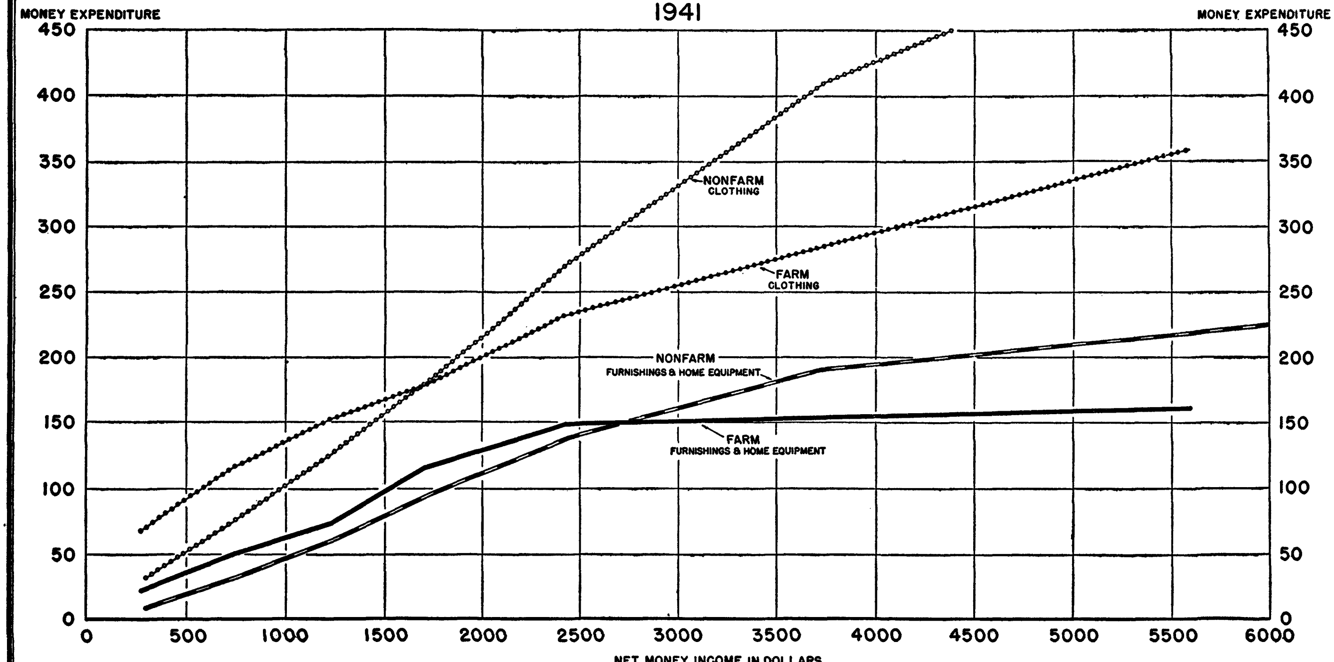

TOTAL EXPENDITURE FOR CURRENT LIVING
FARM AND NONFARM FAMILIES AT DIFFERENT INCOME LEVELS
1941
MONEY EXPENDITURE
MONEY EXPENDITURE
3200
2800
2400
2000
1600
1200
800
400
0
NONFARM
FARM
0
500
1000
1500
2000
2500
3000
3500
4000
4500
5000
5500
6000
NET MONEY INCOME IN DOLLARS
UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS
Source: BASED ON PRELIMINARY ESTIMATES PREPARED BY THE BUREAU OF LABOR STATISTICS AND THE BUREAU OF HOME ECONOMICS IN COOPERATION.

CHART 3

EXPENDITURE FOR FURNITURE AND CLOTHING

FARM AND NONFARM FAMILIES AT DIFFERENT INCOME LEVELS

1941



UNITED STATES DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

Source: BASED ON PRELIMINARY ESTIMATES PREPARED BY THE BUREAU OF LABOR STATISTICS AND THE BUREAU OF HOME ECONOMICS IN COOPERATION.

living have been met. Secondly, the fact that the farm family is dependent upon farm income to sustain the business of farming means that the urge to pay off the mortgage or to invest in land and equipment is very strong among farm families, often at the expense of the family's enjoyment of comforts.[9]

There are also important differences in farm and nonfarm spending for different types of goods and services. The two groups of expenditures for which farm families spent considerably less than nonfarm families were food and housing. Requirements for both these groups can be satisfied by the use of home-grown food and of the farm home with only small money expenditures. At money-income levels below $1,500 the differences were notable, and were even larger for housing than for food. Since most farmers either were home owners or were farm tenants who had the use of a house at little or no additional cash rental, their cash expenditures for housing were much below those of city families which pay rent. Other goods and services for which farm families spent somewhat less than nonfarm families, at practically all income levels, were household operation, transportation other than by automobile, recreation, tobacco, and reading. Virtually all of these differences can be explained by the very different requirements of farm and nonfarm families for these services.

Despite the low level of total farm family expenditures in cash, their expenditures for furnishings and home equipment were above nonfarm expenditures at all incomes below $3,000. Farm houses are almost never rented furnished, and tend to be larger than city homes. Medical-care expenses of farmers were also greater at all incomes below $3,000. Expenditures for the family use of a car were higher for all incomes below $2,000. Automobiles are extremely important to farm families because of their use for farm business as well as for family transportation. (Only the portion of automobile expense chargeable to nonbusiness use of the car is included in these figures, however.)

At the higher-income brackets farm families spent less than nonfarm families for all categories of expenditure. For several categories, this was just the opposite of what was true at low incomes. Thus, as shown in chart 3, farm family expenditures for clothing were higher up to about the $1,750 level, at which point they were equaled, and at higher levels surpassed by the corresponding expenditures of nonfarm families. The same thing was true for furnishings and home equipment except that the change came at about $2,750. In general, for each category, expenditures of farm families changed less sharply from one income to the next than did those of nonfarm families.[10]

Much of this difference in spending may be explained by the presence of a large number of single consumers in the lower-income classes in nonfarm areas, as compared with a negligible number at all income levels in farm areas.

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[9] The income and savings figures shown in this report for farm families (as well as for nonfarm) are all net family figures, excluding gross farm business transactions. However, if a portion of net family income is invested in the farm, this properly appears as a form of family saving.

[10] It will be noted that the steepness of the curves in chart 3 is greater at every income level for nonfarm than for farm families. This suggests that a greater percent of each increased dollar received by nonfarm families would be spent for furnishings or clothing than if it were received by farm families. This would be true if income alone determined the shape of these curves. To the extent, however, that they are also explained by varying proportions of single consumers, at different income levels the difference in percent of increased income which would be spent by nonfarm families for furnishings and equipment as compared with farm families would be less.

The following tables prepared by the Bureau of Labor Statistics of the United States Department of Labor, and the Bureau of Home Economics of the United States Department of Agriculture present estimates of the average expenditures and savings of American consumers by money-income class for the year 1941 and for the first quarter of 1942. The estimates are preliminary, especially for the income class above $5,000. Final estimates are in process of preparation by the two agencies. The present estimates provide the best available approximations based on current spending and saving patterns, and are presented at this time in response to many requests for over-all national estimates required for policy decisions which must be made without delay. Figures for the median-income consumer unit have been used to illustrate the over-all pattern rather than an arithmetic average of all income classes. This was done because the median, the income below which half the consumer units fall, is less apt to be affected by final revisions in the averages for any income class. In making comparisons between these preliminary national estimates and national aggregates from other sources, important differences of concept and definition need to be borne in mind.

TABLE 7.—*Income and Outlay,*[1] *American Families and Single Consumers*

Net money income	Average net income			Average money expenditures for—			Average net saving or deficit	Net money income	Percentage of net money income for—			
	Money	In kind	Total	Family living	Gifts and contributions	Personal taxes			Family living	Gifts and contributions	Personal taxes	Average net saving or deficit
12 MONTHS, 1941												
All American families and single consumers												
Net money income class:												
$0 to $500	$289	$256	$545	$370	$16	$1	−$87	100.0	128.0	5.5	0.3	−30.1
$500 to $1,000	741	253	994	738	28	1	−20	100.0	99.6	3.8	.1	−2.7
$1,000 to $1,500	1,240	212	1,452	1,155	45	3	55	100.0	93.1	3.6	.2	4.4
$1,500 to $2,000	1,732	223	1,955	1,576	65	6	116	100.0	91.0	3.8	.3	6.7
$2,000 to $3,000	2,448	207	2,655	2,214	100	12	166	100.0	90.4	4.1	.5	6.8
$3,000 to $5,000	3,730	249	3,979	3,086	165	25	489	100.0	82.7	4.4	.7	13.1
$5,000 and over	11,552	389	11,941	6,758	691	537	3,724	100.0	58.5	6.0	4.6	32.2
Median consumer unit [2]	1,481	211	1,692	1,361	54	4	87	100.0	91.9	3.6	.3	5.9
Nonfarm families and single consumers												
Net money income class:												
$0 to $500	300	163	463	368	16	(3)	−80	100.0	122.7	5.3	(3)	−26.7
$500 to $1,000	742	172	914	753	28	1	−38	100.0	101.5	3.8	.1	−5.1
$1,000 to $1,500	1,243	150	1,393	1,199	43	3	19	100.0	96.5	3.5	.2	1.5
$1,500 to $2,000	1,737	162	1,899	1,636	66	7	50	100.0	94.2	3.8	.4	2.9
$2,000 to $3,000	2,449	176	2,625	2,264	102	12	117	100.0	92.4	4.2	.5	4.8
$3,000 to $5,000	3,726	213	3,939	3,180	169	25	386	100.0	85.3	4.5	.7	10.4
$5,000 and over	11,696	358	12,054	7,199	742	590	3,325	100.0	61.6	6.3	5.0	28.4
Median consumer unit [2]	1,641	157	1,798	1,552	61	6	46	100.0	94.6	3.7	.4	2.8
Farm families and single consumers												
Net money income class:												
$0 to $500	270	417	687	375	15	1	−99	100.0	138.9	5.6	.4	−36.7
$500 to $1,000	737	529	1,266	696	28	1	41	100.0	94.4	3.8	.1	5.6
$1,000 to $1,500	1,226	557	1,783	921	54	2	256	100.0	75.1	4.4	.2	20.9
$1,500 to $2,000	1,701	602	2,303	1,201	56	2	526	100.0	70.6	3.3	.1	30.9
$2,000 to $3,000	2,439	603	3,042	1,578	75	10	797	100.0	64.7	3.1	.4	32.7
$3,000 and over	5,589	719	6,308	2,004	149	40	3,463	100.0	35.9	2.7	.7	62.0
Median consumer unit [2]	750	530	1,280	710	29	1	45	100.0	94.7	3.9	(4)	6.0

FIRST 3 MONTHS OF 1942

All American families and single consumers												
Net money income class:												
$0 to $125	$67	$58	$125	$106	$3	$1	−$43	100.0	158.2	4.5	1.5	−64.2
$125 to $250	183	46	229	196	5	1	−16	100.0	107.1	2.7	.5	−8.7
$250 to $375	310	46	356	290	9	2	13	100.0	93.5	2.9	.6	4.2
$375 to $500	433	48	481	381	14	4	45	100.0	88.0	3.2	.9	10.4
$500 to $750	610	44	654	503	22	10	84	100.0	82.5	3.6	1.6	13.8
$750 to $1,250	932	58	990	720	33	25	161	100.0	77.3	3.5	2.7	17.3
$1,250 and over	3,764	106	3,870	1,529	144	226	1,984	100.0	40.6	3.8	6.0	52.7
Median consumer unit [2]	386	47	433	345	12	3	32	100.0	89.4	3.1	.8	8.3
Nonfarm families and single consumers												
Net money income class:												
$0 to $125	73	42	115	100	3	(3)	−30	100.0	137.0	4.1	(3)	−41.1
$125 to $250	183	35	218	200	5	(3)	−21	100.0	109.3	2.7	(3)	−11.5
$250 to $375	311	36	347	298	9	2	5	100.0	95.8	2.9	.6	1.6
$375 to $500	434	40	474	387	15	4	37	100.0	89.2	3.5	.9	8.5
$500 to $750	609	39	648	518	22	10	69	100.0	85.1	3.6	1.6	11.3
$750 to $1,250	930	50	980	751	34	26	126	100.0	80.8	3.7	2.8	13.5
$1,250 and over	3,946	108	4,054	1,809	197	320	1,803	100.0	45.8	5.0	8.1	45.7
Median consumer unit [2]	435	40	475	387	15	4	37	100.0	89.0	3.4	.9	8.5
Farm families and single consumers												
Net money income class:												
$0 to $125	56	89	145	118	3	1	−68	100.0	210.7	5.4	1.8	−121.4
$125 to $250	182	98	280	172	4	2	9	100.0	94.5	2.2	1.1	4.9
$250 to $375	305	118	423	224	8	2	68	100.0	73.4	2.6	.7	22.3
$375 to $500	425	131	556	273	9	3	120	100.0	64.2	2.1	.7	28.2
$500 to $750	621	122	743	325	16	4	307	100.0	52.3	2.6	.6	49.4
$750 and over	1,967	154	2,121	378	18	13	1,557	100.0	19.2	.9	.7	79.2
Median consumer unit [2]	105	91	196	138	3	1	−38	100.0	131.4	2.9	1.0	−36.2

[1] The difference between income and expenditures plus savings is accounted for by minor discrepancies in figures furnished by families and in a few instances by nonincome funds, such as inheritances received by families.

[2] The averages on this line represent the income, expenditures, and savings of the consumer unit with the income below which half the families and single consumers in the Nation fall.

[3] $0.50 or less.

TABLE 8.—*Money Expenditures for Major Categories of Family Living, American Families and Single Consumers*

Net money income	Total family living	Food	Housing, fuel, light, and refrigeration	Household operation	Furnishings and equipment	Clothing	Transportation: Automobile	Transportation: Other	Personal care	Medical care	Recreation	Tobacco	Reading	Formal education	Miscellaneous family expense
12 MONTHS, 1941															
All American families and single consumers															
Net money income class:															
$0 to $500	$370	$143	$61	$17	$13	$45	$21	$5	$8	$27	$11	$9	$3	$2	$5
$500 to $1,000	738	271	134	30	35	85	58	11	16	41	19	18	7	4	9
$1,000 to $1,500	1,155	399	217	47	63	132	101	19	24	62	33	27	11	6	14
$1,500 to $2,000	1,576	514	288	63	99	183	165	28	34	81	49	35	15	8	14
$2,000 to $3,000	2,214	695	391	97	139	270	237	41	47	105	84	47	22	16	23
$3,000 to $5,000	3,086	906	495	147	188	402	364	59	68	151	146	65	31	36	28
$5,000 and over	6,758	1,586	1,080	621	299	904	781	239	149	310	454	88	67	126	54
Median consumer unit [1]	1,361	457	253	55	80	156	130	23	29	72	41	31	13	7	14
Nonfarm families and single consumers															
Net money income class:															
$0 to $500	368	150	80	18	8	32	16	6	7	24	12	8	3	2	2
$500 to $1,000	753	285	154	31	31	76	50	13	16	39	20	19	7	4	8
$1,000 to $1,500	1,199	418	241	49	61	128	101	21	25	62	33	29	12	5	14
$1,500 to $2,000	1,636	542	318	66	96	184	160	31	35	79	51	37	16	7	14
$2,000 to $3,000	2,264	715	410	99	138	273	238	43	48	104	87	49	23	16	21
$3,000 to $5,000	3,180	940	521	151	191	409	368	63	69	153	149	68	32	37	29
$5,000 and over	7,199	1,673	1,160	675	310	945	841	262	158	332	494	92	71	133	53
Median consumer unit [1]	1,552	518	304	63	89	173	148	29	33	76	47	36	15	7	14
Farm families and single consumers															
Net money income class:															
$0 to $500	375	131	29	14	22	68	30	4	9	32	10	11	3	3	9
$500 to $1,000	696	223	67	27	50	117	84	6	17	49	17	15	6	6	12
$1,000 to $1,500	921	295	85	37	74	152	103	7	21	65	32	17	8	9	16
$1,500 to $2,000	1,201	337	102	47	115	178	193	9	28	94	40	21	11	11	15
$2,000 to $3,000	1,578	442	141	72	149	233	231	12	37	114	48	28	15	10	46
$3,000 and over	2,004	515	182	97	160	358	294	5	51	124	93	29	16	36	44
Median consumer unit [1]	710	229	68	28	51	119	85	6	17	50	18	15	6	6	12

All American families and single consumers					
Net money income class:					
$0 to $125	$106	$42	$18	$4	$4
$125 to $250	196	76	39	8	7
$250 to $375	290	104	60	12	12
$375 to $500	381	134	77	16	16
$500 to $750	503	170	97	22	21
$750 to $1,250	720	227	121	33	41
$1,250 and over	1,529	391	267	152	71
Median consumer unit [1]	345	122	71	14	15
Nonfarm families and single consumers					
Net money oncome class:					
$0 to $125	100	41	22	4	3
$125 to $250	200	80	44	8	6
$250 to $375	298	108	64	12	11
$375 to $500	387	136	82	17	16
$500 to $750	518	175	102	23	21
$750 to $1,250	751	236	128	35	41
$1,250 and over	1,809	437	334	208	81
Median consumer unit [1]	387	136	82	17	16
Farm families and single consumers					
Net money income class:					
$0 to $125	118	45	11	5	7
$125 to $250	172	56	17	7	10
$250 to $375	224	75	23	9	20
$375 to $500	273	94	27	10	21
$500 to $750	325	113	34	14	24
$750 and over	378	126	45	15	31
Median consumer unit [1]	138	49	14	6	8

[1] The averages on this line represent the expenditures of the consumer unit with the income below which half of the families and single consumers in the Nation fall.

HS OF 1942

$11	$7	$2	$2	$9	$1	$2	$1	$1	$2
19	12	4	4	12	4	4	2	1	4
30	20	6	6	16	7	7	3	2	5
42	26	8	9	22	11	9	4	2	5
62	36	9	12	29	18	12	5	5	5
95	60	14	16	42	33	15	8	9	6
219	120	29	39	73	90	18	19	31	10
37	24	7	8	19	9	8	4	2	5
8	5	2	2	7	1	2	1	(2)	2
17	10	4	4	12	4	4	2	1	4
29	20	7	6	17	7	7	3	2	5
42	24	8	9	22	11	9	4	2	5
63	36	10	12	30	19	12	5	5	5
99	62	15	17	44	35	16	8	9	6
253	124	36	47	81	113	17	24	42	12
42	24	8	9	22	11	9	4	2	5
16	10	1	3	11	2	3	1	1	2
28	22	2	4	12	4	4	2	1	3
34	24	2	6	14	5	5	2	2	3
39	31	3	7	18	9	5	3	3	3
44	38	3	8	20	11	6	3	3	4
46	45	4	10	22	13	7	4	5	5
21	15	1	3	11	3	3	1	1	2

[2] $0.50 or less.

Table 8-A.—*Percentage of Money Income For Major Categories of Family Living, American Families and Single Consumers*

Net money income	Total family living	Food	Housing, fuel, light, and refrigeration	Household operation	Furnishings and equipment	Clothing	Transportation: Automobile	Transportation: Other	Personal care	Medical care	Recreation	Tobacco	Reading	Formal education	Miscellaneous family expense
12 MONTHS, 1941															
All American families and single consumers															
Net money income class:															
$0 to $500	128.0	49.4	21.1	5.9	4.5	15.6	7.3	1.7	2.8	9.4	3.8	3.1	1.0	0.7	1.7
$500 to $1,000	99.6	36.6	18.1	4.0	4.7	11.5	7.9	1.5	2.2	5.5	2.6	2.4	.9	.5	1.2
$1,000 to $1,500	93.1	32.2	17.5	3.8	5.1	10.6	8.1	1.5	1.9	5.0	2.7	2.2	.9	.5	1.1
$1,500 to $2,000	91.0	29.7	16.6	3.6	5.7	10.6	9.5	1.6	2.0	4.7	2.8	2.0	.9	.5	.8
$2,000 to $3,000	90.4	28.3	16.0	4.0	5.7	11.0	9.7	1.7	1.9	4.3	3.4	1.9	.9	.7	.9
$3,000 to $5,000	82.7	24.3	13.3	3.9	5.0	10.8	9.8	1.6	1.8	4.0	3.9	1.7	.8	1.0	.8
$5,000 and over	58.5	13.7	9.3	5.4	2.6	7.8	6.7	2.1	1.3	2.7	3.9	.8	.6	1.1	.5
Median consumer unit [1]	91.9	30.8	17.0	3.7	5.4	10.5	8.8	1.6	2.0	4.9	2.8	2.1	.9	.5	.9
Nonfarm families and single consumers															
Net money income class:															
$0 to $500	122.7	50.0	26.6	6.0	2.7	10.7	5.3	2.0	2.3	8.0	4.0	2.7	1.0	.7	.7
$500 to $1,000	101.5	38.4	20.7	4.2	4.2	10.2	6.7	1.8	2.2	5.3	2.7	2.6	.9	.5	1.1
$1,000 to $1,500	96.5	33.7	19.4	3.9	4.9	10.3	8.1	1.7	2.0	5.0	2.7	2.3	1.0	.4	1.1
$1,500 to $2,000	94.2	31.3	18.4	3.8	5.5	10.6	9.2	1.8	2.0	4.5	2.9	2.1	.9	.4	.8
$2,000 to $3,000	92.4	29.2	16.7	4.0	5.6	11.1	9.7	1.8	2.0	4.2	3.6	2.0	.9	.7	.9
$3,000 to $5,000	85.3	25.2	13.9	4.1	5.1	10.9	9.9	1.7	1.9	4.1	4.0	1.8	.9	1.0	.8
$5,000 and over	61.6	14.3	9.9	5.8	2.7	8.1	7.2	2.2	1.4	2.8	4.2	.8	.6	1.1	.5
Median consumer unit [1]	94.6	31.6	18.6	3.8	5.4	10.5	9.0	1.8	2.0	4.6	2.9	2.2	.9	.4	.9
Farm families and single consumers															
Net money income class:															
$0 to $500	138.9	48.5	10.8	5.2	8.1	25.2	11.1	1.5	3.3	11.9	3.7	4.1	1.1	1.1	3.3
$500 to $1,000	94.4	30.3	9.1	3.7	6.8	15.9	11.4	.8	2.3	6.6	2.3	2.0	.8	.8	1.6
$1,000 to $1,500	75.1	24.1	6.9	3.0	6.0	12.4	8.4	.6	1.7	5.3	2.6	1.4	.7	.7	1.3
$1,500 to $2,000	70.6	19.8	6.0	2.8	6.8	10.5	11.4	.5	1.6	5.5	2.4	1.2	.6	.6	.9
$2,000 to $3,000	64.7	18.1	5.7	3.0	6.1	9.6	9.5	.5	1.5	4.7	2.0	1.1	.6	.4	1.9
$3,000 and over	35.9	9.2	3.3	1.7	2.9	6.4	5.3	.1	.9	2.2	1.7	.5	.3	.6	.8
Median consumer unit [1]	94.7	30.5	9.1	3.7	6.8	15.9	11.3	.8	2.3	6.7	2.4	2.0	.8	.8	1.6

FIRST 3 MONTHS OF 1942

All American families and single consumers															
Net money income class:															
$0 to $125	158.2	62.6	26.9	6.0	6.0	16.4	10.4	3.0	3.0	13.4	1.5	3.0	1.5	1.5	3.0
$125 to $250	107.1	41.5	21.3	4.4	3.8	10.3	6.6	2.2	2.2	6.6	2.2	2.2	1.1	.5	2.2
$250 to $375	93.5	33.5	19.3	3.9	3.9	9.6	6.5	1.9	1.9	5.2	2.3	2.3	1.0	.6	1.6
$375 to $500	88.0	30.9	17.8	3.7	3.7	9.7	6.0	1.8	2.1	5.1	2.5	2.1	.9	.5	1.2
$500 to $750	82.5	27.8	15.9	3.6	3.4	10.2	5.9	1.5	2.0	4.8	3.0	2.0	.8	.8	.8
$750 to $1,250	77.3	24.4	13.0	3.5	4.4	10.2	6.5	1.5	1.7	4.5	3.5	1.6	.9	1.0	.6
$1,250 and over	40.6	10.4	7.1	4.0	1.9	5.8	3.2	.8	1.0	1.9	2.4	.5	.5	.8	.3
Median consumer unit [1]	89.4	31.7	18.4	3.6	3.9	9.6	6.2	1.8	2.1	4.9	2.3	2.1	1.0	.5	1.3
Nonfarm families and single consumers															
Net money income class:															
$0 to $125	137.0	56.2	30.2	5.5	4.1	11.0	6.8	2.7	2.7	9.6	1.4	2.7	1.4	(2)	2.7
$125 to $250	109.3	43.7	24.0	4.4	3.3	9.3	5.5	2.2	2.2	6.5	2.2	2.2	1.1	.5	2.2
$250 to $375	95.8	34.8	20.6	3.9	3.5	9.4	6.4	2.2	1.9	5.5	2.2	2.2	1.0	.6	1.6
$375 to $500	89.2	31.3	18.9	3.9	3.7	9.7	5.5	1.8	2.1	5.1	2.5	2.1	.9	.5	1.2
$500 to $750	85.1	28.8	16.8	3.8	3.4	10.4	5.9	1.6	2.0	4.9	3.1	2.0	.8	.8	.8
$750 to $1,250	80.8	25.4	13.8	3.8	4.4	10.6	6.7	1.6	1.8	4.7	3.8	1.7	.9	1.0	.6
$1,250 and over	45.8	11.0	8.4	5.3	2.1	6.4	3.1	.9	1.2	2.1	2.9	.4	.6	1.1	.3
Median consumer unit [1]	89.0	31.2	18.9	3.9	3.7	9.7	5.5	1.8	2.1	5.1	2.5	2.1	.9	.5	1.1
Farm families and single consumers															
Net money income class:															
$0 to $125	210.7	80.3	19.7	8.9	12.5	28.5	17.8	1.8	5.4	19.6	3.6	5.4	1.8	1.8	3.6
$125 to $250	94.5	30.8	9.3	3.9	5.5	15.4	12.1	1.1	2.2	6.6	2.2	2.2	1.1	.5	1.6
$250 to $375	73.4	24.6	7.5	3.0	6.6	11.1	7.9	.7	2.0	4.6	1.6	1.6	.6	.6	1.0
$375 to $500	64.2	22.2	6.3	2.4	4.9	9.2	7.3	.7	1.6	4.2	2.1	1.2	.7	.7	.7
$500 to $750	52.3	18.1	5.5	2.2	3.9	7.1	6.1	.5	1.3	3.2	1.8	1.0	.5	.5	.6
$750 and over	19.2	6.4	2.3	.8	1.6	2.3	2.3	.2	.5	1.1	.7	.4	.2	.2	.2
Median consumer unit [1]	131.4	46.6	13.3	5.7	7.6	19.9	14.2	1.0	2.9	10.5	2.9	2.9	1.0	1.0	1.9

[1] The percentages on this line are based on averages representing the expenditures of the consumer unit with the income below which half of the families and single consumers in the Nation fall.

[2] 0.05 percent or less.

Table 9.—*Distribution by Income and Size of Consumer Unit, American Families and Single Consumers*

Net money income class	Percentage distribution of consumer units by net money income [1]			Percentage distribution of consumer units by size			Average number of persons	
	All consumer units	Single consumers	Families of two or more persons	All consumer units	Single consumers	Families of two or more persons	All consumer units	Families of two or more persons
12 MONTHS, 1941								
All American families and single consumers								
All incomes	100	100	100	100	14	86	3.25	3.61
$0 to $500	16	38	13	100	30	70	2.66	3.39
$500 to $1,000	19	34	16	100	23	77	3.05	3.75
$1,000 to $1,500	16	16	16	100	14	86	3.17	3.65
$1,500 to $2,000	14	7	15	100	6	94	3.48	3.74
$2,000 to $3,000	20	5	22	100	4	96	3.46	3.59
$3,000 to $5,000	10	[2]	12	100	1	99	3.77	3.77
$5,000 and over	5	[2]	6	100	[2]	100	4.36	4.36
Nonfarm families and single consumers								
All incomes	100	100	100	100	16	84	3.09	3.48
$0 to $500	12	35	8	100	44	56	2.01	2.92
$500 to $1,000	17	34	14	100	29	71	2.77	3.56
$1,000 to $1,500	16	17	16	100	17	83	2.89	3.40
$1,500 to $2,000	15	8	16	100	7	93	3.35	3.60
$2,000 to $3,000	23	6	27	100	5	95	3.45	3.60
$3,000 to $5,000	11	[2]	13	100	2	98	3.72	3.72
$5,000 and over	6	[2]	6	100	[2]	100	4.35	4.35
Farm families and single consumers								
All incomes	100	100	100	100	4	96	4.03	4.17
$0 to $500	34	63	32	100	7	93	3.74	3.82
$500 to $1,000	25	20	25	100	3	97	4.04	4.23
$1,000 to $1,500	14	[2]	15	100	[2]	100	4.74	4.74
$1,500 to $2,000	11	7	11	100	2	98	4.30	4.30
$2,000 to $3,000	9	3	9	100	2	98	3.52	3.52
$3,000 and over	5	[2]	6	100	[2]	100	4.46	4.46
FIRST 3 MONTHS OF 1942								
All American families and single consumers								
All incomes	100	100	100	100	15	85	3.22	3.59
$0 to $125	16	35	13	100	29	71	2.77	3.65
$125 to $250	15	26	13	100	24	76	2.88	3.55
$250 to $375	14	17	14	100	17	83	3.06	3.56
$375 to $500	13	10	14	100	12	88	3.12	3.45
$500 to $750	19	10	21	100	8	92	3.26	3.49
$750 to $1,250	12	[2]	14	100	1	99	3.71	3.71
$1,250 and over	6	[2]	7	100	[2]	100	4.32	4.32
Nonfarm families and single consumers								
All incomes	100	100	100	100	17	83	3.06	3.47
$0 to $125	13	35	9	100	42	58	2.12	3.10
$125 to $250	15	25	13	100	28	72	2.64	3.35
$250 to $375	15	18	14	100	20	80	2.90	3.45
$375 to $500	14	11	16	100	13	87	3.01	3.36
$500 to $750	22	11	24	100	9	91	3.21	3.43
$750 to $1,250	14	[2]	16	100	1	99	3.70	3.70
$1,250 and over	7	[2]	8	100	[2]	100	4.36	4.36
Farm families and single consumers								
All incomes	100	100	100	100	4	96	3.98	4.12
$0 to $125	34	45	34	100	5	95	4.00	4.29
$125 to $250	16	14	16	100	3	97	3.97	4.27
$250 to $375	10	[2]	10	100	[2]	100	4.22	4.22
$375 to $500	7	[2]	8	100	[2]	100	4.24	4.24
$500 to $750	7	[2]	7	100	[2]	100	4.07	4.07
$750 and over	7	3	7	100	2	98	3.84	3.84

[1] The percentage of consumer units having net losses may be derived by subtracting the sum of the distribution shown from 100.

[2] 0.5 percent or less.