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BUDGETS

**FOR A RETIRED COUPLE
IN URBAN AREAS
OF THE UNITED STATES
1967-68**

Bulletin 1570-6

U.S. DEPARTMENT OF LABOR
BUREAU OF LABOR STATISTICS

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U.S. DEPARTMENT OF LABOR
George P. Shultz, Secretary

BUREAU OF LABOR STATISTICS
Geoffrey H. Moore, Commissioner

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PREFACE

For the first time, the Bureau of Labor Statistics has developed budgets for a retired couple at three levels of living, lower, intermediate, and higher. These budget levels are comparable to those published for a younger four-person family in Bulletin 1570-5, which is described below. Chapter I discusses the concepts of these budgets, and more importantly, describes in general terms how the lists of goods and services were derived. Chapters II and III summarize the highlights and provide brief analyses of the component cost levels and intercity differences in the budgets as of April 1967. A rough approximation of the autumn 1968 costs of the major components of family consumption in the three budgets for urban United States is shown in chapter II, on page 11. Chapter IV discusses information available on the actual income of families of the budget type. Chapter V describes in detail the sources of data and estimating methods used in constructing the budgets.

Appendix A lists the average annual quantities of items which were used to determine the costs of the three budget levels. Appendix B describes the specifications used to collect or estimate prices for the lower and higher budgets, which differ from those used in the intermediate budget. (Specifications for the intermediate budget have been published in Bulletin 1570-3, as described below.) Appendix C shows the population weights for combining individual metropolitan area and nonmetropolitan regional costs to U.S. urban averages.

A list of the Bureau's previous budgets and related references is provided in appendix D, including the report of the *Advisory Committee on Standard Budget Research*, June 1963. This report summarizes the recommendations of a special committee of experts, representing users of budget estimates in State and local welfare administration, academic research, labor unions, and business organizations. The committee advised the Bureau on the direction that its research on budgets should take, and its recommendations formed guidelines for the development of the current budgets.

Other bulletins in the current series report results of other phases of the budget research program:

Bulletin 1570-1 gives the autumn 1966 costs of the *City Worker's Family Budget for a Moderate Living Standard* and describes the change in this budget over the last two decades (issued October 1967).

Bulletin 1570-2 describes the *Revised Equivalence Scale* for estimating budget costs for families of different size, age, and type (issued as preliminary October 1967, and final November 1968).

Bulletin 1570-3 reports on the autumn 1966 *Pricing Procedures, Specifications, and Average Prices* used for the intermediate budget (issued August 1968).

Bulletin 1570-4 gives the autumn 1966 costs for a *Retired Couple's Budget for a Moderate Living Standard* (issued June 1968).

Bulletin 1570-5 gives the spring 1967 estimates for *Three Standards of Living for an Urban Family of Four Persons* (issued March 1969).

This bulletin was prepared by Jean C. Brackett under the supervision of Helen H. Lamale, Chief of the Division of Living Conditions Studies, and under the general direction of Arnold E. Chase, Assistant Commissioner for Prices and Living Conditions. Elizabeth Ruiz supervised the research for all budget components except food and medical care, for which Mary H. Hawes was responsible. Other staff members in this Division whose work contributed substantially to the project were Miriam A. Solomon, Roseann C. Cogan, Alice B. Curry, and M. Louise McCraw. The Division of Consumer Prices, under the supervision of Doris P. Rothwell, developed procedures for the collection and calculation, or estimation, of average prices for the three levels.

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Introduction

Budgets representing specified levels of living have long been recognized by social scientists as useful research tools for comparing living costs of families of different size, age, or composition, for establishing inter-area differences in living costs, and for documenting changes in the content of living over time. Despite the diversity of uses for such measures, relatively few such budgets have been developed by public or private agencies. However, during the past decade, the establishment of many new social programs and the expansion of old ones have emphasized the need for specified budgets with which the income of individual families and population groups can be compared. The uses of such budgets by business enterprises, labor unions, research institutions, and individuals also have expanded. The budgets presented in this bulletin have been prepared in recognition of these needs.

Living standards refer to consumption of goods and services of all kinds. The United States has a wide diversity of levels and patterns of consumption. This fact raises difficult conceptual problems in developing objective procedures for deriving the lists of goods and services which make up quantity budgets.

The Bureau of Labor Statistics was confronted with these problems in the mid-1940's, when it was directed by a Subcommittee of the Committee on Appropriations of the House of Representatives "to find out what it costs a worker's family to live in the large cities of the United States," and to calculate both the total dollars required and the relative differences in costs among the cities.¹ To carry out this directive, the Bureau, assisted by a Technical Advisory Committee, identified a level and pattern of consumption which it believed would provide for health and social well-being, the nurture of children, and participation in community activities. This pattern of consumption was expressed in terms of a list of items in specific quantities and qualities for a family

of four persons (husband, wife, boy of 13, and girl of 8). Prices of the items were collected in 34 large cities in March 1946, and thereafter at intervals through 1951. The cost estimates were described as the City Worker's Family Budget for a "modest but adequate standard of living." About the same time the Social Security Administration developed a *Budget for an Elderly Couple* to parallel the original City Worker's Family Budget. The elderly couple's budget was priced by BLS in 13 large cities in 1946, 1947, and 1949, and in 34 large cities in October 1950. Both budgets were discontinued because the family expenditure and consumption survey data from which the representative lists of goods and services had been derived were outdated. The lists of items were revised—based on analyses of more current expenditure and consumption survey data—near the end of the decade, and an Interim City Worker's Family Budget and Interim Budget for a Retired Couple were published showing autumn 1959 costs in 20 large cities.

When the Bureau's new program of budget research was initiated in 1965, the same general procedures were used to develop a quantity budget comparable with the earlier level, for the same two-family types (the younger, four-person family and the retired couple), but lists of goods and services pertinent to the decade of the 1960's were used. Also, the program was expanded to include cost estimates for homeowner, as well as renter, families, and the budgets were priced in a sample of 39 metropolitan areas, and nonmetropolitan areas in four regions. Hence, U.S. urban average cost estimates are available for the first time. Simultaneously, the Bureau revised its scale of equivalent income or budget costs, which can be used, in conjunction with the base budgets, to estimate total consumption costs (but not the separate components) at comparable levels of living for families of other sizes and types.

The concepts and procedures developed two decades ago for deriving a list of goods and services upon which to base budget estimates need additional refinement, and research to improve the basic sources of information on consumer choices and the techniques of analysis continues. However, the budgets based on these procedures have been used widely, and consequently, the general concept seems to be widely accepted—at least as a well-documented convention. Furthermore,

¹/ The Subcommittee Chairman further indicated that the Committee was interested in "... cost-of-living figures based upon the right of every American to a decent living, including decent food, decent housing, and decent clothing. ..." and that "publication of figures on cost of living, based upon a subsistence level such as were used in the relief system of the thirties, should be discontinued." Congressional Record, 79th Cong., 1st sess., vol. 91, pt. 2, pp. 2442-2449.

these procedures result in cost estimates, not only of the total budget (including taxes) and total family consumption, but also of the major components of family consumption, which enhance their usefulness. They also provide a basis for measuring differences among geographic areas in costs for equivalent levels of living. And finally, if the same procedures are followed, other research workers are able to produce comparable cost estimates for other areas not included in the BLS sample.

Since the budgets based on these procedures were initiated, it has become evident that no single budget at one specified level would meet all of the important needs. Throughout the decade of the 1950's, for example, State public assistance agencies appealed to BLS to develop a budget at a lower level or to suggest ways in which the intermediate budget could be scaled down, because, in the judgment of program administrators, it was not consistent with the objectives of public assistance programs or with the funds available to administer such programs. Legislators attempting to formulate laws with income criteria for admission to public housing units had a similar problem.

On the other hand, business organizations, labor unions and private consulting firms have asked repeatedly for a measure of living costs based on a higher budget for use in planning, developing, and administering private retirement programs to supplement social

security benefits. Representatives of voluntary social and welfare agencies also have requested higher budget estimates to consider in determining eligibility or establishing a scale of fees paid for services provided.

This bulletin attempts, so far as possible, to meet important needs by providing budgets at more than one level, and by suggesting ways in which budgets at still other levels can be constructed; e.g., the three levels of living—lower, intermediate, and higher—represented weighted average costs for renter and homeowner families, and for auto owners and nonowners. However, separate averages also are shown for each of these life styles. At a disaggregated level, therefore, 12 separate budget totals may be calculated by budget users from the data base of these cost estimates.

The purpose of this bulletin is not to determine what criteria are appropriate for appraising the economic condition of population groups or of the total population, for evaluating the need for and the effect of specific laws and programs, or for guiding administrative determinations of need as required by a number of laws. The appropriate criteria must be selected by specialists in areas such as public assistance, social and welfare services, public housing, social security, private retirement plans, etc., who are acquainted with the objectives of the programs and the resources available to administer them. Moreover, questions of policy which require public review often are involved.

Chapter I. Concepts and Procedures

While most families that do any budgeting at all base their budgets on current or expected income, any budget which is to be used as a benchmark for economic or social measurements must take the opposite approach. It must be built up from a list of goods and services representing a specified level of living. When the cost of these goods and services has been determined, the amount of income required to cover the budget for that specified level then can be ascertained.

Traditionally, specific levels of living have been described by adjectives such as minimum, liberal, subsistence, luxury, modest, moderate, necessary, adequate, comfortable, ideal, etc. Although any of these terms may serve as a convenient shorthand reference for a specified level and manner of living, none is self-explanatory or objective. Their meaning is affected by changes over time in the conditions of living within a society, as well as by the experience and attitudes of the individual using the term. Regardless of what descriptive term is chosen, therefore, a budget rests essentially on—and must be defined in terms of—the list of goods and services selected to determine its cost. Furthermore, to provide meaningful cost estimates, the budget list must be related to a specific size and type of family, and specific assumptions must be made with respect to the family's manner of living.

Budget Concepts

The procedures that were used to develop the three budgets presented here assume that retired couples seek to maintain health and well-being, and to participate in community activities. Within this broad framework the procedures were designed to distinguish different levels of living by varying the assumptions concerning the manner of living, and by providing different quantities and qualities of goods and services.

The manner of living in the lower budget differs from that in the intermediate budget² in several specifications: The family relies heavily on the use of public transportation, supplemented, where necessary, by the use of an older car; performs more services for itself; and utilizes free recreation facilities in the community. The

life style in the higher budget, on the other hand, includes some new car ownership, more household appliances and equipment, and more paid-for services. In addition, since the income required to support this higher level of living usually is not derived from tax-free sources, the family must pay some income taxes. For a majority of the items in the list of goods and services that are common to the three budgets, both the quantity and quality levels in the lower budget are below, while those in the higher are above, the levels specified for the intermediate budget.

The composition of the budgets is based on the manner of living and consumer choices in the 1960's. Two kinds of data were used to derive the list of goods and services. First, nutritional and health standards, as determined by scientists and technicians, were used for the food-at-home and the housing components. The selection among the various kinds of food and housing arrangements meeting the standards was based on actual choices made by families, as revealed by surveys of consumer expenditures. Second, where health standards have not been formulated, analyses of the data reported in the Bureau's Survey of Consumer Expenditures and related consumption studies, were used to determine the specific items, and the quantities and qualities thereof. These analytical procedures result in basing some parts of the budgets upon the collective judgment of consumers as to the kinds and amounts of consumption required, rather than upon objective standards. Some exercise of the budget-maker's own judgment also is involved in the construction of these budgets. However, such judgment has been confined to the specification of the manner of living (as described above) for each budget level, and selection of the basic data and determination of the procedures to be followed in deriving the items and quantities. The procedures used to derive the various levels are described in general terms in the following chapter and documented in more detail in chapter V. The concepts, procedures, and pricing lists for the intermediate budget are described in detail in BLS Bulletins 1570-3 and 1570-4.

²/ In previous bulletins of this series, the term "moderate" was used to describe this budget.

Procedures

The three budgets were developed within a single framework to represent three levels of living for one type of self-supporting family consisting of a retired man and his wife.

The basis for the general approach to the derivation of quantities and pricing lists for the three budgets is summarized in the following quotation:

" . . . In the actual experience of families there is a scale which ranks various consumption patterns in an ascending order from mere subsistence to plenitude in every respect. . . . This consumption scale is established by society. It can be discovered only through observation of the expressions of society's ratings of the various existing levels of living. These ratings of the various levels of living are expressed in the judgments of scientists, such as medical and public health authorities; and secondly, in the behavior of individual consumers. Scientific judgments are based primarily on the studies of the relation between family consumption and individual and community health. The expressions of consumer judgment appear in the choices made by consumers as economic barriers are progressively removed."³

In 1946, and again in 1959, this general approach was used to derive a single list of commodities and services. Even where standards of adequacy, based on the judgments of scientists and experts are available, however, these standards frequently can be met in various ways at different costs. The budget maker must recognize that, beyond a certain point, differences in levels of living are characterized largely by consumer tastes and preferences supported by variations in income.

In food consumption, recommended allowances for nutrient intake, based on scientific research, have been formulated for individuals in different sex-age groups. These requirements have been translated by the U.S. Department of Agriculture into food plans at different cost levels, which reflect the actual patterns of families with varying amounts of money to spend for food. In the 1946 and 1959 BLS budgets, the food component was based on an average of the low-cost and moderate-

cost food plans. In the current BLS budgets, however, the low-cost food plan was used in the lower standard, and the moderate- and liberal-cost plans in the intermediate and higher budgets, respectively.⁴

Similarly, technical experts have described standards for shelter relating to factors such as sleeping space appropriate to family size and composition, essential household equipment (including plumbing), adequate heat, structural condition of the unit, and neighborhood location. Beginning with these basic requirements, housing units may be rented or purchased at different levels of cost. A housing unit may include a guestroom or den in addition to adequate sleeping space for the family, or it may have two bathrooms or more, central air conditioning, architectural distinction as well as sound structural condition, and it may be located in a convenient or exclusive area. For the current budgets, average contract rents and purchase prices of owned homes were accepted as a proxy measure of such qualitative differences among all housing units which conformed to the basic standards. Thus, the average rent for the low third of the distribution of contract rents for units which met the housing standard was used for the lower budget, while the averages for the middle and high thirds of the distribution were used for the intermediate and higher budgets, respectively.⁵

For the transportation component, prevailing practices of budget-type families themselves, as revealed by data from the 1960-61 Survey of Consumer Expenditures, provided the criteria. Ownership of a car was specified for varying proportions of families at the three budget levels. Transportation costs also differ among the budgets as a result of the variation in weights for automobile ownership in individual metropolitan areas, a reflection of the greater availability of public transportation in some areas than in others; and different specifications for the ages of the cars purchased and traded in, and for the number of miles driven at each budget level.

The Federal Medicare program, initiated in July 1966, provided a standard for the medical care component with respect to hospitalization, post-hospital care, outpatient diagnosis, medical and surgical services of a physician, medical supplies, etc. Allowances for medical care not covered by Medicare—dental care, eye examination, prescriptions and drugs, etc.—were derived

³/ Technical Reference 10, p. 74, appendix D.

⁴/ See discussion on food, chapter V, p. 37 for a more detailed account of the food standard and the basis for the food plans at different cost levels.

⁵/ See discussion on housing, chapter V, p. 37 for a more detailed account of procedures.

from National Health Survey data or from the 1960-61 BLS Survey of Consumer Expenditures. These allowances were the same in all three budgets, since they were based on utilization rates which reflect the average condition of health of individuals in the same age-sex categories as the budget family members. Downward adjustments were made only for items such as eyeglass frames, where factors other than health needs enter into the determination of costs.

A standard of health, based on the recent findings of the U.S. Public Health Service on the ill effects of cigarette smoking was adopted as a basis for eliminating an allowance for cigarettes from all three budgets. (An allowance was included in the October 1966 pricing of the intermediate budget, but excluded from the spring 1967 cost estimates for that level, as well as for the lower and higher budgets.)

For other categories of consumption—housefurnishings, household operation, clothing, personal care, education, reading, recreation, meals away from home, and alcoholic beverages—the ratings of the

various levels of living were based on the judgments of consumers, as revealed in the choices made by families of the budget-type at successively higher levels on the income scale. The data analyzed were from the 1960-61 Survey of Consumer Expenditures. In the relationship between the quantities of a particular category of goods consumed and income, the income class at which the increase in quantities relative to the increase in income began to diminish was defined as appropriate for determining the quantities for the intermediate budget.⁶ This point of “maximum elasticity” can be interpreted as the income level at which families stop buying “more and more” of a category of goods and services and begin buying other goods or items of higher quality. Quantities for the lower and higher budgets were derived, respectively, from the income classes below and above the class containing the point of maximum elasticity. In the lower budget, therefore, this point has not yet been reached, and in the higher budget it has been exceeded.

^{6/} For a detailed description, see p. 40.

Chapter II. Costs of Three Budget Levels

The total out-of-pocket cost of the lowest of the three budgets for a retired couple described in this report averaged \$2,671 in the spring of 1967 in urban areas of the United States. The cost of the intermediate budget was \$3,857, while that for the higher-level budget was \$6,039.⁷ The family for which these budgets were constructed consists of a husband and wife, both age 65 or over, who live independently in their own home, and who are in reasonably good health and able to take care of themselves.

All three of the budgets include allowances for food, housing, transportation, clothing, personal care, and other items used in family living. They also include an allowance for gifts to persons outside the family and contributions to religious, welfare, and other organizations, amounting to 4 percent of the total cost of the lower budget, and 6 and 7 percent of the intermediate and higher budgets, respectively. The lower and intermediate budgets do not include life insurance, on the

assumption that payments on a basic policy were completed before retirement. However, the higher budget provides for supplementing this basic policy with another, on which payments—amounting to about 1 percent of the total budget—continue after retirement. In the lower and intermediate budgets no provision is made for the payment of income taxes, since most of

^{7/} Table 1 shows annual costs, at spring 1967 prices, of a lower, intermediate, and higher budget for urban United States, metropolitan and nonmetropolitan areas, 39 individual metropolitan areas, and 4 nonmetropolitan regions. (See p. 12) Costs of the intermediate budget at autumn 1966 prices (averaging \$3,869 in urban areas), were published in BLS Bulletin 1570-4. The spring 1967 estimate for this level excludes the cigarette allowance and reflects differences in pricing procedures primarily in the transportation, recreation and clothing components. If these changes had been incorporated in the autumn 1966 estimates, the budget would have averaged \$3,835 in urban areas. Hence, the cost of the intermediate budget increased 0.6 percent over the 6-month period.

the income of retired couples at these levels of living is tax-exempt because of source, and the remainder is insufficient to require the payment of taxes. For the higher budget, income taxes were calculated on a portion of the income required to maintain that level of living, namely, the total less the sum of allowances for standard deductions plus standard exemptions plus average (tax-free) social security payments (amounting to \$1,555 in 1967). Taxes constituted about 4 percent of the cost of the higher budget for a retired couple. Distributions of costs by major components of the budgets are shown in the table below.

The budget totals represent weighted average costs for renter and homeowner families,⁸ but costs are shown separately for each of these living arrangements at the three budget levels. At all levels, budget costs were higher for renter than for homeowner families who were living in mortgage-free homes. This differential was widest in the higher budget in metropolitan areas, where total budget costs for retired couples, who were living in newer two- and three-room rental units, averaged more than \$500 above costs for couples who were living in their own five- or six-room homes on which the mortgages were paid up. In contrast, the average annual differences in total budget costs for renter and homeowner families was only about \$75 at the lower level of living

in small cities, and only about \$90 in metropolitan areas.

For both renter and homeowner families, living costs were higher in metropolitan than in nonmetropolitan areas. However, the difference amounted to only about 10 percent for the lower budget. It rose to 16 percent for the intermediate budget, and reached almost 25 percent at the higher level where the difference was slightly greater for renter than for homeowner families. These area differences in total budget costs reflect not only the variation in price levels and the manner of living associated with renting or owning a mortgage-free house but also the differences in transportation requirements and spending patterns for clothing, personal care, recreation, meals away from home, etc., between metropolitan areas and smaller cities.⁹

8/ In the lower budget, costs for homeowner families constituted 60 percent, and those for renters 40 percent, of the weighted average costs of shelter for urban United States and each individual area. Homeowner weights were 65 and 70 percent, in the intermediate and higher budgets, respectively, and renter weights in these budgets were 35 and 30 percent.

9/ Appendix A shows U.S. urban average quantities of budget items, but separate quantities for metropolitan and nonmetropolitan areas were used to compute costs for items in those budget components that were derived by analysis of the choices of goods and services made by consumers in successive income groups.

Summary of budgets for a retired couple at 3 levels of living, spring 1967

Item	Cost			Percent distribution		
	Lower budget	Intermediate budget	Higher budget	Lower budget	Intermediate budget	Higher budget
Total budget -----	\$2,671	\$3,857	\$6,039	100.0	100.0	100.0
Total family consumption -----	2,556	3,626	5,335	95.7	94.0	88.3
Food -----	789	1,048	1,285	29.5	27.2	21.3
Housing -----	939	1,330	2,066	35.2	34.4	34.2
Transportation -----	191	382	682	7.2	9.9	11.3
Clothing and personal care ---	217	357	549	8.1	9.3	9.0
Medical care -----	294	296	299	11.0	7.7	5.0
Other family consumption ---	126	213	454	4.7	5.5	7.5
Other costs -----	115	231	469	4.3	6.0	7.8
Gifts and contributions -----	115	231	398	4.3	6.0	6.6
Personal life insurance -----	-	-	71	-	-	1.2
Personal income taxes -----	-	-	235	-	-	3.9

Total Family Consumption

At the level of the lower budget, family consumption items—food, housing, transportation, clothing, personal care, medical care, reading, recreation, and other items used in family living—required an average annual outlay of \$2,556 at spring 1967 prices to meet the requirements for physical health and well-being, and participation in community activities. Maintenance of these same general objectives required \$3,626 annually at the intermediate and \$5,335 at the higher level, or 42 and 109 percent, respectively, above consumption costs in the lower budget. The three different levels of cost result from differences in the manner or style of life specified for the family, together with minor variations in the quantities and a wide range in the qualities of items purchased.

Housing costs (including shelter, heat, utilities, household operations, and housefurnishings) require just about the same proportions of family consumption in the three budgets—37 percent at the lower and intermediate levels and 39 percent at the higher. Food and medical care requirements, on the other hand, use up 43 percent of the consumption total of the lower budget, 37 percent of the intermediate, and only 30 percent of the higher. In consequence, the share of the total allocated to all other categories of consumption—transportation, clothing, personal care, reading, recreation,

etc.—amounts to 31 percent in the higher budget, but only 26 and 20 percent in the intermediate and lower budgets, respectively.

These distributions of the budget costs for family consumption do not necessarily reflect the way in which average retired couples actually spend their money. The following tabulation compares the actual spending pattern of the average retired couple, as reported in the 1960-61 Survey of Consumer Expenditures, with the budget allowances for consumption. However, the 1960-61 data predate the passage of Medicare, which undoubtedly has had substantial influence on the way in which retired couples actually allocate their resources.

Food

At spring 1967 prices, U.S. urban costs of this component, including both food at home and away from home, averaged \$789, \$1,048, and \$1,285 in the lower, intermediate, and higher budgets, respectively. Food away from home—restaurant dinners and snacks—amounted to 13 percent of the total food cost in the higher budget, 11 percent in the intermediate, and 7 percent in the lower.

The U.S. Department of Agriculture food plans (low-, moderate- and liberal-cost), on which the food-at-home costs are based, take into account both the nutritional

Comparison of actual spending patterns and budget allowances

Components of consumption	Consumption pattern of the average retired couple, 1960-61	Distribution of 1967 costs of budget allowances for family consumption		
		Lower budget	Intermediate budget	Higher budget
Total -----	\$3,323	\$2,556	\$3,626	\$5,335
Percent distribution ^{1/} -----	100	100	100	100
Food -----	26	31	29	24
Housing -----	^{2/} 33	37	37	39
Transportation -----	9	7	10	13
Clothing and personal care -----	12	8	10	10
Medical care -----	11	12	8	6
Other family consumption -----	9	5	6	8

^{1/} Distribution adjusted to add to 100.

^{2/} Average annual interest payments of \$23 were deleted from the 1960-61 expenditure data for comparability with budget allowances for housing which specify that the owned homes are mortgage free.

allowances recommended by the National Research Council, and the consumption patterns of the families for whom the plans are set up. Costs for food at home in the lower budget were based on the USDA low-cost food plan, which has been used widely to estimate money allowances for food in public assistance programs. The moderate and liberal plans were used for the intermediate and higher budgets. Compared with the moderate and liberal plans, the low-cost plan has larger quantities of foods that provide high nutritional returns in relation to cost—potatoes, dry beans and peas, and flour and cereal—and smaller quantities of meat, poultry and fish, and fruits and vegetables other than potatoes. The assumption was made that users of this plan will select lower cost food items within the major groups.

Although families can achieve nutritional adequacy from the low-cost plan, estimates are that only about 30 percent of those who spend amounts equivalent to the cost of the plan actually have nutritionally good diets.¹⁰ Menus based on this plan will include foods requiring a considerable amount of home preparation as well as skill in cooking to make varied and appetizing meals.¹¹

The USDA moderate-cost plan, used in the intermediate budget, is considered suitable for the average U.S. family. It includes larger quantities of milk, eggs, meat, fruits, and vegetables than the low-cost plan. It allows for some of the higher priced cuts of meat, a few out-of-season foods, and some convenience foods. Thus it provides for more variety and less home preparation than the low-cost plan.

The higher budget uses the USDA liberal plan, which allows greater variety, more meats, and more fruits and vegetables than the other two. Its higher cost, compared with the moderate plan, results partly from different quantities of foods, but mainly from more expensive choices within the groups.¹²

In addition to variations in costs resulting from differences in the allowances in the three USDA plans, variations also stemmed from the prices used to calculate the costs of the plans. These weighted prices reflected not only regional differences in food consumption patterns but also variations in those patterns at three selected income levels within each region, as reported in the USDA 1965 Food Consumption Survey. As a result of the quantity and price differences, the U.S. urban cost of food (assuming all meals at home, and not including guest meals) on a weekly basis averaged \$14 in the lower budget for a retired couple. It was 29 percent higher (\$18 a week) for the intermediate, and 50 percent greater (\$21 a week) for the higher budget.

The costs of food away from home differed among the three budgets not only because of differences in the number of restaurant dinners and the size of the snack allowance (see appendix table A-1) but also because of variations in the menus and prices of restaurant meals. Thus food away from home in the lower budget had an average U.S. urban annual cost of \$55, in contrast to \$111 in the intermediate, and \$170 in the higher budget.

When the average total cost of food in the lower budget equaled 100, it was exceeded by 33 percent in the intermediate budget and 63 percent in the higher budget. In spite of the cost differences at the three budget levels, food was only 24 percent of total consumption costs in the higher budget, while it was 31 percent in the lower.

Housing

U.S. urban average housing costs ranged from \$939 in the lower budget to \$2,066 in the higher, or from about 30 percent below to 50 percent above the intermediate budget average of \$1,330, at spring 1967 prices. Household operation costs and an allowance for the replacement of housefurnishings items accounted for 25 percent of the housing component in the lower budget, and 36 and 40 percent in the intermediate and higher budgets, respectively. Shelter—the major expense in the housing total—required an average annual outlay of about \$700 at the lower, \$850 at the intermediate, and almost \$1,200 at the higher level. These amounts are

^{10/} Based on nonfarm household which used foods valued at the cost of the plan providing recommended amounts of seven nutrients, as reported in the 1965 USDA Household Food Consumption Survey.

^{11/} The USDA has compiled two other food plans which maintain nutritional adequacy but are lower in cost than the regular low-cost plan: An economy plan, designed for temporary or emergency use when funds are low, and costing 20 to 25 percent less than the low-cost plan; and a special version of the low-cost plan which includes quantities of grain products suitable for families who are high consumers of cereal products. The latter plan may be particularly useful for families in the southeastern States. However, considering the relatively low proportions of families who actually achieve nutritional adequacy with the regular low-cost plan, it was deemed unrealistic to utilize either of the cheaper plans for the lowest of the BLS budgets. This decision conforms with the recommendations of the Advisory Committee on Standard Budget Research. (See appendix D, Technical Reference No. 9.)

^{12/} A description of the plans may be found in *Family Food Plans and Food Costs* (Home Economic Research Report No. 20, November 1962) and *Family Food Plans*, Revised 1964 (CA 62-19, November 1964) Agricultural Research Service, U.S. Department of Agriculture.

weighted average costs for renter and homeowner families. The housing total in the higher budget also includes an allowance for lodging away from home.

Thirty percent of families at the higher budget level, 35 percent of those at the intermediate, and 40 percent at the lower, were assumed to live in rental housing. Rental shelter costs, including contract rent plus estimated costs of fuel and utilities where these are not part of the rent, and insurance on household contents, were calculated from the low, middle, and high thirds of the contract rent distribution for two- and three-room dwelling units which met the standards for adequacy. Costs for units in the low third, used for the lower budget, averaged \$756 and were 22 percent below costs in the middle third (\$968), used in the intermediate budget. Costs in the higher budget (\$1,449) were 50 percent above the intermediate level.

The majority of families at all budget levels were assumed to be living in their own homes on which the mortgage has been paid off. Their shelter costs include average annual payments for taxes, insurance, fuel, utilities, and routine repair and maintenance charges. These expenses in the higher budget were 37 percent above the intermediate level, due to quality differences in the houses whose estimated current market values are approximately \$15,500 and \$21,500 in the intermediate and higher budgets, respectively. Shelter in the higher

budget also provides for higher utility consumption for the operation of air conditioning and major appliances, and a more generous allowance for repair and maintenance of the home. Lower budget shelter costs were 15 percent below the intermediate level, primarily because taxes were lower on these homes, which had an average market value of about \$11,500 in 1967.

The table shown below summarizes the shelter component of the budgets and shows the composition of homeowner costs:

Transportation

The cost of transportation in urban areas ranged from \$191 at the level of the lower budget, to \$682 at the higher. Lower budget costs were about 50 percent less, and higher budget costs almost 80 percent more than the intermediate level of \$382. These differences result largely from the proportions of automobile ownership specified for each budget. In the lower budget, none of the families in the Boston, Chicago, New York, and Philadelphia metropolitan areas were assumed to own automobiles, whereas in the higher budget for these cities auto ownership was specified for three-fourths of the families. At the intermediate level, a fourth of the New York area families and two-fifths of those in the

Shelter costs in 3 budgets for a retired couple, spring 1967

Component	Costs			Percent distribution		
	Lower budget	Intermediate budget	Higher budget	Lower budget	Intermediate budget	Higher budget
Renter shelter: Total -----	\$756	\$968	\$1,449	-	-	-
Homeowner shelter: Total -----	669	785	1,076	100.0	100.0	100.0
Property tax -----	246	335	494	36.8	42.7	45.9
Insurance -----	34	38	55	5.1	4.9	5.1
Repairs and maintenance -----	79	78	152	11.8	10.1	14.1
Heating fuel -----	130	130	130	19.4	16.6	12.1
Electricity and gas (non-heating uses) -----	108	122	155	16.1	15.5	14.4
Other costs -----	72	82	90	10.8	10.4	8.4
Estimated current market value of owned homes -----	\$11,700	\$15,400	\$21,300			

NOTE: Details may not add to totals due to rounding.

other three areas with mass transit systems were described as auto owners. In all other metropolitan areas the proportion of auto owners was specified as 45 percent in the lower budget, 60 percent in the intermediate, and 100 percent in the higher. A car also was allowed for all families at the level of the higher budget in nonmetropolitan areas, but for only about two-thirds of families at the intermediate and approximately half of those at the lower level. Total transportation is a weighted cost for automobile owners and nonowners, and budgets with lower proportions of ownership are less costly.

Transportation costs for automobile owners in the intermediate budget averaged \$620. This amount included the replacement of an automobile every 7 years with a 2-year old used car, operating expenses, insurance, and some public transportation. Costs for auto owners in the lower and higher budgets were 26 percent below and 16 percent above the cost of the intermediate level. Compared with the intermediate, the lower budget (averaging \$458) includes a smaller mileage allowance for an 8-year old car, fewer repairs (since cars of this age usually are replaced if costly repairs are required), no comprehensive insurance, lower personal property tax, and no out-of-town travel on planes, trains, or other public vehicles. Higher costs (\$716) to car owners in the higher budget result from the specification that 55 percent of the families are new car buyers, while the remaining 45 percent buy the same car (2-year old used) as the one provided in the intermediate budget. Also, the insurance coverage has been increased, and more out-of-town travel provided.

Clothing and Personal Care

Total clothing costs (replacement of the clothing inventory and materials and services) averaged \$134, \$234, and \$371 in the lower, intermediate, and higher budgets, respectively, at spring 1967 prices. The cost allowances for husband and wife were about the same in the lower and intermediate budgets. At the higher level, however, the wife's allowance averaged about \$20 more than the husband's, similar to the pattern reported in surveys of family consumption, in which actual expenditures for women age 65 and over exceed those for men in the same age group at all levels of income.

Clothing costs are calculated as replacement rates, because the budgets are for couples likely to have a stock of basic clothing items. The items for replacement—coats, sweaters, pajamas, street shoes—were the same in the three budgets. Variations in cost stem

primarily from differences in the qualities of items, as reflected in average price levels used for each budget, and to a lesser extent from adjustment of the replacement rates for some of the clothing subgroups. In consequence, the lower cost was about 40 percent below, and the higher about 60 percent above the intermediate budget. The allowance for the husband reflects a declining proportion of the total clothing allowance as the level of the budget was raised, while the wife's allowance accounted for a relatively larger share of the total cost.

Personal care constituted just about 3 percent of total family consumption at the three budget levels, but costs ranged from \$83 in the lower to \$178 in the higher budget. Personal care services represented 59 percent of this component at the lower standard, and 63 and 66 percent at intermediate and higher levels, respectively, primarily because of increases in the allowances for beauty shop services for the wife. The lower budget personal care cost was one-third less than the intermediate, whereas the higher budget was about 45 percent higher.

Medical Care

U.S. urban costs of total medical care were almost identical in the three budgets, since basically the same allowances were used for all three. About 60 percent of the total cost of approximately \$300 represented the estimated out-of-pocket expense (deductibles, coinsurance, and premiums for medical coverage) for Medicare hospital and medical insurance. Medical costs not covered by Medicare—an annual physical checkup, dental and eye care, and drugs—were based primarily on utilization or expenditure data which reflected the average condition of health of individuals in the same age-sex brackets as the retired couple. Hence there was no reason to vary these allowances in any of the budgets.

Although the difference in medical care costs averaged only \$5 between the lower and higher budgets, couples at the lower level had to allocate 12 percent of their family consumption to this component. By contrast, couples at the intermediate and higher levels used only 8 and 6 percent, respectively, of total consumption for this purpose.

Other Consumption

Other consumption costs, including reading, recreation, tobacco, alcohol, and miscellaneous expenses,

ranged from 5 percent of total consumption in the lower, to 9 percent in the higher budget. Allowances for reading were about a third of other consumption costs in the lower, a quarter in the intermediate, and only 14 percent in the higher budget. The proportion for recreation, on the other hand, increased from 29 percent of other consumption in the lower, to 56 percent in the higher budget. Allowances in the lower budget assumed that families would meet some of their recreational needs by utilizing library and museum facilities, and by attendance at or participation in community or group sponsored social or cultural activities or sporting events for which there was no fee.

Allowances for alcohol and tobacco (cigars or pipes) are also included as part of other consumption costs in all three budgets, in accord with prevailing practices in this country. Costs for these items ranged from \$35 in the lower standard to \$107 in the higher. (No allowance for cigarettes was included, in view of the findings of the U.S. Public Health Service concerning the effects of cigarette smoking on health.)

A Note on Budget Costs and Rising Prices

Rising retail prices since spring 1967 have increased the consumption costs for all three budgets. A rough approximation of the fall 1968 costs of family consumption in the three budgets has been calculated (as shown below), using price changes as reported in the Consumer Price Index for appropriate classes of goods and services. Between spring 1967 and autumn 1968, the Consumer Price Index increased 6.6 percent. Increases in the costs of the budgets were slightly below the general price rise, primarily because a majority of these couples are living in homes on which the mortgage has been paid off, and therefore, were not affected by the recent sharp rise in mortgage interest rates.

Annual costs of consumption for 3 levels of living
for a retired couple, urban United States, spring
1967 and autumn 1968 (estimated)

Item	Spring 1967	Autumn 1968	Percent change
Lower budget			
Total family consumption---	\$2,556	\$2,711	106.1
Food -----	789	835	105.8
Housing -----	939	986	105.0
Transportation-----	191	200	104.7
Clothing and personal care -----	217	234	107.8
Medical care-----	294	321	109.2
Other family consumption-----	126	135	107.1
Intermediate budget			
Total family consumption---	\$3,626	\$3,850	106.2
Food -----	1,048	1,111	106.0
Housing -----	1,330	1,400	105.3
Transportation-----	382	400	104.7
Clothing and personal care -----	357	387	108.4
Medical care-----	296	323	109.1
Other family consumption -----	213	229	107.5
Higher budget			
Total family consumption---	\$5,335	\$5,664	106.2
Food -----	1,285	1,363	106.1
Housing -----	2,066	2,183	105.7
Transportation-----	682	713	104.5
Clothing and personal care -----	549	595	108.4
Medical care-----	299	326	109.0
Other family consumption -----	454	484	106.6

Table 1. Annual costs of budget at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967

Item	U r b a n U n i t e d S t a t e s								
	Total			Metropolitan areas 2/			Nonmetropolitan areas 3/		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 789	\$ 1,048	\$ 1,285	\$ 796	\$ 1,064	\$ 1,305	\$ 769	\$ 1,002	\$ 1,225
Food at home-----	735	937	1,115	743	947	1,125	710	909	1,086
Food away from home-----	54	111	170	53	117	180	59	93	139
Housing: Total 4/-----	939	1,330	2,066	991	1,425	2,232	783	1,046	1,569
Renter families 4/-----	991	1,449	2,327	1,046	1,552	2,533	827	1,144	1,710
Homeowner families 4/-----	904	1,266	1,954	955	1,357	2,103	753	994	1,508
Shelter 5/-----	704	849	1,188	746	904	1,287	578	683	892
Rental costs 6/-----	756	968	1,449	801	1,031	1,588	622	781	1,033
Homeowner costs 7/-----	669	785	1,076	710	836	1,158	548	631	831
Housefurnishings-----	85	186	353	93	198	387	61	151	250
Household operations-----	150	295	472	152	323	505	144	212	374
Transportation: Total 8/-----	191	382	682	172	378	697	248	394	639
Automobile owners-----	458	620	716	468	642	745	442	572	639
Nonowners of automobiles-----	35	89	140	40	105	140	11	17	-----
Clothing 9/-----	134	234	371	138	241	369	121	212	376
Husband-----	56	94	146	56	95	139	57	94	165
Wife-----	51	100	167	53	104	169	43	86	163
Clothing materials and services-----	27	40	58	29	42	61	21	32	48
Personal care-----	83	123	178	83	121	176	86	130	184
Medical care-----	294	296	299	298	300	303	281	283	286
Out-of-pocket Medicare costs 10/-----	172	172	172	173	173	173	168	168	168
All other medical care-----	122	124	127	125	127	130	113	115	118
Other family consumption-----	126	213	454	135	228	489	97	167	350
Reading-----	46	54	64	45	52	61	48	58	73
Recreation 9/-----	37	81	256	41	86	280	23	64	187
Tobacco 11/-----	12	18	46	12	18	45	13	19	46
Alcoholic beverages-----	23	46	61	29	57	75	6	13	21
Miscellaneous expenses-----	8	14	27	8	15	28	7	13	23
Cost of family consumption: Total 12/-----	2,556	3,626	5,335	2,613	3,757	5,571	2,385	3,234	4,629
Renter families-----	2,608	3,745	5,596	2,668	3,884	5,872	2,429	3,332	4,770
Homeowner families-----	2,521	3,562	5,223	2,577	3,689	5,442	2,355	3,182	4,568
Other costs-----	115	231	469	117	240	487	107	206	416
Gifts and contributions-----	115	231	398	117	240	416	107	206	345
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-----	-----	-----	235	-----	-----	284	-----	-----	92
Renter families-----	-----	-----	285	-----	-----	342	-----	-----	117
Homeowner families-----	-----	-----	214	-----	-----	258	-----	-----	81
Cost of budget: Total 12/-----	2,671	3,857	6,039	2,730	3,997	6,342	2,492	3,440	5,137
Renter families-----	2,723	3,976	6,350	2,785	4,124	6,701	2,536	3,538	5,303
Homeowner families-----	2,636	3,793	5,906	2,694	3,929	6,187	2,462	3,388	5,065

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	N o r t h e a s t														
	Boston, Mass.			Buffalo, N.Y.			Hartford, Conn.			Lancaster, Pa.			New York-Northeastern New Jersey		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 835	\$ 1,142	\$1,375	\$ 816	\$ 1,089	\$ 1,310	\$ 851	\$ 1,173	\$ 1,432	\$ 827	\$ 1,136	\$ 1,371	\$ 845	\$ 1,173	\$1,418
Food at home-----	781	1,029	1,203	757	977	1,143	798	1,032	1,209	779	1,008	1,178	786	1,018	1,189
Food away from home-----	54	113	172	59	112	167	53	141	223	48	128	193	59	155	229
Housing: Total 4/-----	1,109	1,621	2,840	1,085	1,520	2,364	1,121	1,557	2,433	919	1,302	1,955	1,142	1,682	2,609
Renter families 4/-----	1,062	1,639	2,933	1,079	1,562	2,619	1,164	1,678	2,756	917	1,382	2,051	1,045	1,673	2,741
Homeowner families 4/-----	1,141	1,611	2,800	1,089	1,497	2,255	1,092	1,492	2,294	920	1,259	1,913	1,206	1,687	2,553
Shelter 5/-----	852	1,075	1,823	833	980	1,364	885	1,035	1,461	689	819	1,048	898	1,137	1,618
Rental costs 6/-----	805	1,093	1,916	827	1,022	1,619	928	1,156	1,784	687	899	1,144	801	1,128	1,750
Homeowner costs 7/-----	884	1,065	1,783	837	957	1,255	856	970	1,322	690	776	1,006	962	1,142	1,562
Housefurnishings-----	93	195	403	97	208	425	91	193	399	88	187	382	93	199	409
Household operations-----	164	351	561	155	332	522	145	329	520	142	296	472	151	346	529
Transportation: Total 8/-----	47	360	675	249	442	747	250	445	760	210	392	670	33	247	617
Automobile owners-----	-----	732	851	499	665	747	503	670	760	422	586	670	-----	692	778
Nonowners of automobiles-----	47	112	169	44	110	-----	43	108	-----	36	101	-----	33	99	135
Clothing 9/-----	139	240	359	153	264	391	144	246	369	138	236	366	140	244	368
Husband-----	58	97	140	60	98	140	60	99	143	56	93	148	59	100	147
Wife-----	53	104	163	64	125	193	52	102	160	50	98	154	54	106	167
Clothing material and services-----	28	39	56	29	41	58	32	45	66	32	45	64	27	38	54
Personal care-----	79	114	167	84	121	178	83	120	176	78	112	161	83	124	182
Medical care-----	290	292	295	293	296	298	298	300	303	289	291	294	301	303	304
Out-of-pocket Medicare costs 10/-----	172	172	172	171	171	171	175	175	175	168	168	168	178	178	178
All other medical care-----	118	120	123	122	125	127	123	125	128	121	123	126	123	125	126
Other family consumption-----	140	234	506	137	232	503	145	242	529	127	221	487	139	236	514
Reading-----	47	54	63	47	54	63	46	54	62	37	44	53	48	55	64
Recreation 9/-----	40	84	282	40	84	280	44	91	302	40	85	281	42	87	288
Tobacco 11/-----	13	19	52	15	20	55	16	21	58	13	18	51	14	19	54
Alcoholic beverages-----	32	61	78	27	58	76	30	60	77	29	59	76	27	59	78
Miscellaneous expenses-----	8	16	31	8	16	29	9	16	30	8	15	26	8	16	30
Cost of family consumption: Total 12/-----	2,639	4,003	6,217	2,817	3,964	5,791	2,892	4,083	6,002	2,588	3,690	5,304	2,683	4,009	6,012
Renter families-----	2,592	4,021	6,310	2,811	4,006	6,046	2,935	4,204	6,325	2,586	3,770	5,400	2,586	4,000	6,144
Homeowner families-----	2,671	3,993	6,177	2,821	3,941	5,682	2,863	4,018	5,863	2,589	3,647	5,262	2,747	4,014	5,956
Other costs-----	118	255	535	127	253	503	130	260	519	116	235	467	120	256	520
Gifts and contributions-----	118	255	464	127	253	432	130	260	448	116	235	396	120	256	449
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-----	-----	-----	446	-----	-----	332	-----	-----	339	-----	-----	256	-----	-----	385
Renter families-----	-----	-----	467	-----	-----	389	-----	-----	400	-----	-----	274	-----	-----	415
Homeowner families-----	-----	-----	437	-----	-----	307	-----	-----	313	-----	-----	248	-----	-----	373
Cost of budget: Total 12/-----	2,757	4,258	7,198	2,944	4,217	6,626	3,022	4,343	6,860	2,704	3,925	6,027	2,803	4,265	6,917
Renter families-----	2,710	4,276	7,312	2,938	4,259	6,938	3,065	4,464	7,244	2,702	4,005	6,141	2,706	4,256	7,079
Homeowner families-----	2,789	4,248	7,149	2,948	4,194	6,492	2,993	4,278	6,695	2,705	3,882	5,977	2,867	4,270	6,849

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	N o r t h e a s t											
	Philadelphia, Pa. - N.J.			Pittsburgh, Pa.			Portland, Maine			Nonmetropolitan areas		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 837	\$ 1,124	\$ 1,365	\$ 802	\$ 1,080	\$ 1,311	\$ 802	\$ 1,104	\$ 1,319	\$ 829	\$ 1,117	\$ 1,366
Food at home-----	781	1,007	1,178	744	960	1,128	755	1,012	1,185	766	1,000	1,171
Food away from home-----	56	117	187	58	120	183	47	92	134	63	117	195
Housing: Total 4/-	983	1,430	2,284	885	1,273	1,990	967	1,364	1,995	952	1,255	1,855
Renter families 4/-	951	1,452	2,663	967	1,409	2,204	955	1,391	1,919	1,015	1,384	1,823
Homeowner families 4/-	1,004	1,418	2,121	830	1,200	1,898	975	1,349	2,027	910	1,186	1,869
Shelter 5/-	744	921	1,324	652	774	1,058	710	836	1,035	754	887	1,165
Rental costs 6/-	712	943	1,703	734	910	1,272	698	863	959	817	1,016	1,133
Homeowner costs 7/-	765	909	1,161	597	701	966	718	821	1,067	712	818	1,179
Housefurnishings-----	95	201	414	88	185	379	93	197	391	63	153	265
Household operations-----	144	308	493	145	314	500	164	331	516	135	215	372
Transportation: Total 8/-	47	330	591	228	414	699	216	407	693	263	410	660
Automobile owners-----	-----	651	737	449	614	699	432	608	693	470	596	660
Nonowners of automobiles-----	47	115	153	48	113	-----	39	104	-----	10	16	-----
Clothing 9/-	136	234	353	141	242	362	163	279	416	130	228	376
Husband-----	56	94	137	57	93	134	63	104	148	62	97	168
Wife-----	51	100	158	54	106	167	68	131	204	45	99	162
Clothing materials and services--	29	40	58	30	43	61	32	44	64	23	32	46
Personal care-----	78	114	166	83	120	175	74	109	159	87	133	192
Medical care-----	290	292	295	285	287	290	287	289	292	286	288	291
Out-of-pocket Medicare costs 10/-	171	171	171	170	170	170	173	173	173	170	170	170
All other medical care-----	119	121	124	115	117	120	114	116	119	116	118	121
Other family consumption-----	137	230	503	141	235	511	150	241	506	98	167	362
Reading-----	46	53	63	50	57	66	55	62	71	49	60	75
Recreation 9/-	39	82	278	41	85	290	40	85	280	23	61	190
Tobacco 11/-	15	20	57	13	19	52	14	19	53	13	19	52
Alcoholic beverages-----	29	60	77	29	59	76	33	60	75	5	13	20
Miscellaneous expenses-----	8	15	28	8	15	27	8	15	27	8	14	25
Cost of family consumption: Total 12/--	2,508	3,754	5,557	2,565	3,651	5,338	2,659	3,793	5,380	2,645	3,598	5,102
Renter families-----	2,476	3,776	5,936	2,647	3,787	5,552	2,647	3,820	5,304	2,708	3,727	5,070
Homeowner families-----	2,529	3,742	5,394	2,510	3,578	5,246	2,667	3,778	5,412	2,603	3,529	5,116
Other costs-----	112	239	486	115	233	469	119	242	472	119	230	452
Gifts and contributions-----	112	239	415	115	233	398	119	242	401	119	230	381
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-	-----	-----	329	-----	-----	271	-----	-----	217	-----	-----	170
Renter families-----	-----	-----	405	-----	-----	312	-----	-----	204	-----	-----	163
Homeowner families-----	-----	-----	296	-----	-----	253	-----	-----	223	-----	-----	173
Cost of budget: Total 12/-	2,620	3,993	6,372	2,680	3,884	6,078	2,778	4,035	6,069	2,764	3,828	5,724
Renter families-----	2,588	4,015	6,827	2,762	4,020	6,333	2,766	4,062	5,980	2,827	3,957	5,685
Homeowner families-----	2,641	3,981	6,176	2,625	3,811	5,968	2,786	4,020	6,107	2,722	3,759	5,741

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	N o r t h C e n t r a l														
	Cedar Rapids, Iowa			Champaign-Urbana, Ill.			Chicago, Ill.- Northwestern Ind.			Cincinnati, Ohio- Ky.-Ind.			Cleveland, Ohio		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 783	\$ 1,007	\$ 1,249	\$ 794	\$ 1,042	\$ 1,291	\$ 806	\$ 1,034	\$ 1,275	\$ 783	\$ 1,021	\$ 1,265	\$ 778	\$ 1,010	\$ 1,236
Food at home-----	732	910	1,087	749	939	1,125	757	937	1,122	732	915	1,095	720	899	1,075
Food away from home-----	51	97	162	45	103	166	49	97	153	51	106	170	58	111	161
Housing: Total 4/-----	1,006	1,479	2,284	1,053	1,506	2,229	1,048	1,454	2,268	858	1,269	1,847	1,054	1,506	2,219
Renter families 4/-----	1,090	1,606	2,650	1,151	1,661	2,404	1,182	1,665	2,855	923	1,392	1,982	1,155	1,728	2,482
Homeowner families 4/-----	950	1,410	2,127	988	1,422	2,154	958	1,340	2,016	814	1,203	1,789	987	1,387	2,107
Shelter 5/-----	755	924	1,330	812	993	1,332	801	933	1,337	625	763	959	809	988	1,288
Rental costs 6/-----	839	1,051	1,696	910	1,148	1,507	935	1,144	1,924	690	886	1,094	910	1,210	1,551
Homeowner costs 7/-----	699	855	1,173	747	909	1,257	711	819	1,085	581	697	901	742	869	1,176
Housefurnishings-----	92	197	363	92	198	353	94	192	363	91	196	343	93	190	364
Household operations-----	159	358	538	149	315	491	153	329	515	142	310	492	152	328	514
Transportation: Total 8/-----	226	409	725	219	397	722	43	335	639	224	402	680	236	422	714
Automobile owners-----	453	612	725	438	592	722	-----	676	804	441	596	680	469	629	714
Nonowners of automobiles-----	39	104	-----	39	105	-----	43	108	144	47	112	-----	46	112	-----
Clothing 9/-----	143	248	389	137	240	381	142	246	390	133	234	374	142	248	392
Husband-----	60	102	147	55	94	137	58	98	143	54	92	135	57	98	142
Wife-----	52	101	177	54	105	185	54	104	184	52	102	182	55	106	188
Clothing materials and services-----	31	45	65	28	41	59	30	44	63	27	40	57	30	44	62
Personal care-----	85	122	179	80	116	170	85	121	177	71	103	150	85	124	182
Medical care: Total-----	289	292	294	295	297	300	295	297	299	278	281	284	274	277	279
Out-of-pocket Medicare costs 10/-----	169	169	169	172	172	172	172	172	172	170	170	170	172	172	172
All other medical care-----	120	123	125	123	125	128	123	125	127	108	111	114	102	105	107
Other family consumption-----	127	221	470	119	212	460	131	222	471	136	229	478	138	227	467
Reading-----	40	48	57	30	37	46	45	52	62	50	57	66	50	57	67
Recreation 9/-----	42	87	274	43	89	276	41	85	272	41	84	274	41	85	264
Tobacco 11/-----	10	17	40	10	18	41	10	18	42	9	17	39	10	17	40
Alcoholic beverages-----	27	54	70	28	53	69	27	52	68	29	57	74	29	53	68
Miscellaneous expenses-----	8	15	29	8	15	28	8	15	27	7	14	25	8	15	27
Cost of family consumption: Total 12/-----	2,659	3,778	5,590	2,697	3,810	5,553	2,550	3,709	5,519	2,483	3,539	5,078	2,707	3,814	5,489
Renter families-----	2,743	3,905	5,956	2,795	3,965	5,728	2,684	3,920	6,106	2,548	3,662	5,213	2,808	4,036	5,752
Homeowner families-----	2,603	3,709	5,433	2,632	3,726	5,478	2,460	3,595	5,267	2,439	3,473	5,020	2,640	3,695	5,377
Other costs-----	119	241	488	121	243	485	114	236	483	112	226	450	121	243	481
Gifts and contributions-----	119	241	417	121	243	414	114	236	412	112	226	379	121	243	410
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-----	-----	-----	334	-----	-----	250	-----	-----	246	-----	-----	196	-----	-----	264
Renter families-----	-----	-----	417	-----	-----	281	-----	-----	354	-----	-----	221	-----	-----	311
Homeowner families-----	-----	-----	298	-----	-----	237	-----	-----	200	-----	-----	185	-----	-----	243
Cost of budget: Total 12/-----	2,778	4,019	6,412	2,818	4,053	6,288	2,664	3,945	6,248	2,595	3,765	5,724	2,828	4,057	6,234
Renter families-----	2,862	4,146	6,861	2,916	4,208	6,494	2,798	4,156	6,943	2,660	3,888	5,884	2,929	4,279	6,544
Homeowner families-----	2,722	3,950	6,219	2,753	3,969	6,200	2,574	3,831	5,950	2,551	3,699	5,655	2,761	3,938	6,101

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	N o r t h C e n t r a l														
	Dayton, Ohio			Detroit, Mich.			Green Bay, Wis.			Indianapolis, Ind.			Kansas City, Mo.- Kans.		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 777	\$ 1,004	\$ 1,225	\$ 804	\$ 1,060	\$ 1,304	\$ 755	\$ 974	\$ 1,198	\$ 786	\$ 1,021	\$ 1,264	\$ 799	\$ 1,032	\$ 1,264
Food at home-----	730	914	1,091	750	937	1,121	711	891	1,061	740	926	1,109	746	932	1,113
Food away from home-----	47	90	134	54	123	183	44	83	137	46	95	155	53	100	151
Housing: Total 4/-----	948	1,296	2,099	849	1,265	2,231	930	1,337	2,139	1,077	1,507	2,231	894	1,302	2,023
Renter families 4/-----	1,104	1,505	2,563	1,039	1,528	2,852	922	1,324	2,244	1,196	1,636	2,292	1,013	1,472	2,302
Homeowner families 4/-----	844	1,184	1,901	722	1,123	1,965	935	1,344	2,094	997	1,437	2,205	814	1,210	1,903
Shelter 5/-----	706	800	1,192	607	726	1,279	682	840	1,232	826	984	1,309	647	771	1,084
Rental costs 6/-----	862	1,009	1,656	797	989	1,900	674	827	1,337	945	1,113	1,370	766	941	1,363
Homeowner costs 7/-----	602	688	994	480	584	1,013	687	847	1,187	746	914	1,283	567	679	964
Housefurnishings-----	95	196	375	97	199	371	94	194	376	94	203	366	95	205	366
Household operations-----	147	300	479	145	340	528	154	303	478	157	320	503	152	326	520
Transportation: Total 9/-----	219	401	672	236	424	719	221	411	699	228	417	713	239	434	741
Automobile owners-----	436	597	672	470	633	719	451	617	699	457	624	713	472	646	741
Nonowners of automobiles-----	41	106	-----	44	110	-----	34	103	-----	40	106	-----	48	115	-----
Clothing 9/-----	141	249	396	144	249	393	149	257	408	143	249	394	135	235	374
Husband-----	57	99	144	59	99	143	57	95	137	59	100	145	55	94	138
Wife-----	56	109	194	54	105	185	61	117	206	54	105	187	52	101	179
Clothing materials and services-----	28	41	58	31	45	65	31	45	65	30	44	62	28	40	57
Personal care-----	75	108	158	84	121	177	75	105	154	81	118	174	85	124	181
Medical care: Total-----	281	284	287	286	288	291	292	295	298	275	278	281	295	298	300
Out-of-pocket Medicare costs 10/-----	170	170	170	172	172	172	168	168	168	171	171	171	171	171	171
All other medical care-----	111	114	117	114	116	119	124	127	130	104	107	110	124	127	129
Other family consumption-----	133	222	470	139	231	493	127	217	457	138	232	496	129	223	478
Reading-----	45	53	62	50	57	66	45	52	61	48	55	64	44	51	61
Recreation 2/-----	41	85	273	42	87	285	40	85	265	41	86	286	42	87	280
Tobacco 11/-----	10	17	40	10	18	41	10	16	37	10	17	40	10	18	41
Alcoholic beverages-----	29	53	69	30	55	73	25	50	67	31	59	78	25	53	69
Miscellaneous expenses-----	8	14	26	7	14	28	8	14	27	8	15	28	8	14	27
Cost of family consumption: Total 12/-----	2,574	3,564	5,307	2,542	3,638	5,608	2,549	3,596	5,353	2,728	3,822	5,553	2,576	3,648	5,361
Renter families-----	2,730	3,773	5,771	2,732	3,901	6,229	2,541	3,583	5,458	2,847	3,951	5,614	2,695	3,818	5,640
Homeowner families-----	2,470	3,452	5,109	2,415	3,496	5,342	2,554	3,603	5,308	2,648	3,752	5,527	2,496	3,556	5,241
Other costs-----	115	227	467	114	232	490	114	229	470	122	243	485	115	233	471
Gifts and contributions-----	115	227	396	114	232	419	114	229	399	122	243	414	115	233	400
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-----	-----	-----	256	-----	-----	279	-----	-----	338	-----	-----	266	-----	-----	256
Renter families-----	-----	-----	344	-----	-----	401	-----	-----	363	-----	-----	278	-----	-----	312
Homeowner families-----	-----	-----	218	-----	-----	226	-----	-----	328	-----	-----	260	-----	-----	232
Cost of budget: Total 12/-----	2,689	3,791	6,030	2,656	3,870	6,377	2,663	3,825	6,161	2,850	4,065	6,304	2,691	3,881	6,088
Renter families-----	2,845	4,000	6,582	2,846	4,133	7,120	2,655	3,812	6,291	2,969	4,194	6,377	2,810	4,051	6,423
Homeowner families-----	2,585	3,679	5,794	2,529	3,728	6,058	2,668	3,832	6,106	2,770	3,995	6,272	2,611	3,789	5,944

See footnotes on p. 23.

Table 1. Annual costs of budget at three levels, for a retired couple, 1/ urban United States, 39 metropolitan area and 4 nonmetropolitan regions, Spring 1967--Continued

Item	N o r t h C e n t r a l														
	Milwaukee, Wis.			Minneapolis-St. Paul, Minn.			St. Louis, Mo.-Ill.			Wichita, Kans.			Nonmetropolitan areas		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 768	\$ 1,015	\$1,264	\$ 775	\$ 1,014	\$1,247	\$ 820	\$ 1,073	\$1,334	\$ 799	\$ 1,018	\$ 1,244	\$ 788	\$ 1,003	\$1,227
Food at home-----	719	892	1,073	726	913	1,092	768	958	1,149	752	931	1,109	731	919	1,096
Food away from home-----	49	123	191	49	101	155	52	115	185	47	87	135	57	84	131
Housing: Total <u>4/-</u> -----	1,036	1,496	2,172	1,012	1,425	2,143	953	1,379	1,953	936	1,324	2,017	829	1,142	1,658
Renter families <u>4/-</u> -----	1,105	1,588	2,326	1,086	1,560	2,347	1,026	1,501	2,006	1,045	1,447	2,263	904	1,269	1,700
Homeowner families <u>4/-</u> -----	990	1,446	2,106	963	1,352	2,056	904	1,314	1,930	864	1,257	1,911	779	1,073	1,640
Shelter <u>5/-</u> -----	797	969	1,268	772	910	1,224	711	861	1,042	684	814	1,100	623	766	974
Rental costs <u>6/-</u> -----	866	1,061	1,422	846	1,045	1,428	784	983	1,095	793	937	1,346	698	893	1,016
Homeowner costs <u>7/-</u> -----	751	919	1,202	723	837	1,137	662	796	1,019	612	747	994	573	697	956
Housefurnishings-----	88	180	319	90	185	353	93	200	365	93	201	363	62	152	243
Household operations-----	151	347	532	150	330	513	149	318	493	159	309	501	144	224	388
Transportation: Total <u>8/-</u> -----	228	411	698	232	419	716	242	436	758	230	432	746	240	382	617
Automobile owners-----	459	615	698	467	628	716	482	652	758	461	645	746	428	554	617
Nonowners of automobiles-----	39	104	-----	41	106	-----	46	111	-----	41	113	-----	11	17	-----
Clothing <u>9/-</u> -----	144	249	393	146	249	390	134	235	373	135	236	373	134	234	403
Husband-----	57	96	138	60	98	142	54	94	138	55	95	140	64	103	173
Wife-----	56	108	190	55	106	184	51	99	175	51	100	175	47	96	180
Clothing materials and services-----	31	45	65	31	45	64	29	42	60	29	41	58	23	35	50
Personal care-----	80	115	168	82	117	172	81	115	169	79	114	166	90	136	192
Medical care: Total-----	287	289	292	276	279	281	287	289	292	286	288	291	275	278	281
Out-of-pocket Medicare costs <u>10/-</u> -----	171	171	171	170	170	170	172	172	172	171	171	171	167	167	167
All other medical care-----	116	118	121	106	109	111	115	117	120	115	117	120	108	111	114
Other family consumption-----	132	223	473	133	231	481	122	209	438	128	220	462	94	167	348
Reading-----	49	56	65	46	53	62	41	48	57	40	47	56	46	57	72
Recreation <u>9/-</u> -----	40	84	275	41	86	269	38	80	251	43	89	269	24	63	183
Tobacco <u>11/-</u> -----	10	17	39	10	18	44	10	18	41	10	17	40	11	20	49
Alcoholic beverages-----	25	51	67	28	59	79	25	48	63	27	53	70	6	14	21
Miscellaneous expenses-----	8	15	27	8	15	27	8	15	26	8	14	27	7	13	23
Cost of family consumption: Total <u>12/-</u> -----	2,675	3,798	5,460	2,656	3,734	5,430	2,639	3,736	5,317	2,593	3,632	5,299	2,450	3,342	4,726
Renter families-----	2,744	3,890	5,614	2,730	3,869	5,634	2,712	3,858	5,370	2,702	3,755	5,545	2,525	3,469	4,768
Homeowner families-----	2,629	3,748	5,394	2,607	3,661	5,343	2,590	3,671	5,294	2,521	3,565	5,193	2,400	3,273	4,708
Other costs-----	120	242	479	119	238	476	118	238	468	116	231	482	110	213	424
Gifts and contributions-----	120	242	408	119	238	405	118	238	397	116	231	411	110	213	353
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total <u>12/-</u> -----	-----	-----	366	-----	-----	320	-----	-----	246	-----	-----	244	-----	-----	115
Renter families-----	-----	-----	403	-----	-----	371	-----	-----	256	-----	-----	295	-----	-----	122
Homeowner families-----	-----	-----	351	-----	-----	299	-----	-----	241	-----	-----	223	-----	-----	112
Cost of budget: Total <u>12/-</u> -----	2,795	4,040	6,305	2,775	3,972	6,226	2,757	3,974	6,031	2,709	3,863	6,025	2,560	3,555	5,265
Renter families-----	2,864	4,132	6,496	2,849	4,107	6,481	2,830	4,096	6,094	2,818	3,986	6,322	2,635	3,682	5,314
Homeowner families-----	2,749	3,990	6,224	2,726	3,899	6,118	2,708	3,909	6,003	2,637	3,796	5,898	2,510	3,486	5,244

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	S o u t h											
	Atlanta, Ga.			Austin, Tex.			Baltimore, Md.			Baton Rouge, La.		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 738	\$ 995	\$ 1,224	\$ 733	\$ 972	\$ 1,188	\$ 729	\$ 981	\$ 1,231	\$ 742	\$ 995	\$ 1,274
Food at home-----	683	887	1,060	687	882	1,053	678	882	1,061	691	893	1,120
Food away from home-----	55	108	164	46	90	135	51	99	170	51	102	154
Housing: Total 4/-----	752	1,103	1,689	787	1,155	1,758	896	1,276	2,057	714	1,030	1,668
Renter families 4/-----	856	1,314	2,093	918	1,382	2,063	1,016	1,519	2,217	834	1,197	1,960
Homeowner families 4/-----	683	989	1,516	699	1,032	1,628	816	1,145	1,988	634	940	1,543
Shelter 5/-----	489	597	788	545	678	905	641	738	1,085	476	569	831
Rental costs 6/-----	593	808	1,192	676	905	1,210	761	981	1,245	596	736	1,123
Homeowner costs 7/-----	420	483	615	457	555	775	561	607	1,016	396	479	706
Housefurnishings-----	90	196	363	84	184	337	96	203	397	93	205	376
Household operations-----	173	310	485	158	293	463	159	335	522	145	256	408
Transportation: Total 8/-----	221	403	689	220	405	727	238	421	709	239	436	764
Automobile owners-----	432	596	689	449	610	727	480	633	709	482	656	764
Nonowners of automobiles-----	48	113	-----	34	99	-----	38	103	-----	41	106	-----
Clothing 9/-----	124	222	352	119	212	338	130	230	361	125	212	335
Husband-----	49	88	137	45	80	126	53	91	140	52	81	126
Wife-----	51	99	162	48	93	152	53	102	165	48	94	153
Clothing materials and services-----	24	35	53	26	39	60	24	37	56	25	37	56
Personal care-----	86	126	183	75	108	157	84	127	176	81	117	170
Medical care: Total-----	292	294	297	295	297	299	293	295	298	285	287	289
Out-of-pocket Medicare costs 10/-----	172	172	172	172	172	172	171	171	171	172	172	172
All other medical care-----	120	122	125	123	125	127	122	124	127	113	115	117
Other family consumption-----	143	235	474	127	211	473	134	224	482	132	217	483
Reading-----	44	51	60	38	45	54	44	51	60	44	51	60
Recreation 9/-----	39	84	260	39	84	281	39	84	272	38	82	284
Tobacco 11/-----	12	16	38	14	18	44	14	19	47	13	17	41
Alcoholic beverages-----	41	71	92	29	51	69	29	56	77	30	54	73
Miscellaneous expenses-----	7	13	24	7	13	25	8	14	26	7	13	25
Cost of family consumption: Total 12/-----	2,356	3,378	4,908	2,356	3,360	4,940	2,504	3,554	5,314	2,318	3,294	4,983
Renter families-----	2,460	3,589	5,312	2,487	3,587	5,245	2,624	3,797	5,474	2,438	3,461	5,275
Homeowner families-----	2,287	3,264	4,735	2,268	3,237	4,810	2,424	3,423	5,245	2,238	3,204	4,858
Other costs-----	106	215	437	106	214	440	112	227	468	104	210	443
Gifts and contributions-----	106	215	366	106	214	369	112	227	397	104	210	372
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-----	-----	-----	130	-----	-----	135	-----	-----	230	-----	-----	143
Renter families-----	-----	-----	199	-----	-----	187	-----	-----	264	-----	-----	194
Homeowner families-----	-----	-----	100	-----	-----	112	-----	-----	216	-----	-----	121
Cost of budget: Total 12/-----	2,462	3,593	5,475	2,462	3,574	5,515	2,616	3,781	6,012	2,422	3,504	5,569
Renter families-----	2,566	3,804	5,948	2,593	3,801	5,872	2,736	4,024	6,206	2,542	3,671	5,912
Homeowner families-----	2,393	3,479	5,272	2,374	3,451	5,362	2,536	3,650	5,929	2,342	3,414	5,422

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	S o u t h											
	Dallas, Tex.			Durham, N.C.			Houston, Tex.			Nashville, Tenn.		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 725	\$ 978	\$ 1,226	\$ 713	\$ 952	\$ 1,169	\$ 745	\$ 1,003	\$ 1,243	\$ 710	\$ 949	\$ 1,161
Food at home-----	675	871	1,045	670	868	1,041	688	889	1,063	664	861	1,030
Food away from home-----	50	107	181	43	84	128	57	114	180	46	88	131
Housing: Total 4/-----	813	1,188	2,010	893	1,249	1,774	798	1,170	2,019	857	1,254	1,932
Renter families 4/-----	875	1,334	2,618	973	1,371	1,917	877	1,286	2,652	894	1,387	2,163
Homeowner families 4/-----	771	1,110	1,749	840	1,183	1,712	745	1,107	1,747	833	1,183	1,832
Shelter 5/-----	574	710	1,149	651	776	908	549	674	1,123	600	752	1,027
Rental costs 6/-----	636	856	1,757	731	898	1,051	628	790	1,756	637	885	1,258
Homeowner costs 7/-----	532	632	888	598	710	846	496	611	851	576	681	927
Housefurnishings-----	83	184	344	90	195	374	89	194	367	91	198	376
Household operations-----	156	294	464	152	278	439	160	302	476	166	304	476
Transportation: Total 8/-----	228	411	731	218	404	708	246	440	780	222	408	720
Automobile owners-----	458	616	731	444	606	708	493	657	780	445	610	720
Nonowners of automobiles-----	39	104	-----	34	99	-----	44	114	-----	40	105	-----
Clothing 9/-----	122	218	346	128	228	358	115	206	327	131	234	369
Husband-----	46	83	130	51	90	138	45	81	127	52	91	140
Wife-----	50	96	158	50	98	159	45	88	144	54	105	171
Clothing materials and services-----	26	39	58	27	40	61	25	37	56	25	38	58
Personal care-----	80	117	171	77	111	160	83	120	174	78	113	162
Medical care: Total-----	302	304	306	287	289	291	302	304	306	291	293	295
Out-of-pocket Medicare costs 10/-----	172	172	172	171	171	171	172	172	172	170	170	170
All other medical care-----	130	132	134	116	118	120	130	132	134	121	123	125
Other family consumption-----	133	220	494	128	214	472	133	216	471	138	229	471
Reading-----	40	47	56	40	47	56	43	50	59	43	50	59
Recreation 9/-----	41	85	284	39	83	281	39	82	270	39	83	260
Tobacco 11/-----	13	18	52	11	15	37	15	19	47	12	17	40
Alcoholic beverages-----	32	56	76	31	55	73	29	51	69	37	65	87
Miscellaneous expenses-----	7	14	26	7	14	25	7	14	26	7	14	25
Cost of family consumption: Total 12/-----	2,403	3,436	5,284	2,444	3,447	4,932	2,422	3,459	5,320	2,427	3,480	5,110
Renter families-----	2,465	3,582	5,892	2,524	3,569	5,075	2,501	3,575	5,953	2,464	3,613	5,341
Homeowner families-----	2,361	3,358	5,023	2,391	3,381	4,870	2,369	3,396	5,048	2,403	3,409	5,010
Other costs-----	108	219	465	110	220	439	109	220	468	109	222	452
Gifts and contributions-----	108	219	394	110	220	368	109	220	397	109	222	381
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/-----	-----	-----	200	-----	-----	189	-----	-----	207	-----	-----	166
Renter families-----	-----	-----	307	-----	-----	220	-----	-----	320	-----	-----	207
Homeowner families-----	-----	-----	153	-----	-----	176	-----	-----	158	-----	-----	149
Cost of budget: Total 12/-----	2,511	3,655	5,949	2,554	3,667	5,560	2,531	3,679	5,995	2,536	3,702	5,728
Renter families-----	2,573	3,801	6,664	2,634	3,789	5,734	2,610	3,795	6,741	2,573	3,835	6,000
Homeowner families-----	2,469	3,577	5,641	2,501	3,601	5,485	2,478	3,616	5,674	2,512	3,631	5,611

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	S o u t h								
	Orlando, Fla.			Washington, D.C.-Md.-Va.			Nonmetropolitan areas		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food-----	\$ 706	\$ 941	\$ 1,170	\$ 775	\$ 1,045	\$ 1,282	\$ 732	\$ 964	\$ 1,177
Food at home-----	658	851	1,022	724	946	1,132	672	873	1,047
Food away from home-----	48	90	148	51	99	150	60	91	130
Housing: Total <u>4</u> /-----	925	1,273	1,873	1,015	1,393	2,137	692	912	1,410
Renter families <u>4</u> /-----	1,133	1,572	2,059	1,227	1,626	2,438	717	979	1,635
Homeowner families <u>4</u> /-----	787	1,112	1,793	874	1,268	2,008	675	876	1,314
Shelter <u>5</u> /-----	673	786	980	772	849	1,178	487	564	754
Rental costs <u>6</u> /-----	881	1,085	1,166	984	1,082	1,479	512	631	979
Homeowner costs <u>7</u> /-----	535	625	900	631	724	1,049	470	528	658
Housefurnishings-----	92	198	372	92	190	379	59	147	244
Household operations-----	160	289	468	151	354	527	146	201	359
Transportation: Total <u>8</u> /-----	213	396	692	243	431	725	246	395	642
Automobile owners-----	428	591	692	484	642	725	439	573	642
Nonowners of automobiles-----	38	104	---	45	116	---	10	16	---
Clothing <u>9</u> /-----	123	218	344	132	234	368	107	190	356
Husband-----	48	85	132	51	89	137	49	84	158
Wife-----	47	93	152	54	104	168	39	76	153
Clothing materials and services-----	28	40	60	27	41	63	19	30	45
Personal care-----	75	110	158	89	136	200	81	121	171
Medical care: Total-----	290	292	294	291	294	296	280	282	284
Out-of-pocket Medicare care <u>10</u> /-----	173	173	173	173	173	173	167	167	167
All other medical care-----	117	119	121	118	121	123	113	115	117
Other family consumption-----	130	218	469	137	223	485	96	165	348
Reading-----	42	48	58	45	52	62	46	56	72
Recreation <u>9</u> /-----	39	82	269	41	86	280	23	64	186
Tobacco <u>11</u> /-----	12	16	40	14	18	47	14	19	47
Alcoholic beverages-----	30	58	77	29	52	69	6	14	21
Miscellaneous expenses-----	7	14	25	8	15	27	7	12	22
Cost of family consumption: Total <u>12</u> /-----	2,462	3,448	5,000	2,682	3,756	5,493	2,234	3,029	4,388
Renter families-----	2,670	3,747	5,186	2,894	3,989	5,794	2,259	3,096	4,613
Homeowner families-----	2,324	3,287	4,920	2,541	3,631	5,364	2,217	2,993	4,292
Other costs-----	110	220	444	120	239	477	100	193	399
Gifts and contributions-----	110	220	373	120	239	406	100	193	328
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total <u>12</u> /-----	-----	-----	146	-----	-----	270	-----	-----	40
Renter families-----	-----	-----	178	-----	-----	334	-----	-----	77
Homeowner families-----	-----	-----	131	-----	-----	243	-----	-----	23
Cost of budget: Total <u>12</u> /-----	2,572	3,668	5,590	2,802	3,995	6,240	2,334	3,222	4,827
Renter families-----	2,780	3,967	5,808	3,014	4,228	6,605	2,359	3,289	5,089
Homeowner families-----	2,434	3,507	5,495	2,661	3,870	6,084	2,317	3,186	4,714

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	W E S T											
	Bakersfield, Calif.			Denver, Colo.			Honolulu, Hawaii			Los Angeles- Long Beach, Calif.		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food -----	\$ 781	\$1,001	\$1,232	\$ 797	\$1,035	\$1,324	\$ 985	\$1,267	\$1,594	\$ 781	\$1,017	\$1,269
Food at home-----	729	955	1,091	745	930	1,125	934	1,153	1,383	725	898	1,086
Food away from home-----	52	96	141	52	105	199	51	114	211	56	119	183
Housing: Total <u>4/</u> -----	854	1,267	1,983	922	1,318	2,100	1,066	1,530	2,436	971	1,389	2,301
Renter families <u>4/</u> -----	918	1,400	2,243	935	1,425	2,444	1,411	2,023	3,122	1,146	1,633	3,048
Homeowner families <u>4/</u> -----	811	1,196	1,872	913	1,260	1,953	836	1,264	2,142	855	1,258	1,981
Shelter <u>5/</u> -----	612	765	1,049	671	795	1,150	762	939	1,344	739	870	1,356
Rental costs <u>6/</u> -----	676	898	1,309	684	902	1,494	1,107	1,432	2,030	914	1,114	2,103
Homeowner costs <u>7/</u> -----	569	694	938	662	737	1,003	532	673	1,050	623	739	1,036
Housefurnishings -----	96	213	415	92	197	387	103	220	461	96	213	409
Household operations -----	146	289	466	159	326	510	201	371	578	136	306	483
Transportation: Total <u>8/</u> -----	243	431	774	225	419	710	272	476	815	243	430	758
Automobile owners-----	488	646	774	448	627	710	554	722	815	492	648	758
Nonowners of automobiles-----	43	108	-----	42	108	-----	42	107	-----	39	104	-----
Clothing <u>9/</u> -----	134	234	350	146	249	366	130	228	341	137	241	360
Husband-----	54	90	133	63	100	144	54	88	129	53	88	130
Wife-----	51	101	152	54	105	157	49	99	150	52	104	156
Clothing materials and services--	29	43	65	29	44	65	27	41	62	32	49	74
Personal care -----	82	121	176	84	123	180	85	124	180	89	130	191
Medical care: Total -----	318	321	324	296	300	293	293	295	298	339	342	344
Out-of-pocket Medicare costs <u>10/</u> --	173	173	173	171	171	171	173	173	173	178	178	178
All other medical care -----	145	148	151	125	126	129	120	122	125	161	164	166
Other family consumption -----	124	211	468	124	213	464	145	244	540	137	229	483
Reading-----	35	42	51	38	45	54	44	52	61	46	53	62
Recreation <u>9/</u> -----	39	82	282	40	83	279	42	88	317	43	90	286
Tobacco <u>11/</u> -----	11	17	35	10	17	34	15	24	49	10	16	33
Alcoholic beverages-----	31	56	74	28	53	70	35	63	82	30	55	74
Miscellaneous expenses-----	8	14	26	8	15	27	9	17	31	8	15	28
Cost of family consumption: Total <u>12/</u> --	2,536	3,586	5,307	2,594	3,654	5,444	2,976	4,164	6,204	2,697	3,778	5,706
Renter families -----	2,600	3,719	5,567	2,607	3,761	5,788	3,321	4,657	6,890	2,872	4,022	6,453
Homeowner families -----	2,493	3,515	5,196	2,585	3,596	5,297	2,746	3,898	5,910	2,581	3,647	5,386
Other costs -----	114	229	467	116	233	477	134	265	534	121	241	497
Gifts and contributions-----	114	229	396	116	233	406	134	265	463	121	241	426
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total <u>12/</u> -----	-----	-----	204	-----	-----	233	-----	-----	481	-----	-----	284
Renter families -----	-----	-----	249	-----	-----	300	-----	-----	648	-----	-----	427
Homeowner families -----	-----	-----	184	-----	-----	204	-----	-----	409	-----	-----	222
Cost of budget: Total <u>12/</u> -----	2,650	3,815	5,978	2,710	3,887	6,154	3,110	4,429	7,219	2,818	4,019	6,487
Renter families -----	2,714	3,948	6,283	2,723	3,994	6,565	3,455	4,922	8,072	2,993	4,263	7,377
Homeowner families -----	2,607	3,744	5,847	2,701	3,829	5,978	2,880	4,163	6,853	2,702	3,888	6,105

See footnotes on p. 23.

Table 1. Annual costs of budgets at 3 levels, for a retired couple, 1/ urban United States, 39 metropolitan areas and 4 nonmetropolitan regions, Spring 1967--Continued

Item	W E S T											
	San Diego, Calif.			San Francisco- Oakland, Calif.			Seattle- Everett, Wash.			Nonmetropolitan areas		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food -----	\$ 763	\$ 995	\$1,230	\$ 816	\$1,068	\$1,341	\$ 851	\$1,107	\$1,367	\$ 819	\$1,039	\$1,285
Food at home-----	710	876	1,056	760	946	1,142	793	980	1,182	759	944	1,140
Food away from home-----	53	119	174	56	122	199	58	127	185	60	95	145
Housing: Total 4/ -----	948	1,310	2,147	1,016	1,448	2,205	1,051	1,522	2,192	881	1,159	1,714
Renter families 4/ -----	1,048	1,458	2,505	1,152	1,680	2,484	1,182	1,733	2,385	912	1,277	1,940
Homeowner families 4/ -----	881	1,231	1,994	925	1,324	2,086	964	1,408	2,109	861	1,096	1,617
Shelter 3/ -----	708	810	1,216	774	915	1,232	787	942	1,177	663	772	982
Rental costs 6/ -----	808	958	1,574	910	1,147	1,511	918	1,153	1,370	694	890	1,208
Homeowner costs 7/ -----	641	731	1,063	683	791	1,113	700	828	1,094	643	709	885
Housefurnishings -----	99	211	413	101	214	419	92	202	382	68	161	276
Household operations -----	141	289	465	141	319	501	172	378	580	150	226	403
Transportation: Total 8/ -----	238	419	732	259	455	796	257	458	793	264	407	660
Automobile owners -----	471	624	732	531	690	796	516	690	793	464	587	660
Nonowners of automobiles-----	47	113	-----	37	102	-----	44	109	-----	19	25	-----
Clothing 9/ -----	128	225	336	146	253	376	148	254	376	133	232	391
Husband-----	50	83	124	57	94	138	59	95	138	64	104	172
Wife-----	51	101	151	54	106	159	55	108	162	46	91	165
Clothing materials and services---	27	41	61	35	53	79	34	51	76	23	37	54
Personal care -----	80	117	171	98	144	212	91	131	192	94	144	206
Medical care: Total -----	325	328	332	324	327	330	309	311	314	292	294	296
Out-of-pocket Medicare costs 10/--	175	175	175	176	176	176	173	173	173	169	169	169
All other medical care-----	150	153	157	148	151	154	136	138	141	123	125	127
Other family consumption -----	137	228	477	141	236	491	136	234	483	104	177	357
Reading-----	47	55	64	47	54	63	43	50	60	55	67	84
Recreation 9/-----	41	86	278	45	93	291	41	86	272	24	66	194
Tobacco 11/-----	11	17	34	11	17	34	13	22	44	11	18	36
Alcoholic beverages-----	30	56	74	30	56	74	30	60	79	6	12	19
Miscellaneous expenses-----	8	14	27	8	16	29	9	16	28	8	14	24
Cost of family consumption: Total 12/--	2,619	3,622	5,425	2,800	3,931	5,751	2,843	4,017	5,717	2,587	3,452	4,909
Renter families -----	2,719	3,770	5,783	2,936	4,163	6,030	2,974	4,228	5,910	2,618	3,570	5,135
Homeowner families -----	2,552	3,543	5,272	2,709	3,807	5,632	2,756	3,903	5,634	2,567	3,389	4,812
Other costs -----	117	231	476	126	251	500	128	256	498	116	220	437
Gifts and contributions-----	117	231	405	126	251	429	128	256	427	116	220	366
Life insurance-----	-----	-----	71	-----	-----	71	-----	-----	71	-----	-----	71
Personal taxes: Total 12/ -----	-----	-----	226	-----	-----	289	-----	-----	282	-----	-----	173
Renter families -----	-----	-----	289	-----	-----	340	-----	-----	317	-----	-----	222
Homeowner families -----	-----	-----	199	-----	-----	267	-----	-----	267	-----	-----	152
Cost of budget: Total 12/ -----	2,736	3,853	6,127	2,926	4,182	6,540	2,971	4,273	6,497	2,703	3,672	5,519
Renter families -----	2,836	4,001	6,548	3,062	4,414	6,870	3,102	4,484	6,725	2,734	3,790	5,794
Homeowner families -----	2,669	3,774	5,947	2,835	4,058	6,399	2,884	4,159	6,399	2,683	3,609	5,401

See footnotes on p. 23.

Footnotes:

- 1/ The family consists of a retired husband and wife, age 65 years or over.
- 2/ For a detailed description, see the 1967 edition of the Standard Metropolitan Statistical Areas, prepared by the Bureau of the Budget.
- 3/ Places with population of 2,500 to 50,000.
- 4/ The higher budget costs include \$53 for lodging away from home city. This cost is not shown separately or included in any of the housing subgroups.
- 5/ The average cost of shelter is weighted by the following proportions: Lower budget 40 percent for renters, 60 percent for homeowners; intermediate budget, 35 percent for renters, 65 percent for homeowners; higher budget 30 percent for renters, 70 percent for homeowners.
- 6/ Average contract rent plus the cost of required amounts of heating fuel, gas, electricity, water, specified equipment, and insurance on household contents.
- 7/ Taxes, insurance on house and contents, water, refuse disposal, heating fuel, gas, electricity, specified equipment and home repair and maintenance costs.
- 8/ The average costs to automobile owners and nonowners in the lower budget are weighted by the following proportions of families: New York, Boston, Chicago and Philadelphia, 100 percent for nonowners; all other metropolitan areas, 45 percent for automobile owners, 55 percent for nonowners; nonmetropolitan areas, 55 percent for owners, 45 percent for nonowners. The intermediate budget proportions are: New York, 25 percent for owners, 75 percent for nonowners; Boston, Philadelphia and Chicago, 40 percent for owners, 60 percent for nonowners; all other metropolitan areas, 60 percent for owners, 40 percent for nonowners, nonmetropolitan areas, 68 percent for owners, and 32 percent for nonowners. The higher budget proportions are: New York, Boston, Philadelphia and Chicago, 75 percent for owners, 25 percent for nonowners, all other areas, 100 percent for automobile owners. Intermediate budget costs for automobile owners in autumn 1966 were revised prior to updating to spring 1967 cost levels.
- 9/ The autumn 1966 costs in the intermediate budget were revised prior to updating to spring 1967 costs.
- 10/ Annual medical insurance premium plus estimated average cost of deductible and coinsurance features.
- 11/ Cigarette costs were deleted from the intermediate budget beginning with spring 1967 pricing period.
- 12/ The total represents the weighted average costs of renter and homeowner families. See the weights cited in footnote 5.

NOTE: See appendix A for items and quantities included in each component and appendix C for the population weights for each city. Because of rounding, sums of individual items may not equal totals.

Chapter III. Comparative Living Cost Indexes

To answer the question, "How much more does it cost a retired couple to live in one community than in another?" detailed information on differences in total living costs rather than simply differences in price levels¹³ among communities, is needed. Although no single measure of intercity differences in living costs will serve all purposes, the budget approach makes a significant contribution, in two respects, to the problems of measuring "true cost-of-living differences." In the first place, this method of comparison makes it possible to hold constant the age, size, and composition of the family. Thus, variations in requirements associated with family needs are not confused with locality differences. Second, the level and manner of living represented by the budget can be held constant for each city in the comparison, even though the cities may be quite different with respect to their actual average levels of living, expenditure distributions, or preference patterns. At the same time differences in the conditions of living in each locality over which individual families have no control, e.g., climate, transportation facilities, taxes, etc., can be reflected in the comparisons. Therefore, the budget-based indexes are measures of differences in living costs and not differences in prices only.¹⁴

Indexes for Three Budget Levels

The new budgets provide a wide variety of comparative living cost indexes for total budget costs and for the major categories of consumer goods and services. For the first time, measures are available to determine the range in living costs for a retired couple at low, intermediate, and higher levels of living (tables 2, 3, and 4, respectively). All indexes relate to costs for families established in the areas. They do not measure differences in costs associated with moving from one area to another, or costs for recent in-migrants. Within each budget, the intercity indexes reflect differences among areas in price levels, climatic or regional differences in the quantities and types of items required to provide the specified level of living, and—in the higher level budget—differences in State and local taxes.

Not unexpectedly, the range in total budget costs is more narrow at a lower level of living, and widens as the content of the budget rises. Costs were lowest in non-metropolitan areas in the South for all three budgets.

Metropolitan areas in the West were the most expensive at the lower level, but this rank shifted to large cities in the Northeast for intermediate and higher levels of living. The range from low to high total budget costs was 19 percentage points at the lower, 25 points at the intermediate, and 31 points at the higher level of living. (See table on page 25.)

Area Variations in Living Costs

The annual total for the lower budget in spring 1967 amounted to \$3,111 in Honolulu and \$2,335 in small Southern cities. In relative terms, when U.S. urban average costs equals 100, the range is from 87 to 116, or 29

^{13/} It is frequently assumed that the BLS Consumer Price Indexes for 23 metropolitan areas can be used for this purpose, but this is not the case. These individual area indexes are not based on a uniform "market basket" of goods and services, but on the particular "market basket," or pattern of expenditures of wage- and clerical-worker families, in each area. Like the U.S. urban CPI, each city index is designed to measure changes in price levels over time; and the index weights for the city remain constant over time, except for major revision periods. In the absence of a common set of weights, the Consumer Price Indexes for individual cities cannot be used to measure differences in price levels among the cities.

^{14/} Central to the the economic theory of a "true cost-of-living index" is the assumption that consumers substitute commodities for each other in response to changes in relative prices. This assumption was not dealt with explicitly in the construction of the budgets, but it is implicit in the interarea variations in weights which reflect differences in living conditions in each locality. At any given point in time, therefore, observed differences in budget costs among areas provide the *best currently available* approximation of "true cost-of-living differences."

Costs of the new budgets based on direct pricing have been calculated only for one period, namely spring 1967. Over relatively short periods (for example 2 or 3 years), the Bureau plans to hold budget quantities constant. This practice will impose an additional limitation on the budgets as measures of the "true cost of living." On the other hand, it is not planned, within any one geographical area, to "match" outlets or items priced for the budgets from time to time, or to "link out" of the calculations for an area the price changes resulting from changes in quality. (Both of these procedures are required in the calculation of the Consumer Price Index to maintain its purity as a measure of price change only.) Therefore, in this respect also, the budgets will provide the *best currently available* approximation of "true cost-of-living differences" over time for separate metropolitan areas. The Bureau fully recognizes, however, that much additional research is needed to refine the measurement of "true cost-of-living differences" both over time and among areas.

Comparative living costs indexes for three budget levels, spring 1967^{1/}

Region and size of area	Budget level		
	Lower ^{2/}	Inter- medi- ate ^{3/}	Higher ^{4/}
Urban United States.....	100	100	100
Metropolitan areas.....	102	104	105
Nonmetropolitan areas.....	93	89	85
Northeast.....	105	108	110
Metropolitan areas.....	105	109	111
Nonmetropolitan areas.....	104	99	95
North Central.....	100	99	99
Metropolitan areas.....	102	102	103
Nonmetropolitan areas.....	96	92	87
South.....	92	90	88
Metropolitan areas.....	95	95	95
Nonmetropolitan areas.....	87	84	80
West.....	105	103	103
Metropolitan areas.....	106	105	106
Nonmetropolitan areas.....	101	95	91

^{1/} Indexes calculated from costs of budget for a retired couple. (U.S. urban average total budget cost for each standard = 100.)

^{2/} Weighted average cost for homeowner (60 percent) and renter (40 percent) families.

^{3/} Weighted average cost for homeowner (65 percent) and renter (35 percent) families.

^{4/} Weighted average cost for homeowner (70 percent) and renter (30 percent) families.

percentage points. These same cities were also at the extremes of budget costs in the intermediate and higher budgets. The annual budget in Honolulu cost \$4,429 and \$7,219 at these levels, and in small Southern cities, \$3,222 and \$4,827. The range in percentage points widened in the more liberal budgets to 31 in the intermediate and 40 in the higher.

Honolulu's consumption costs were higher than costs in mainland cities in the lower and intermediate budgets, but Boston was first at the higher level. Higher income tax rates in Honolulu were responsible for raising the total budget cost in Honolulu to the top position in the array of area costs. Food, rental shelter, and transportation were most expensive in Honolulu in the three budgets, but medical care was highest in Los Angeles. Clothing in Portland (Maine), and homeownership in New York were the most expensive items in the lower

and intermediate budgets, and in Boston in the higher budget. The cold climate accounted for the higher cost of clothing in Portland; fuel usage and property tax rates, were mainly responsible for the higher homeowner costs in New York and Boston.

Among mainland areas,¹⁵ total budget costs were highest in Hartford in the lower and intermediate budgets; the average was \$3,022 and \$4,343 at these levels, and in Boston in the higher budget, the average was \$7,199. In relative terms, these cities exceeded the small Southern cities by 26, 29, and 39 percentage points, respectively.

Variations Resulting from Differences in Quantities and Prices

Among the major components of the budgets, the comparisons for foods at home, shelter, transportation, clothing are for an equivalent, not an identical, list of goods and services. Thus, for these components both the quantities (or weights) and prices may vary from city to city. Generally, these components, especially shelter and transportation, contributed most to the intercity differences in total consumption costs.

Differences among the budget cities in the cost of food resulted not only from variations in prices, but also from differences in consumption patterns for food at home. At each of the three budget levels, the same U.S. Department of Agriculture food plan allowances for food at home were used for all cities throughout the country, but city costs within each of the four regions reflected regional consumption patterns. (See page 8.) Moreover, as noted earlier, the consumption patterns within each region varied by budget levels.

The highest and lowest regional food costs followed the same pattern in all three budgets. The Northeast had the highest average costs, and with one exception (food away from home in the low budget) the South had the lowest, as shown by the indexes on page 26.

Among metropolitan areas, lower budget food costs were highest in the Northeast—Hartford for food at home, and Buffalo for food away from home. Food at home was lowest in Orlando, which, with an index of 90 (U.S. urban average = 100) was 19 percentage points below Hartford. The range of costs for food away from home was greater: 29 percentage points between Buffalo and Durham, N.C.

^{15/} The subsequent discussion of intercity cost differences is limited to mainland cities.

Regional food costs (U.S. urban average=100)

Area	Lower			Intermediate			Higher		
	Total	Home	Away	Total	Home	Away	Total	Home	Away
U.S. urban -----	100	100	100	100	100	100	100	100	100
Northeast -----	106	106	104	109	108	122	108	106	120
North Central -----	100	101	95	97	99	88	98	99	89
South -----	92	92	98	93	93	86	93	94	84
West -----	101	101	103	99	99	103	101	100	105

Intermediate and higher food budget costs were also largest in two Northeast areas: Hartford for food at home and the New York City area for food away from home. As in the lower budget, Orlando was lowest for food at home. However, for food away from home, in the intermediate budget the low city was Green Bay, Wis., while in the higher budget costs were lowest in Durham, N.C. The range in food-at-home costs in the intermediate and higher budgets (19 and 16 percentage points, respectively), was about the same as the lower budget. But the range of costs for food away from home—65 percentage points in the intermediate and 60 in the higher budget—was considerably wider than in the lower budget. The ranges for food away from home in metropolitan areas reflected much greater variability in restaurant prices in various parts of the country than in the costs of food bought in grocery stores.

The costs of food away from home in nonmetropolitan areas were affected, particularly in the lower budget, by the fact that at all three budget levels the allowances for restaurant dinners are larger for small cities than they are for metropolitan areas. Prices in the small cities were

generally lower than those in larger areas, but the differences were not large.

In all three budgets, differences in food-at-home costs within each region reflecting only differences in prices, were greatest in the West, where the spread between high-cost Seattle and low-cost San Diego ran from \$83 in the lower budget to \$125 in the higher budget. The South had the smallest differences in the lower and intermediate budgets, with the Northeast showing the least spread in the higher budgets. (The Washington, D.C. metropolitan area was not included in the South for this comparison, since its costs reflect not the regional, but the U.S. urban consumption patterns.)

Shelter is a primary factor in determining the relative position of an area on a scale of living costs. Shelter costs were considerably higher in large metropolitan areas than in medium-sized or small cities for both renters and homeowners at low, intermediate, and higher levels of living. (See table below.)¹⁶

^{16/} For a detailed discussion, see p. 37.

Comparative indexes of shelter costs, spring 1967 (U.S. urban average costs of each budget=100)

Areas	Total shelter			Renters			Homeowners		
	Lower ^{1/}	Inter-mediate ^{2/}	Higher ^{3/}	Lower	Inter-mediate	Higher	Lower	Inter-mediate	Higher
Large metropolitan areas (1 million or more population) ..	109	110	114	107	109	116	110	111	112
Other metropolitan areas (50,000 to 1 million) -----	99	98	95	102	101	94	96	97	96
Nonmetropolitan areas (2,500 to 50,000) -----	82	81	75	82	81	71	82	80	77

^{1/} Renter (40 percent) and homeowner (60 percent) families.

^{2/} Renter (35 percent) and homeowner (65 percent) families.

^{3/} Renter (30 percent) and homeowner (70 percent) families.

Regionally, among large metropolitan areas total shelter costs in the Northeast were substantially higher than those in all other parts of the country. In medium-sized cities (population 50,000 to 1 million), shelter was again more expensive in the Northeast than in any other region in the lower and intermediate budgets, but the North Central region had higher costs at the higher level.

The range in total shelter costs was 60 percentage points in the lower budget, and 68 and 90 points in the intermediate and higher budgets. Renter costs averaged higher than homeowner costs; but, in the lower budget, homeownership was more expensive in most cities of the Northeast. These cost differences occurred in spite of the smaller-size housing units occupied by renter families. Rental units consist of 2 or 3 rooms, 1 bath (1 or more for higher budget); homeowner units have 5 or 6 rooms, 1 or 1½ baths (1 or more for higher budget). However, many of the rental units are located in multi-unit structures which provide more services (garbage and trash removal, yard maintenance, etc.) than homeowner families enjoy. Rental costs were highest in the low, intermediate, and higher budgets in Washington, D.C., Cleveland, and Los Angeles, respectively; and lowest at each level in the small Southern cities. The availability of housing units and the choices afforded the renter undoubtedly affected the retired couples' living costs in each city. Homeowner costs were highest in New York in the lower and intermediate budgets, and in Boston in the higher budget. At the other end of the scale, homeownership was least expensive in Baton Rouge in the lower and intermediate budgets, and in Atlanta in the higher budget. Costs of operating the mortgage-free home include insurance, taxes, repair and replacement expenses, fuel and utilities. The higher cost of homeownership in the Northeast is primarily due to relatively high fuel costs and property taxes.

Relative costs for the *transportation* component were influenced by both the pattern of automobile ownership specified for each budget and differences in prices. In the lower budget, cost indexes ranged from a high of 138 in small cities in the West to 17 in the New York area, or 121 percentage points. Because public transportation facilities are not as readily available in some areas as in others, an automobile was specified for about half the families in small cities, but for none of the families in the New York area. At the intermediate level, where automobile ownership was higher, the intercity cost differential was 55 percentage points, from a high of 120 in Seattle (with 60 percent ownership) to a low of 65 in New York (with 25 percent ownership). In the higher budget, where all families except those in the four largest metropolitan areas were assumed to own cars, the

range was only 30 percentage points, from a high of 117 in San Francisco to a low of 87 in Philadelphia.

Costs for automobile owners were highest in San Francisco in the lower budget, and in Boston for the intermediate and higher levels, averaging \$531, \$732, and \$851, respectively. At the other end of the scale, costs in Lancaster, Pa., were \$422 in the lower budget; and costs in small cities in the North Central region were \$554 and \$617 in the intermediate and higher budgets, respectively. The spread of costs among cities averaged about 30 percentage points in the three budgets. Boston, Chicago, New York, and Philadelphia had no ownership costs in the lower budget, because no cars were provided for the retired couple in these cities. In all three budgets, the more densely populated areas showed a pattern of higher costs because of higher insurance rates. Budgets were likewise higher in Honolulu and Western cities, where car prices tended to exceed those in other areas.

For families who did not own automobiles, costs of local public transportation (transit and taxi rides) were the same for the three budgets in each city. Allowances are provided for the higher budget only in the four largest metropolitan areas, because all families in the other areas are assumed to own cars. Local public transportation costs ranged from \$48 in the Kansas City area, to \$10 in the small Northeastern cities.

Since *clothing* costs are affected by variations in the kinds and quantities of clothing required by the climate as well as by differences in prices, they tended to be lowest in the South. Nonmetropolitan areas in the South had the lowest costs—\$107 in the lower budget, and \$190 in the intermediate, or about 20 percentage points below the U.S. urban average. Houston had the lowest costs in the higher budget—\$326 or 12 percent below the average. Both climate and price levels were responsible for the higher cost of clothing in Portland (Maine), Buffalo, and Green Bay—all of which were at the upper end of the cost distribution in the three budgets. Costs in Portland were highest, averaging \$163, \$279, and \$416 at the three budget levels, respectively. These costs are about 20 percent above the U.S. average in the lower and intermediate budgets, but the range narrows to 12 percent in the higher budget.

Variations in Costs Reflecting Price Differences Only

Area differences in the costs of all components of the budgets other than food at home, shelter, transportation, and clothing are attributable to price differences,

because within each budget the items and quantities priced were the same from place to place.

Western cities generally had the highest costs of *personal care* in all three budgets because of the high cost of services. San Francisco exceeded U.S. average costs by about 18 percent. Cincinnati had the lowest costs in the three budgets, \$71, \$103, and \$150, respectively, or about 15 percent below the U.S. averages. Thus, the full range of costs among cities was approximately the same for all budgets.

At all three budget levels, total *medical care* costs were highest in the four California cities, and lowest in Cleveland and small North Central cities. In three regions the majority of the cities had costs below the U.S. urban average—but in the West, only the average cost for small cities was below the U.S. figure. When the U.S. average cost in each budget equaled 100, costs were 115 in Los Angeles and averaged downward by 22 percentage points to 93 in Cleveland.

Out-of-pocket costs under Medicare were the same for the three budgets. With the U.S. average cost of \$172 for all Medicare expenses equaling 100, there was a range of only 6 percentage points between the highest costs in Los Angeles and the lowest in small North Central and Southern cities. The largest cost at the U.S. urban level was an estimated average, \$82, paid by the enrollees under the medical insurance program—a figure which varied from city to city due to differences in the costs of physician visits. The other costs under Medicare were the \$72 premium for medical insurance, and an estimated

average charge of approximately \$18 per couple for hospital services. These last two costs were the same in all cities.

Budget costs for medical and dental services and supplies not covered by Medicare were in sharp contrast to the costs of Medicare services. For prescriptions and drugs, where the allowances were the same at each budget level, there was a 33-percentage point spread between high-cost Bakersfield and low-cost Cleveland. The gap was far wider for the combined costs of dentistry, eye care, and physical checkups—costs which varied slightly between budget levels. Los Angeles had the highest costs at each level, with 76 and 73 percentage points between its costs and the costs in small North Central cities in the lower and intermediate budgets, respectively. Small Northeastern cities were lowest in the higher budget—71 percentage points below Los Angeles.

Recreation cost more in metropolitan areas, where the mode of living associated with the intermediate and higher budgets included more movies, sports events, and organization memberships. Retired couples in small cities subscribed to twice as many newspapers as couples in large cities, but the range in costs of *reading materials* was decreased substantially by the higher price of metropolitan newspapers. More *alcoholic beverages* were provided for families in metropolitan areas, but the intercity differences in cost were determined partly by the State and local taxes on these items.

Table 2. Indexes of comparative costs based on a lower level budget for a retired couple, 1/ Spring 1967

Area	Total budget costs			(U.S. urban average costs=100)									
	Renter and owner combined 2/	Renter families	Homeowner families	Total 2/	Food	Cost of family consumption							
						Housing (shelter, housefurnishings, household operation)				Transportation 7/	Clothing and personal care	Medical care	Other family consumption
						Total 3/	Shelter						
							Renter and owner combined 4/	Renter families 5/	Homeowner families 6/				
Urban United States-----	100	100	100	100	100	100	100	100	100	100	100	100	100
Metropolitan areas 8/-----	102	102	102	102	101	106	106	106	106	90	102	101	108
Nonmetropolitan areas 9/-----	93	93	93	93	97	83	82	82	82	130	95	96	77
Northeast:													
Boston, Mass-----	103	100	106	103	106	118	121	106	132	25	100	99	111
Buffalo, N.Y-----	110	108	112	110	103	116	118	109	125	131	109	100	109
Hartford, Conn-----	113	113	114	113	108	119	126	123	128	131	105	101	115
Lancaster, Pa-----	101	99	103	101	105	98	98	91	103	110	99	98	101
New York-Northeastern N.J-----	105	99	109	105	107	122	127	106	144	17	103	102	111
Philadelphia, Pa.-N.J-----	98	95	100	98	106	105	106	94	114	24	99	98	109
Pittsburgh, Pa-----	100	101	100	100	102	94	93	97	89	120	103	97	112
Portland, Maine-----	104	102	106	104	102	103	101	92	107	113	109	98	119
Nonmetropolitan areas 9/-----	104	104	103	104	105	101	107	108	106	138	100	97	78
North Central:													
Cedar Rapids, Iowa-----	104	105	103	104	99	107	107	111	104	118	105	98	101
Champaign-Urbana, Ill-----	106	107	104	106	101	112	115	120	112	115	100	100	95
Chicago, Ill.-Northwestern Ind-----	100	103	98	100	102	112	114	124	106	22	105	100	104
Cincinnati, Ohio-Ky.-Ind-----	97	98	97	97	99	91	89	91	87	117	94	95	108
Cleveland, Ohio-----	106	108	105	106	99	112	115	120	111	124	104	93	110
Dayton, Ohio-----	101	105	98	101	98	101	100	114	90	115	100	95	105
Detroit, Mich-----	99	104	96	99	102	90	86	105	72	124	105	97	111
Green Bay, Wis-----	100	98	101	100	96	99	97	89	103	116	103	99	101
Indianapolis, Ind-----	107	109	105	107	100	115	117	125	111	119	103	94	110
Kansas City, Mo.-Kans-----	101	103	99	101	101	95	92	101	85	125	102	100	102
Milwaukee, Wis-----	105	105	104	105	97	110	113	115	112	119	103	98	105
Minneapolis-St. Paul, Minn-----	104	105	103	104	98	108	110	112	108	122	105	94	105
St. Louis, Mo.-Ill-----	103	104	103	103	104	102	101	104	99	127	99	98	97
Wichita, Kans-----	101	103	100	101	101	100	97	105	92	121	99	97	102
Nonmetropolitan areas 9/-----	96	97	95	96	100	88	88	92	86	126	103	94	75
South:													
Atlanta, Ga-----	92	94	91	92	94	80	69	78	63	116	97	99	114
Austin, Tex-----	92	95	90	92	93	84	77	89	68	116	89	100	101
Baltimore, Md-----	98	101	96	98	92	95	91	101	84	124	99	100	107
Baton Rouge, La-----	91	93	89	91	94	76	68	79	59	125	95	97	105
Dallas, Tex-----	94	94	94	94	92	87	81	84	80	119	93	103	105
Durham, N.C-----	96	97	95	96	90	95	92	97	89	115	94	98	102
Houston, Tex-----	95	96	94	95	94	85	78	83	74	129	91	103	105
Nashville, Tenn-----	95	94	95	95	90	91	85	84	86	116	96	99	110
Orlando, Fla-----	96	102	92	96	89	99	96	117	80	112	91	99	103
Washington, D.C.-Md.-Va-----	105	111	101	105	98	108	110	130	94	127	102	99	109
Nonmetropolitan areas 9/-----	87	87	88	87	93	74	69	68	70	129	87	95	77
West:													
Bakersfield, Calif-----	99	100	99	99	99	91	87	89	85	128	100	108	98
Denver, Colo-----	101	100	102	101	101	98	95	90	99	118	106	101	99
Honolulu, Hawaii-----	116	127	109	116	125	114	108	146	80	143	99	100	116
Los Angeles-Long Beach, Calif-----	106	110	103	106	99	103	105	121	93	127	104	115	109
San Diego, Calif-----	102	104	101	102	97	101	101	107	96	125	96	110	109
San Francisco-Oakland, Calif-----	110	112	108	110	103	108	110	120	102	136	112	110	112
Seattle-Everett, Wash-----	111	114	109	111	108	112	112	121	105	134	110	105	108
Nonmetropolitan areas 9/-----	101	100	102	101	104	94	94	92	96	138	104	99	83

See footnotes on p. 34.

INDEXES OF COMPARATIVE LIVING COSTS

URBAN RETIRED COUPLE

(lower budget, spring 1967)

U.S. URBAN AVERAGE COSTS = 100

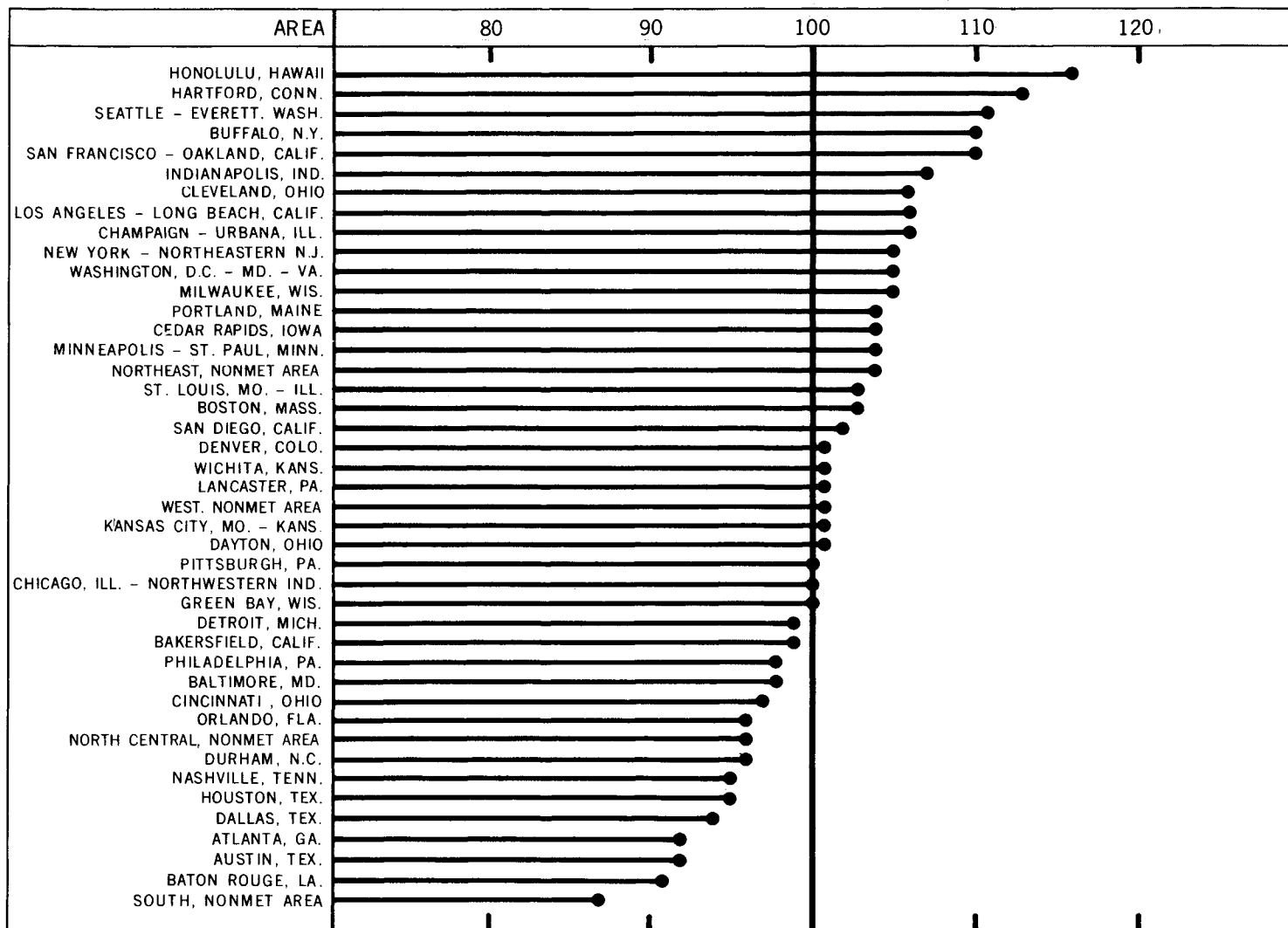


Table 3. Indexes of comparative costs based on an intermediate level budget for a retired couple, 1/ Spring 1967

(U.S. urban average costs=100)

Area	Total budget costs				Cost of family consumption								
	Renter and owner combined 2/	Renter families	Homeowner families	Total 2/	Food	Housing (shelter, housefurnishings, household operations)				Transportation 7/	Clothing and personal care	Medical care	Other family consumption
						Total 3/	Shelter						
							Renter and owner combined 4/	Renter families 5/	Homeowner families 6/				
Urban United States-----	100	100	100	100	100	100	100	100	100	100	100	100	100
Metropolitan areas 8/-----	104	104	104	104	101	107	106	106	107	99	101	101	107
Nonmetropolitan areas 9/-----	89	89	89	89	96	79	81	81	80	103	96	96	78
Northeast:													
Boston, Mass-----	110	108	112	110	109	122	127	113	136	94	99	99	110
Buffalo, N.Y-----	109	107	111	109	104	114	115	106	122	116	108	100	109
Hartford, Conn-----	113	112	113	113	112	117	122	119	124	116	103	101	113
Lancaster, Pa-----	102	101	102	102	108	98	96	93	99	103	98	98	104
New York-Northeastern N.J-----	111	107	113	111	112	126	134	117	146	65	103	102	111
Philadelphia, Pa.-N.J-----	104	101	105	104	107	107	108	97	116	86	98	99	108
Pittsburgh, Pa-----	101	101	100	101	103	96	91	94	89	108	102	97	110
Portland, Maine-----	105	102	106	105	105	103	98	89	105	106	109	98	113
Nonmetropolitan areas 9/-----	99	100	99	99	107	94	105	105	104	107	101	97	79
North Central:													
Cedar Rapids, Iowa-----	104	104	104	104	96	111	109	108	109	107	104	98	104
Champaign-Urbana, Ill-----	105	106	105	105	99	113	117	119	116	104	100	100	100
Chicago, Ill.-Northwestern Ind-----	102	105	101	102	99	109	110	118	104	88	103	100	104
Cincinnati, Ohio-Ky.-Ind-----	98	98	98	98	97	95	90	91	89	105	95	95	107
Cleveland, Ohio-----	105	108	104	105	96	113	116	125	111	110	104	93	107
Dayton, Ohio-----	98	101	97	98	96	97	94	104	88	105	100	96	104
Detroit, Mich-----	100	104	98	100	101	95	85	102	74	111	104	97	109
Green Bay, Wis-----	99	96	101	99	93	100	99	85	108	108	102	99	102
Indianapolis, Ind-----	105	105	105	105	97	113	116	115	116	109	103	94	109
Kansas City, Mo.-Kans-----	101	102	100	101	99	98	91	97	87	113	101	100	105
Milwaukee, Wis-----	105	104	105	105	97	112	114	110	117	107	102	98	104
Minneapolis-St. Paul, Minn-----	103	103	103	103	97	107	107	108	107	110	103	94	108
St. Louis, Mo.-Ill-----	103	103	103	103	102	104	101	102	101	114	98	98	98
Wichita, Kans-----	100	100	100	100	97	99	96	97	95	113	98	97	103
Nonmetropolitan areas 9/-----	92	93	92	92	96	86	90	92	89	100	104	94	78
South:													
Atlanta, Ga-----	93	96	92	93	95	83	70	83	62	105	98	99	110
Austin, Tex-----	93	96	91	93	93	87	80	93	71	106	90	100	99
Baltimore, Md-----	98	101	96	98	94	96	87	101	77	110	100	100	105
Baton Rouge, La-----	91	92	90	91	95	77	67	76	61	114	92	97	102
Dallas, Tex-----	95	96	94	95	93	89	84	88	81	108	94	103	103
Durham, N.C-----	95	95	95	95	91	94	91	93	90	105	95	98	101
Houston, Tex-----	95	95	95	95	96	88	79	82	78	115	92	103	101
Nashville, Tenn-----	96	96	96	96	91	94	89	91	87	107	98	99	107
Orlando, Fla-----	95	100	92	95	90	96	93	112	80	104	92	99	103
Washington, D.C.-Md.-Va-----	104	106	102	104	100	105	100	112	92	113	104	99	105
Nonmetropolitan areas 9/-----	84	83	84	84	92	69	66	65	67	103	87	95	77
West:													
Bakersfield, Calif-----	99	99	99	99	96	95	90	93	88	113	100	108	99
Denver, Colo-----	101	100	101	101	99	99	94	93	94	110	104	100	100
Honolulu, Hawaii-----	115	124	110	115	121	115	110	148	86	125	99	100	114
Los Angeles-Long Beach, Calif-----	104	107	102	104	97	104	102	115	94	113	104	115	108
San Diego, Calif-----	100	101	99	100	95	99	95	99	93	110	96	111	107
San Francisco-Oakland, Calif-----	108	111	107	108	102	109	108	119	101	119	111	110	111
Seattle-Everett, Wash-----	111	113	110	111	106	114	111	119	106	120	108	105	110
Nonmetropolitan areas 9/-----	95	95	95	95	99	87	91	92	90	106	106	99	83

See footnotes on p. 34.

INDEXES OF COMPARATIVE LIVING COSTS

URBAN RETIRED COUPLE

(intermediate budget, spring 1967)

U.S. URBAN AVERAGE COSTS = 100

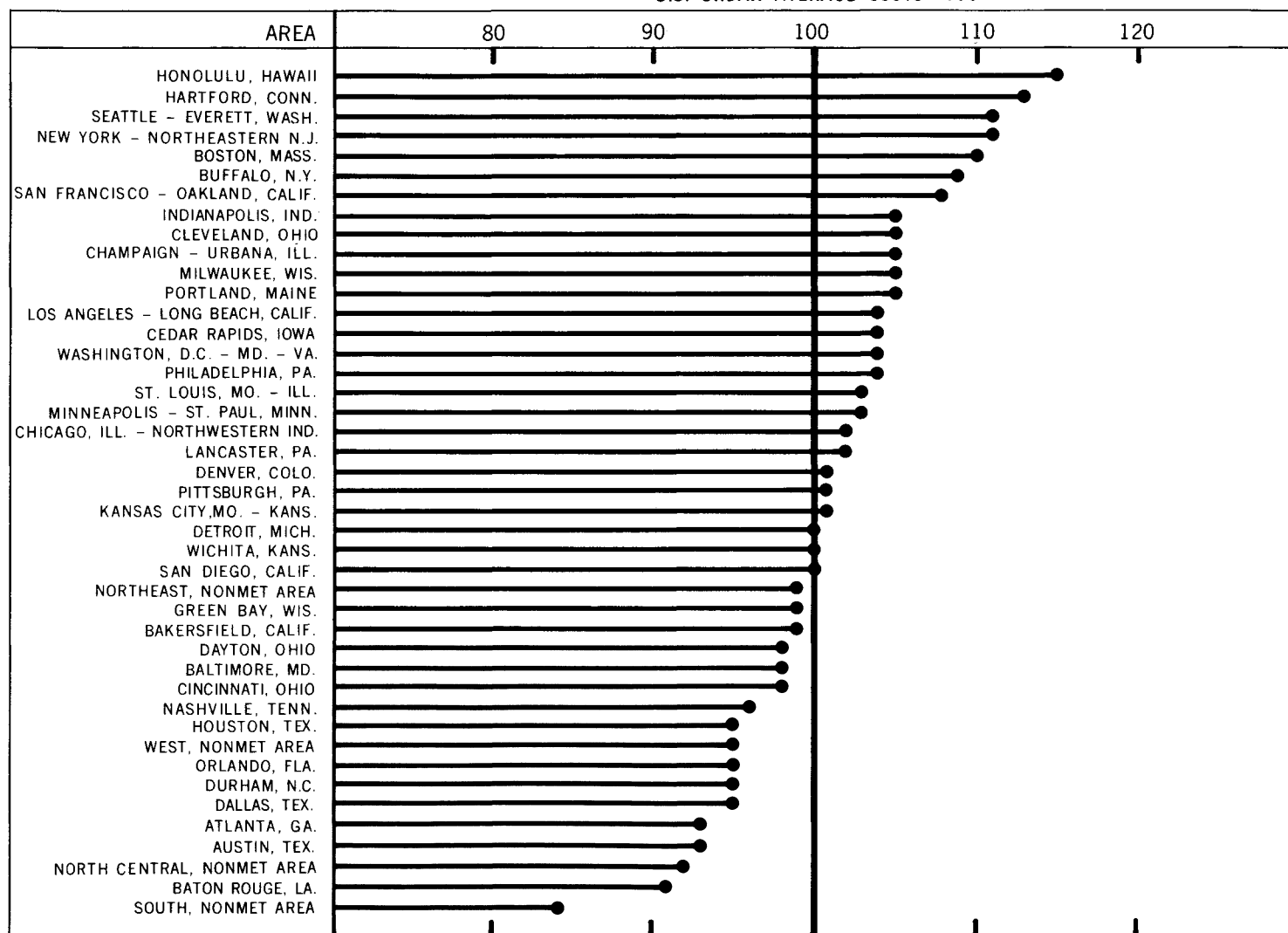


Table 4. Indexes of comparative costs based on a higher level budget for a retired couple, 1/ Spring 1967

(U.S. urban average costs=100)													
Area	Total budget costs			Cost of Family Consumption									
	Renter and owner combined 2/	Renter families	Homeowner families	Total 2/	Food	Housing (shelter, housefurnishings, household operations)				Transportation 7/	Clothing and personal care	Medical care	Other family consumption
						Total 3/	Shelter						
							Renter and owner combined 4/	Renter families 5/	Homeowner families 6/				
Urban United States-----	100	100	100	100	100	100	100	100	100	100	100	100	100
Metropolitan areas 8/-----	105	106	105	104	102	108	108	110	108	102	99	101	108
Nonmetropolitan areas 9/-----	85	83	86	87	95	76	75	71	77	94	102	96	77
Northeast:													
Boston, Mass-----	119	115	121	117	107	137	153	132	166	99	96	99	111
Buffalo, N.Y-----	110	109	110	109	102	114	115	112	117	109	104	100	111
Hartford, Conn-----	114	114	113	112	111	118	123	123	123	111	99	102	116
Lancaster, Pa-----	100	97	101	99	107	95	88	79	93	98	96	98	107
New York-Northeastern N.J-----	115	111	116	113	110	126	136	121	145	90	100	102	113
Philadelphia, Pa.-N.J-----	105	107	105	104	106	111	111	118	108	87	95	99	111
Pittsburgh, Pa-----	101	100	101	100	102	96	89	88	90	102	98	97	112
Portland, Maine-----	100	94	103	101	103	97	87	66	99	102	105	98	111
Nonmetropolitan areas 9/-----	95	90	97	96	106	90	98	78	110	97	103	97	80
North Central:													
Cedar Rapids, Iowa-----	106	108	105	105	97	111	112	117	109	106	103	99	103
Champaign-Urbana, Ill-----	104	102	105	104	100	108	112	104	117	106	100	100	101
Chicago, Ill-Northwestern Ind-----	103	109	101	103	99	110	113	133	101	94	103	100	104
Cincinnati, Ohio-Ky.-Ind-----	95	93	96	95	98	89	81	76	84	100	95	95	105
Cleveland, Ohio-----	103	103	103	103	96	107	108	107	109	105	105	94	103
Dayton, Ohio-----	100	104	98	99	95	102	100	114	92	98	101	96	104
Detroit, Mich-----	106	112	103	105	101	108	108	131	94	105	104	98	109
Green Bay, Wis-----	102	99	103	100	93	104	104	92	110	102	102	100	101
Indianapolis, Ind-----	104	100	106	104	98	108	110	95	119	105	103	94	109
Kansas City, Mo.-Kans-----	101	101	101	100	98	98	91	94	90	109	101	101	105
Milwaukee, Wis-----	104	102	105	102	98	105	107	98	112	102	102	98	104
Minneapolis-St. Paul, Minn-----	103	102	104	102	97	104	103	98	106	105	102	94	106
St. Louis, Mo.-Ill-----	100	96	102	100	104	95	88	76	95	111	99	98	97
Wichita, Kans-----	100	100	100	99	97	98	93	93	92	109	98	98	102
Nonmetropolitan areas 9/-----	87	84	89	89	96	80	82	70	89	90	108	94	77
South:													
Atlanta, Ga-----	91	94	89	92	95	82	66	82	57	101	97	99	105
Austin, Tex-----	91	92	91	93	92	85	76	84	72	107	90	100	104
Baltimore, Md-----	100	98	100	100	96	100	91	86	94	104	98	100	106
Baton Rouge, La-----	92	93	92	93	99	81	70	78	66	112	92	97	106
Dallas, Tex-----	98	105	96	99	95	97	97	121	83	107	94	102	109
Durham, N.C-----	92	90	93	92	91	86	76	73	79	104	94	98	104
Houston, Tex-----	99	106	96	100	97	98	94	121	79	114	91	103	104
Nashville, Tenn-----	95	94	95	96	90	94	86	87	86	106	97	99	104
Orlando, Fla-----	93	91	93	94	91	91	82	80	84	101	92	99	103
Washington, D.C.-Md.-Va-----	103	104	103	103	100	103	99	102	97	106	103	99	107
Nonmetropolitan areas 9/-----	80	80	80	82	92	68	63	68	61	94	96	95	76
West:													
Bakersfield, Calif-----	99	99	99	99	96	96	88	90	87	113	96	108	103
Denver, Colo-----	102	103	101	102	103	102	97	103	93	104	99	100	102
Honolulu, Hawaii-----	120	127	116	116	124	118	113	140	98	119	95	100	119
Los Angeles-Long Beach, Calif-----	107	116	103	107	99	111	114	145	96	111	100	115	106
San Diego, Calif-----	101	103	101	102	96	104	102	109	99	107	92	111	105
San Francisco-Oakland, Calif-----	108	108	108	108	104	107	104	104	103	117	107	110	108
Seattle-Everett, Wash-----	108	106	108	107	106	106	99	95	102	116	103	105	106
Nonmetropolitan areas 9/-----	91	91	91	92	100	83	83	83	82	97	109	99	79

See footnotes on p. 34.

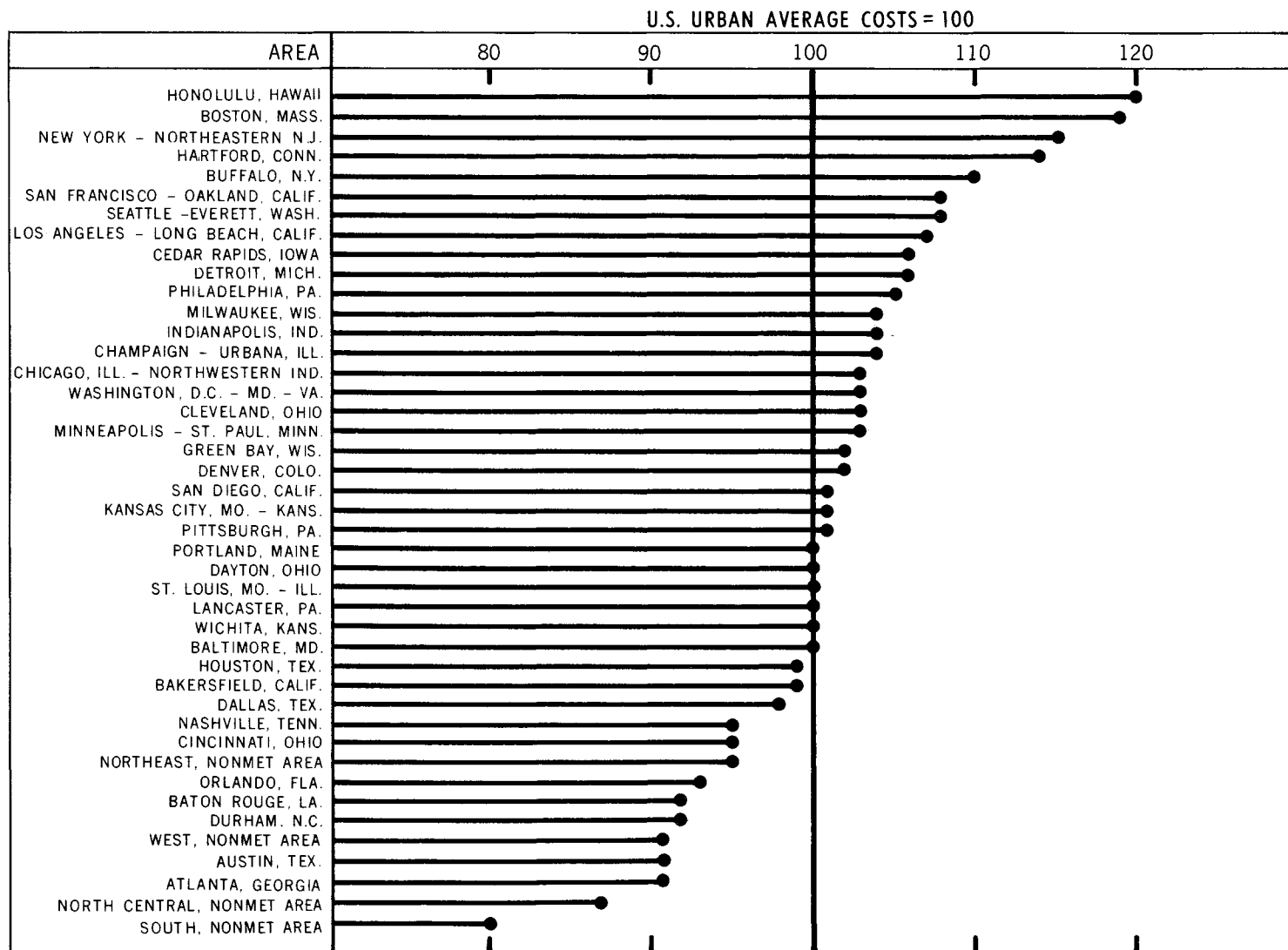
Footnotes:

- 1/ The family consists of a retired husband and wife, age 65 years or over.
- 2/ The total represents the weighted average costs of renter and homeowner families. See the weights cited in footnote 4.
- 3/ The lower and intermediate budgets do not include an allowance for lodging away from home city, but the higher budget includes \$53 for all areas. These costs are not shown separately or included in any of the housing subgroups.
- 4/ The average cost of shelter is weighted by the following proportions: Lower budget, 40 percent for renters, 60 percent for homeowners; intermediate budget, 35 percent for renters, 65 percent for homeowners; higher budget, 30 percent for renters, 70 percent for homeowners.
- 5/ Average contract rent plus the cost of required amounts of heating fuel, gas, electricity, water, specified equipment, and insurance on household contents.
- 6/ Taxes, insurance on house and contents, water, refuse disposal, heating fuel, gas, electricity, specified equipment and home repair and maintenance costs.
- 7/ The average costs to automobile owners and nonowners in the lower budget are weighted by the following proportions of families: New York, Boston, Chicago, and Philadelphia, 100 percent for nonowners; all other metropolitan areas, 45 percent for automobile owners, 55 percent for nonowners; nonmetropolitan areas, 55 percent for owners, 45 percent for nonowners. The intermediate budget proportions are: New York, 25 percent for owners, 75 percent for nonowners; Boston, Philadelphia and Chicago, 40 percent for owners, 60 percent for nonowners; all other metropolitan areas, 60 percent for owners, 40 percent for nonowners; nonmetropolitan areas, 68 percent for owners, and 32 percent for nonowners. The higher budget proportions are: New York, Boston, Philadelphia and Chicago, 75 percent for owners, 25 percent for nonowners; all other areas, 100 percent for automobile owners. Intermediate budget costs for automobile owners in autumn 1966 were revised prior to updating to spring 1967 cost levels.
- 8/ For a detailed description, see the 1967 edition of the Standard Metropolitan Statistical Areas, prepared by the Bureau of the Budget.
- 9/ Places with population of 2,500 to 50,000.

INDEXES OF COMPARATIVE LIVING COSTS

URBAN RETIRED COUPLE

(higher budget, spring 1967)



Chapter IV. Income and Budget Costs

How did average costs of the three budgets for a retired couple compare with their actual average income in 1967? Based on the most recent report by the Bureau of the Census, mean average income of U.S. families with a male head 65 years and over, with a wife who was not in the paid labor force, was \$5,291 in 1967.¹⁷ (The head may or may not be retired, and other family members may be employed. These circumstances would result in overstating the average income for retired couples. The mean for families of this type in urban areas would be slightly higher than shown.) Thus, the cost of the lower budget was 50 percent and that of the intermediate, about 25 percent below, while the higher budget was approximately 15 percent above, current average money income of retired couples in 1967.

Perhaps of greater interest and more significance, however, is the question of how many retired couples have current money incomes below, within, and above the levels of the new BLS budgets. Although a precise answer to this question is not available, the following summary provides a distribution of all families with a male head, with a wife present but not in the labor force, by their current money income in 1967 in relation to the costs of the budgets:

Income level	Families with male head 65 or over and wife not working	
	Number (000's)	Percent
Below lower budget (\$2,670 or less) -----	1,660	35
Between lower and intermediate budgets (\$2,671 - \$3,857) -----	958	20
Between intermediate and higher budgets (\$3,857 - \$6,039) -----	864	18
Above higher budget (\$6,040 or more) -----	1,257	27
Total families -----	4,745	100

Source: U.S. Bureau of the Census, op. cit.

Since this distribution relates to all U.S. families, it may overstate slightly the proportion of retired couples in urban areas with current income below the lower budget. (Incomes of urban families average higher than

the level for the total United States.) However, this result is compensated partially by the possibility that some families with more than two members and an employed head are included in the distribution shown above.¹⁸

The Social Security Administration also has developed measures of poverty and low income which provide estimates of minimum and near minimum requirements for households in which aged persons live. According to the SSA measures, a husband aged 65 or over with his wife, not living on a farm, would be poor with an income less than \$1,975 in 1966, and "near-poor" with an income more than \$1,975 but less than \$2,675. These estimates were derived by assuming that the cost of an adequate diet constitutes 27 percent of the total cost of living for a retired couple. Dietary costs were determined from the U.S. Department of Agriculture's economy food plan and low-cost food plan for the poverty and "near-poor" measures, respectively, and the total costs of these levels of living were assumed to equal 3.7 times the costs of these food plans.

The SSA method of deriving estimates of income needs for retired couples did not provide information on allocation of the total requirements to the major components of spending, other than for food. For the "near-poor" level, however, this gap is now filled, since this measure and the BLS lower budget, derived independently and by completely different techniques, are in such close agreement.

^{17/} U.S. Department of Commerce, Bureau of the Census, Current Population Reports, series P-60, No. 59, table 10, p. 34, April 1969. In BLS Bulletin 1570-4, average mean income of retired couples in 1966 was estimated at \$4,046, and using the same estimating method it would amount to \$4,379 in 1967. This method involved updating the 1960-61 average after-tax income (\$3,534) for retired couples with male head age 65 years or older, residing in urban areas, as reported in the BLS Surveys of Consumer Expenditures for these dates, by the trend in data from the Current Population Surveys by the Bureau of the Census. Census data indicated an increase in mean incomes of all U.S. families of two persons or more, with male head 65 years of age or older, of 14 percent between 1960-61 and 1966 and 24 percent between the earlier dates and 1967. However, these trends for families of two or more with male head 65 or over apparently resulted in an understatement of current income levels for the more narrowly defined family type, including only a husband and wife, in this age group.

^{18/} Median income for families in this distribution was \$3,492, and the median for two-person families with male head 65 or over was \$3,461 in 1967, according to Bureau of the Census reports.

Chapter V. Data Sources and Estimating Methods

Concepts and general procedures used to derive quantities and pricing specifications for the three budget levels were discussed in the Introduction. The following sections give detailed descriptions for sources of data and methods of estimating quantities and prices for the major budget components. Appendix A shows the complete list of items and quantities per year which were used to determine the cost of each budget level.

Food

The Food and Nutrition Board of the National Academy of Sciences-National Research Council has recommended dietary allowances for calories, proteins, several minerals, and vitamins for various sex-age groups. The U.S. Department of Agriculture has translated these dietary allowances into food plans at different cost levels.¹⁹ The food-at-home components of the lower, intermediate, and higher budgets were based on the USDA low-, moderate-, and liberal-cost food plans, respectively. Each plan contains 11 food categories which group foods according to similarity of nutritive values and uses in meals. The suggested quantities furnish the NRC's recommended allowances for nutrients when average food selections within each group are used.

Regional consumption patterns for specific foods within each food group were obtained from the USDA 1965 Household Food Consumption Survey. Estimated costs for the three budgets reflect the food preferences of the income classes containing the median incomes (\$2,700, \$5,800, and \$9,400) of each third of the USDA income distribution for urban households. The patterns for the region in which the city is located were used for each city except Washington, D.C. The U.S. patterns were used for Washington, D.C., since its population comes from all parts of the country and cannot be considered Southern.

The spring 1965 price levels in each region were determined from the average prices paid for individual items by urban families in the \$2,000-\$2,999, \$5,000-\$5,999, and \$9,000-\$9,999 income classes in the USDA survey.

^{19/} *Family Food Plans* revised 1964, CA 62-19, November 1964, Agricultural Research Service, U.S. Department of Agriculture. In this revision of the food plans the National Research Council's 1963 recommended dietary allowances, and the USDA's most recent estimates of the nutritive contents of foods and food consumption patterns were used.

These prices were weighted by factors that reflect the regional consumption patterns for individual items within each major food group in the USDA plans. Individual city prices for pricing groups (groups of related items) were estimated from the consumption-weighted regional survey averages, by applying the spring 1965 city-to-region ratios of prices collected by BLS for the same or comparable items. For all three budget levels, spring 1965 city prices were adjusted item by item to April 1967 by changes in prices obtained for the Consumer Price Index for each city. The 1967 city-weighted average food group prices were applied to the USDA food plan quantities to obtain the final budget costs.

BLS food prices for the Consumer Price Index are collected regularly from a representative sample of chain and independent food stores of various types (e.g., groceries and meat markets); stores at different levels of annual sales volume; and stores in downtown, neighborhood, and suburban areas within a city. Average prices for each food are obtained by calculating independent and chainstore averages separately. These average prices are combined with weights representing the relative volume of food sales by all food stores of each type in a given city.

The USDA food plans provide for 21 meals per person per week to be eaten at home, or 2,184 meals annually for a couple. As shown in appendix table A-1, the food-at-home component was adjusted in each budget to provide varying numbers of dinners away from home. Each budget includes additional meals at home for guests. The cost of food at home also includes a 10 percent extra allowance, recommended by the U.S. Department of Agriculture to compensate for higher per person costs for small families. The average cost per-guest meal was assumed to be the same as the average per-person cost for the couple's own meals at home.

Shelter

Standards for the shelter components of the budgets were those established by the American Public Health Association and the U.S. Public Housing Administration. They relate to sleeping space requirements, essential household equipment (including plumbing), adequate utilities and heat, structural condition, and neighborhood location.

For renter families, the shelter specifications called for an unfurnished, two- or three-room dwelling in "sound condition;" a complete private bath; a fully equipped kitchen; hot and cold running water; electricity; central or other installed heating; access to public transportation and grocery stores; and location in residential neighborhoods free from "hazards or nuisances." For the higher budget only, the dwelling unit might have more than one private bath, and the unit might provide extras such as a central switchboard, secretarial, swimming, or special recreational facilities.

Rates for dwellings which met these specifications were obtained from tenants during the regular rent surveys for the Consumer Price Index between August 1966 and January 1967. Rental shelter costs were calculated from the averages of rents paid in the low, intermediate, and high thirds of the distributions of autumn 1966 rents for the lower, intermediate, and higher budgets, respectively. The distribution used for the higher budget included the units having facilities which, by definition, were excluded from the intermediate and lower budgets. Rents were updated from the base pricing period to February-July 1967 by the change in the Consumer Price Index for contract rents in each area. Since monthly contract rents in apartment structures usually include water, heat, light, cooking fuel, refrigerator, etc., the costs for these items were added to the contract rents for dwellings whose tenants paid separately for them. Except for heat, the allowances on which the estimates of these additional costs were based were the same as those for homeowner families. Insurance on household contents and against injury to persons on the property also was included in rental housing costs at the intermediate and higher levels, and fire insurance and extended coverage provisions were provided in the lower budget. The proportions of renter families purchasing insurance at each level are indicated in appendix table A-2, footnote 8.

Homeownership was specified for 60 percent of families at the level of the lower budget, and 65 and 70 percent at the intermediate and higher levels, respectively; these proportions reflect the prevailing manner of living for urban families of the budget type as reported in the 1960-61 Survey of Consumer Expenditures (CES). The intermediate ratio was based on the U.S. urban average proportion, the lower and higher ratios on the average proportions in the classes below and above the class containing the average.

For homeowner families, costs were calculated for a five- or six-room house, with one- or one and one-half baths for the lower and intermediate budgets and one or

more baths for the higher budget. All budget levels called for a fully equipped kitchen, hot and cold running water, electricity, and central or other installed heating. Neighborhood specifications were the same as described above for rental units. Market values of the houses were determined separately for each metropolitan area (and within areas for the city proper and the suburbs) and for each small city. They represented the average values in the lower, intermediate, and upper thirds of the distribution of market values (for the lower, intermediate, and higher budgets, respectively) for dwellings in the BLS 1959-60 Comprehensive Housing Unit Survey, which met the budget housing specifications. The average U.S. urban market value for such dwellings in 1960-61 was \$11,000 for the lower budget, \$14,480 for the intermediate, and \$20,000 for the higher. The current (1967) market values for these homes are estimated to be about \$11,700, \$15,400, and \$21,300 for the three budgets, respectively.

The house in each budget was assumed to be mortgage free, since 85 percent of retired couples live in homes on which the mortgage has been paid off, according to the 1960-61 Survey of Consumer Expenditures. Therefore, homeowner shelter costs exclude allowances for mortgage interest and principal payments. Appropriate taxes are included, however, because of varying assessment practices and rates in individual cities. On insurance, the lower and intermediate budgets used the most economical comprehensive homeowner's policy which provided insurance for as much as 80 percent of the 1960-61 market value of the house, in addition to some coverage on its contents, and for injury to persons on the property. The higher budget included a policy with broader extended coverage provisions. Allowances for repairs and replacement costs were included and were based on an analysis of the 1960-61 Consumer Expenditure Survey data for budget-type families.²⁰

Costs of fuel and utilities also were included. The housing specifications required central heating equipment in cities where the average January temperature is 40° F. or colder, except in five cities where other installed heating equipment was accepted as more typical of the manner of living. Central or other installed heating equipment (base burner, pipeless furnace, or stove with flue) was required for cities with warmer climates, except for Honolulu, and McAllen, Tex., where average January temperatures were 72° and 61°, respectively. A space heater also was included for each of the second group of cities, except Honolulu.

^{20/} See section on Other Goods and Services, this chapter, p. 40, for description of analytical method.

To adjust for climatic differences, fuel requirements for maintaining an indoor winter temperature of 70° F. were estimated. The basis for these estimates was the amount of fuel used to heat homes of approximately the budget specification, as reported in a 1962 trade association survey of 62 cities; these data were supplemented by data from individual utility companies. These data were related to annual degree days in these cities, as recorded by the U.S. Weather Bureau. In the BLS analysis, the quantities of fuel were expressed in standard BTU's converted, for pricing purposes, to the predominant type of heating fuel used in each city.

Utility companies and associations estimated electricity and other utilities for the appliances specified in the budgets. The intermediate allowances reflect average operation of appliances, and allowances for the lower budget provide for more economical use. Allowances for the higher budget provide for operation of a dishwasher, waste disposal, and clothes dryer—appliances not included at the intermediate and lower levels. The intermediate and higher budgets also include an electricity allowance to operate a window air-conditioner in cities which meet specified average monthly temperature and relative humidity ratings. The criteria were more stringent for the intermediate than for the higher budget. (See footnotes 4 and 11 on table A-2.)

Transportation

For the intermediate budget, automobile ownership is specified for 25 percent of the families in New York; 40 percent in Boston, Philadelphia, and Chicago; 60 percent in all other metropolitan areas; and 68 percent in nonmetropolitan areas. These proportions are based on average ownership rates reported in the 1960-61 CES for all retired couples in these areas. An automobile is not included in the lower budget in the four largest metropolitan areas which have mass transit systems. However, in other metropolitan areas with more limited public transportation, automobiles are assigned to 45 percent of the families, and in nonmetropolitan areas, 55 percent. The higher budget provides an automobile for three-quarters of the families in Boston, Chicago, New York, and Philadelphia, and for all families in other metropolitan and nonmetropolitan areas. This pattern reflected the manner of living of retired couples in all income classes above the average. Allowances for occasional use of public transportation by automobile owners are higher in the four areas with extensive transit systems than in other metropolitan areas and smaller cities.

The intermediate and higher budgets provide for the purchase of a car every 7 years, based on the customary purchases of families of the budget type. In the intermediate budget, the purchase is a 2-year old used car which has little or no trade-in value when it is replaced. The higher budget, however, provides for a new car for 55 percent of the families, based on the average proportion of new car purchases in 1960-61, and the same car (2-year old used) as in the intermediate budget for the remaining 45 percent. At the lower level, the car purchased is 6 years old and is kept 4 years, comparable with the specifications in the lower budget for the younger, four-person family. The average age of the car for which mileage and operating expenses were calculated is 8 years for the lower budget, 6 years for the used car in the intermediate and higher budgets, and 4 years for the new car in the higher budget.

The mileage for the intermediate and higher budgets is the average reported by all retired couples in 1960-61, and for the lower, the average miles driven by families owning automobiles 6 years old or older.

Medical Care

In all three budgets the medical care allowance includes hospital and medical insurance as provided by the Federal Medicare program. In 1967, under the hospital insurance provisions, for each spell of hospitalization an initial \$40 deductible amount was paid by the enrollee, and the insurance fully covered the remaining hospital costs for the first 60 days. Hospital insurance also included 20 posthospital days in an extended care facility and 100 posthospital home health visits, at no cost to the enrollee. Finally, the hospital coverage included outpatient hospital diagnostic benefits, for which the enrollee paid the first \$20 and 20 percent of the balance of the cost for each diagnostic study.

Under the medical insurance program in 1967, each enrollee paid a monthly premium of \$3. In addition, the enrollee paid the initial \$50 of costs and 20 percent of all remaining costs for services and supplies (medical and surgical services of a physician, diagnostic tests, selected medical supplies, and home health benefits).

Since the budgets are designed for couples in reasonably good health and able to take care of themselves, the assumption was that no charges were incurred for the longer term provisions of Medicare. The 1967 estimated annual average out-of-pocket cost (\$172) for all Medicare enrollees was provided for budget use by the Office of Research and Statistics of the Social Security Administration. This estimate was based on data for the first

full calendar year (1967) of the program. That portion of the estimated cost which covered the nonpremium charges under medical insurance (\$82) was adjusted by BLS to reflect intercity differences in costs, primarily the differences in fees for physician visits—using data from a special BLS analysis.

Consideration was given to adding a nongroup private insurance contract to the allowance for the higher budget, to complement Medicare insurance by covering some of the out-of-pocket Medicare costs. However, even the most satisfactory contracts available in 1967 varied greatly in their coverage, and typical benefits for a reasonably healthy budget couple would still have left sizable out-of-pocket Medicare expenses, while adding substantial premium costs. Therefore, no allowance for complementary insurance was provided.

Since Medicare does not cover the cost of routine dental care, eye examinations or eyeglasses for refractive error and correction, or most out-of-hospital prescription and nonprescription drugs, allowances for these items were added. Also added was a checkup visit to a physician for Medicare enrollees not using any Medicare services within 1 calendar year. Dental care quantities were derived from 1963-64 utilization data in the National Health Survey. Allowances for eye care and prescriptions and drugs were developed from the BLS 1960-61 Consumer Expenditure Survey data. Costs for these non-Medicare items were the same in all three budgets except in the case of eyeglasses, where the price, as a proxy for quality, of eyeglass frames varied from budget to budget.

Average fees and prices for medical services and supplies were those collected for the Consumer Price Index, supplemented by prices obtained specifically for budget use.

Other Consumption

Food at home, shelter, transportation, and medical care account for 75 percent of family consumption in the lower budget, 68 percent in the intermediate, and 62 percent in the higher. The remainder in each budget includes housefurnishings, household operation, clothing, personal care, reading, recreation, meals away from home, alcoholic beverages, and tobacco.

For these components, allowances for the intermediate budget were developed by examining the quantities of various classes of items purchased at successive income levels by budget-type families found in the Bureau's 1960-61 Survey of Consumer Expenditures. The analysis determines the income level at which the

rate of increase in quantities purchased begins to decline in relation to the rate of change in income, i.e., the point of maximum elasticity. The average number and kinds of items purchased at these income levels are the quantities and qualities specified for the intermediate budget. Thus, they represent a composite of individual choices. This technique uses the consumer's collective judgment as to what is adequate, and is based on the assumption that increasing elasticity indicates urgency of demand, and decreasing elasticity indicates the approach of satiety. The point of maximum elasticity has been described as the point on the income scale where families stop buying "more and more" and start buying either "better and better" or something else less essential to them.²¹

No separate statistical analysis was made to define the consumption level appropriate for the lower and the higher budgets. Instead, allowances for the lower budget most often were derived at the next lower income class below the class in which the inflection point (point of maximum elasticity defined as equivalent to the intermediate level budget) was located. Allowances for the higher budget were obtained mostly from the next higher income class above the class containing the inflection point. In this unified conceptual framework, therefore, the lower budget describes a point on the income scale at which families are still buying "more and more," in contrast to the higher budget in which families are already buying "better and better" or something else less essential to them.

The major steps in determining the point of maximum elasticity were as follows: Average quantities for each item were weighted across income classes by a constant price to eliminate the effect of price—as a proxy for quality—differences across income classes. Then, the price-weighted quantities (or quantities of a constant quality) of dissimilar articles, such as women's coats, dresses, etc., were aggregated, and the sum for each subgroup, such as women's outerwear, was plotted against income after taxes. A smooth curve was drawn through the observations and the point of maximum elasticity computed.

The quantity-income elasticity technique was used to determine quantities for all components for which quantity data were reported by consumers in the 1960-61

^{21/} This technique was developed for the original *City Worker's Family Budget* and is described in Technical Reference 10, appendix D. It was adopted by the Social Security Administration for the original *Budget for an Elderly Couple* (Technical Reference 11), and it was used, with some refinements in deriving quantities, for *The BLS Interim Budget for a Retired Couple* in 1959 (Technical Reference 7).

Survey of Consumer Expenditures (CES), namely clothing, housefurnishings, and some personal care and recreation items. Costs for these subgroups amounted to 17 percent of the consumption total for the spring 1967 intermediate budget. For household operations, food away from home, tobacco, alcoholic beverages, reading, and the remaining personal care and recreation items, only total expenditures were reported on the 1960-61 CES schedule, and these were substituted for price-weighted quantities. The underlying assumption for these components, therefore, is that quality did not vary substantially across income classes. (Although the assumption was necessary because of limitations in the data base, it is probably not a valid one.) At the inflection point, quantities of individual items were derived by dividing their expenditures by average prices collected for calculation of the CPI. About 15 percent of the spring 1967 cost of consumption in the intermediate budget relied on the determination of budget weights by expenditure-income analysis. Fifty percent of the consumption cost total was based on health standards—for food, shelter, and medical insurance. The remaining 18 percent—for other medical costs and transportation—was based on average quantities reported by all families of the budget type.

The point of maximum elasticity for the majority of subgroups in the clothing component was located in the (after tax) income class, \$3,000-\$4,000, for this family type. The lower and higher allowances were derived from the income classes immediately below and above the inflection point, respectively. Although items of clothing are identical for the three budgets, the quantities for the lower and higher differ from the intermediate allowance, since they reflect the living pattern of the income classes from which they were derived. The major differences in clothing costs among the three budgets, however, are due to price and represent quality—rather than quantity—differences. Clothing materials and services are provided for the three budgets, but services such as dressmaking, fur storage, and shoe shines are not included in the lower budget.

Personal care quantities generally were derived at the inflection point (income class \$3,000-\$4,000) for the intermediate level, and from the class immediately below for the lower, and two classes above for the higher level. The main variation in personal care among the budgets is in paid services. Retired couples in the lower budget are limited to haircuts, except for an occasional visit to the beauty shop by the wife. More beauty shop services are available to her in the intermediate and higher budgets.

In housefurnishings, the characteristic pattern, in which quantities at first increased relatively more rapidly

than income and then increased at a relatively slower rate than income, was observable. The inflection point, which determined the allowances for the intermediate level, was most common in the \$3,000-\$4,000 income class. For the lower budget, quantities were derived from the next lowest income class (\$2,000-\$3,000), and for the higher level, the class above the inflection point was used. The intermediate and higher budgets include a window air-conditioner in cities which met specific summer temperature-relative humidity levels. The higher budget permits air conditioning in 34 metropolitan areas and 2 nonmetropolitan regions, compared with 17 metropolitan and 2 nonmetropolitan regions in the intermediate budget. Major appliances, such as a clothes dryer, dishwasher, and waste disposal are provided in the higher budget but not in the intermediate and lower budgets. These items generally are associated with a higher level of homeownership and a more comfortable manner of living.

The points of maximum elasticity for reading, meals away from home, and tobacco were in income class \$4,000-\$5,000. The lower and higher allowances generally were derived from the income classes immediately below and above the inflection point, respectively, but quantities of cigars and pipe tobacco derived at the inflection point for the intermediate budget were used also for the lower budget. Cost differences in these components reflected the variations in spending reported by this family type in the 1960-61 Survey of Consumer Expenditures. At the intermediate and higher levels, more books and magazines were provided, and families could eat out more often and entertain more dinner guests than those at the lower level. Cigarettes, which had been included in the “moderate” budget for October 1966, were deleted from all three budgets for the spring 1967 pricing period, to conform to the requirements for improved health as formulated by the U.S. Public Health Service.

For recreation, the point of maximum elasticity was located in income class \$5,000-\$6,000, and this class provided the intermediate budget quantities. The lower budget, which was derived at the next lower income class, provided a radio and television set. Phonograph records were added for the intermediate budget and some color television (reflecting current purchasing patterns) for the higher. The lower budget allows for movie attendance, but free sports and cultural events are the main sources of entertainment. Both the intermediate and higher budgets provide some paid entertainment, such as plays, concerts, sports events, hobbies, etc.

The inflection point for lodging away from home also was located in income class \$5,000-\$6,000, i.e., in two

classes above the mean income class for this family type. An allowance for lodging away from home was provided for the higher budget based on the expenditures reported at the inflection point, but the assumption was that families living at the level of the lower and intermediate budgets stayed with friends or relatives while on vacation.

The household operation point of maximum elasticity occurred between \$6,000-\$7,500. The lower and higher budget allowances were derived from the \$5,000-\$6,000 and \$7,500-\$10,000 classes, respectively. Costs varied among the budgets due to quantity and item differences, since the prices in this component were generally for items of standard quality. Families in this age group require various kinds of household services. The lower budget provides some laundrette service in addition to a washing machine for home use. The intermediate and higher levels include both commercial laundry and laundrette services and occasional paid household help. The higher budget also allows commercial drycleaning of household items and gardening services. The additional services provided in the intermediate and especially the higher budgets contribute to the cost differences among budget levels. Except for 22 percent of the families in the lower level, the three budgets provide home telephone service.

Since elasticities for alcoholic beverages were ever-increasing, quantities for this component at the intermediate level were derived between \$4,000-\$5,000. For the lower budgets, the intermediate quantities of liquor and beer were converted to quantities of beer only. The higher allowances were derived at the income class above the inflection point. Less beer and more liquor are included in this budget, compared with the intermediate level.

Other Costs

The allowance for gifts and contributions in the intermediate budget was adjusted upward from the ratio estimate used in the interim budget for this level. This adjustment, which reflected both the change in the level of living and the increase in prices between 1959 and 1966, approximated the allowance indicated by the average of incomes \$3,000-\$4,000 in the 1960-61 CES for this family type. The income classes immediately below and above the implied class for the intermediate level provided the ratio allowance for the lower and higher levels, respectively.

The lower and intermediate budgets have no provision for life insurance, on the assumption that payments of

life insurance policies were complete before retirement. This procedure is consistent with previous budgets for a retired couple. The 1960-61 Survey of Consumer Expenditures, however, showed that families customarily continue to pay for insurance even after retirement. The point of maximum elasticity for life insurance was reached at income class \$4,000-\$5,000, and this class was the basis for the higher budget allowance.

Most of the income received by retired couples at the levels of the lower and intermediate budgets is tax exempt because of its source, and the remainder is insufficient to require payment of taxes. Therefore, no provision is made for the payment of income taxes in these budgets. For the higher budget, however, Federal, State, and local income taxes were based on rates applicable in 1967, as required by the consumption level of this budget. Federal income taxes were calculated on amounts of the budget exceeding \$4,055. This level of nontaxable income represents the sum of annual social security payments to retired couples averaging \$1,555 in 1967,²² a double exemption of \$2,400, and a minimum standard deduction of \$600. Similarly, state and local taxes were calculated on budget levels less the \$1,555 social security payment and according to the various exemptions and deductions allowed in each taxing jurisdiction.

Pricing Procedures

Because the resources of the Bureau of Labor Statistics for work on family budgets did not permit extensive collection of additional price data for the lower and higher budgets or for the repricing of the (autumn 1966) intermediate family budget in the spring of 1967, various procedures (described below) were used to estimate prices for individual items. Generally, costs for most components included in the higher and lower budgets were calculated at fall 1966 prices. These costs then were adjusted from the fall of 1966 to the spring of 1967, by the change in the appropriate Consumer Price Index estimating class for each city (or region, for nonmetropolitan areas). Some exceptions to this procedure were made where collected prices were readily available. The most important of these were new and used cars; homeowners' and automobile insurance premiums; and some "spring and summer" seasonal items of apparel and household furnishings.

²²/ The average annual benefit in current payment status in 1967, based on benefits reported in the *Social Security Bulletin*, June 1968, p. 26.

No special collection of food prices was made for any of the three budget levels. Instead, as explained on page 37 of this bulletin, spring 1965 average prices paid by urban families at specified income classes in each of four regions as determined from the USDA 1965 Household Food Consumption Study were used for the computations.

Prices used to calculate shelter costs were taken from a number of sources. They applied to families living in renter or owner occupied units meeting the standards shown on page 37. Except for insurance, these costs were calculated for all three budget levels for the fall of 1966 as described in Bulletin 1570-3, *Pricing Procedures, Specifications, and Average Prices, Autumn 1966*, pp. 23-26, and adjusted to spring 1967 by using the appropriate changes in the CPI for each city.

The prices (and quantities) used for medical care at the higher and lower levels were the same as those used for the intermediate budget, except for eyeglass frames, for which the price estimating method is described on page 39 of this bulletin.

Most of the prices for the other commodities and services included in the budgets were estimated in a number of ways. Ideally, prices included in these budgets should represent the specific "narrow" qualities of goods and services purchased by families living at the higher and lower levels and obtained from retailers and service establishments patronized by these families. Despite the fact that few prices were collected specifically for these budgets, estimates, using the data collected for the intermediate family budget as a starting point, were possible. In some cases, for example, price data collected for the intermediate level covered a broad range of "qualities," so that appropriate distinctions could be made between the "qualities" represented in the intermediate budget and those represented in the higher and lower budgets. In other cases, particularly those using CPI price data (e.g., rent, homeownership costs and automobile purchase) actual price data for items included in the higher and lower budgets already were available. Finally, prices of a few items were estimated from known relationships with other items for which prices actually are collected. For a detailed description of the specifications, pricing and estimating procedures used in the fall 1966 moderate budget, see BLS Bulletin 1570-3.

Estimating Procedures

In most cases, prices of commodities other than food and shelter were estimated through the use of several

general estimating procedures, described below. The code numbers have been entered for each budget item in the columns headed "Pricing code or price estimating procedure" on tables A-1 through A-8. Where a procedure is shown, estimates usually were based on prices corresponding to the intermediate budget pricing code. These codes and specifications are described in detail in BLS Bulletin 1570-3. Where additional pricing was done for the lower and higher levels, or a specific price estimation procedure which differed from the intermediate budget procedure was used, a new pricing code is shown. The detailed specifications for these items, together with the calculation procedure used in each case, are shown in appendix B. The formats of the specifications and calculation procedures follow those used in Bulletin 1570-3.

The general estimating procedures used to calculate prices for items other than food and shelter for the higher and lower budgets are as follows:

- EP-1 The price used in this budget was the same price used in the intermediate budget. In these cases, the quality of the item purchased was either the same for the respective (higher or lower) level as for the intermediate level; prices for other qualities were not available; or specifying different qualities as, for example, most services was not possible.
- EP-2 The price of the item was estimated as a specified percentage ratio (same as in intermediate budget) of the estimated or actual price of another item in the same budget. These ratios were based upon known price relationships between the various items as determined from manufacturer's prices, retail catalogs and other pertinent data. See appendix 1 of Bulletin 1570-3 for the exact ratios used for each item.
- EP-3 The price of the item in the five benchmark cities reflects average prices representing the wide range of "qualities" collected for the intermediate budget. In the other cities the prices were calculated using ratio estimates based on these prices. (See Bulletin 1570-3, pp. 16-18 for a description of the "benchmark city" calculation procedure used in the intermediate budget.) The ratios were calculated separately for each benchmark city. For the higher budget, they represent the

ratio of the average price of the upper third of the array to the price used in the intermediate budget; for the lower budget, of the lower third. These ratios were then applied to the prices used in the intermediate budget in the other cities within the region in which the benchmark city is located.

- EP-4 The price of the item was estimated in the same manner as in EP-3 above. Arrays of prices from the benchmark cities were used except that the benchmark city average prices and ratios were based on the average price of the upper and lower *half* of the array for the higher and lower budgets, respectively.
- EP-5 The appliance prices used in the intermediate budget represented specific makes and model numbers in the five benchmark cities. For the higher budget, prices for specified makes and models of a somewhat higher quality were collected in the benchmark cities. A ratio estimate comparing the prices of the "higher quality" with those of the quality used in the in-

termediate budget then was calculated and applied to the intermediate budget price in each city within the respective region.

- EP-6 The prices of the two items were estimated separately. Box spring prices were estimated using EP-3 procedure, i.e., higher and lower thirds of the arrays of prices of 23-204 (FB-G) in benchmark cities. Mattress prices were estimated at the same level as box springs.
- EP-7 In the higher budget, prices of television sets were represented as the ratio of the prices of the highest one-third of the array of black-and-white and of color television prices of the average prices of black-and-white sets used in the benchmark cities of the intermediate budget and color sets of comparable (intermediate) quality. The estimated prices for black-and-white and color television sets were then combined by weights (27 percent and 73 percent, respectively). For the lower budget, prices of black-and-white sets were similarly calculated. Only the array of black-and-white prices was used.

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Appendix A

Quantity Budgets at Three Levels

Explanatory Notes

Quantities: Tables A-1 through A-7 which follow in this appendix show, for each component of family living, the annual average quantities of items which were used to determine the costs of three levels of living for an urban family of two persons—retired husband and wife, age 65 or over. The quantities are not valid for other sizes, age groups, or types of families.

The quantity budgets are not designed to show how an “average” retired couple actually spends its money or how a family should spend its money. There are essentially pricing lists of items, broadly defined, which were used to determine the general level of purchases for each major component of the budgets. The methods and sources used to derive the budget quantities are described in the text of this bulletin.

Prices: In the determination of budget costs, the levels of prices paid for items are as important as the numbers of quantities bought. The pricing codes in tables A-1 through A-7 identify the specifications, or detailed descriptions, of items which were priced. These specifications control the levels of average prices used in each budget. For the intermediate budget, the specifications, together with average prices for the U.S. and five metropolitan areas, have been published in *City Worker's Family Budget: Pricing Procedures, Specifications, and Average Prices, Autumn 1966*, Bulletin 1570-3. Specifications for the lower and higher budgets, which differ from those used in the intermediate level, are shown in appendix B of this bulletin. For items in the lower and higher budgets for which average price

levels were estimated, an Estimating Procedure Code is indicated. These codes are explained in the text, p. 43.

Costs: For a majority of items in the budget, cost is the product of quantity times price. Generally both the quantity and the price level increase as the level of living rises. Occasionally, however, quantities decline, and the increase in cost results solely from an improvement in quality.

For some budget items for which no pricing code or price estimating procedure is shown, only an estimated cost in 1966 for all cities is indicated. These estimates were obtained by updating the U.S. average costs of the item, as reported in the 1960-61 Survey of Consumer Expenditures, to 1966 by change in the appropriate subgroup, group, or “all items” Consumer Price Index. Costs in 1967 were estimated separately for each metropolitan area and nonmetropolitan region by change in the CPI at the appropriate subgroup level.

Table A-10 lists the budget items for which current costs were calculated as ratios of the costs of other items based on comparable ratios reported in the 1960-61 CES.

Separate quantities for metropolitan and nonmetropolitan areas were used to compute item costs. The United States urban average quantities and estimated costs shown in tables A-1 through A-8, and the ratio estimates for unpriced items in table A-10 were derived by applying a weight of 75 percent to the metropolitan quantities and 25 percent to the nonmetropolitan quantities.

Table A-1. Food Budget Quantities

A. Food at home

Item	Quantity ^{1/}					
	Lower		Intermediate		Higher	
	Per week ^{2/}	Per year ^{3/}	Per week ^{2/}	Per year ^{3/}	Per week ^{2/}	Per year ^{3/}
Milk and milk products ^{4/} -----quart---	7.00	360.0	7.00	356.1	8.00	404.6
Meat, poultry and fish -----pound---	5.50	282.9	8.75	445.2	9.75	493.1
Eggs -----dozen---	.92	47.3	1.08	55.0	1.08	54.6
Dry beans, peas, and nuts -----pound---	.50	25.7	.25	12.7	.19	9.6
Grain products ^{5/} -----do---	4.75	244.2	4.00	203.5	3.75	189.7
Citrus fruits and tomatoes -----do---	3.75	192.8	4.50	228.9	6.00	303.4
Potatoes, white -----do---	3.50	180.0	3.50	178.1	3.00	151.7
Other vegetables, and fruits -----do---	10.00	514.2	11.25	572.3	12.00	606.9
Fats and oils -----do---	.88	45.2	1.12	57.0	1.00	50.6
Sugars and sweets -----do---	1.00	51.4	1.38	70.2	1.88	95.0
Accessories:						
Coffee -----do---	(6)	--	(6)	--	(6)	--
Tea -----do---	(6)	--	(6)	--	(6)	--
Soft drinks -----72 ounces---	.80	--	.98	--	1.06	--
Other -----do---	\$0.11	--	\$0.14	--	\$0.13	--

B. Food away from home and guest meals

	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Food away from home:						
Dinners -----	54-525X	54-530X	54-535X	26	47	59
Snacks ^{7/} -----	--	--	--	\$8.04	\$9.23	\$9.89
Guest meals provided ^{8/} -----	--	--	--	56	95	118

^{1/} Quantities from the low-, moderate-, and liberal-cost food plans published by the U.S. Department of Agriculture (see footnote 19, p. 37). The quantities do not include allowances for guest meals (see footnote 8). In estimating the cost of food at home for 2-person families, 10 percent should be added to the cost, since smaller families generally are unable to buy as economically, and have more waste than larger families.

^{2/} Weekly quantities provide for 42 meals at home, or 2,184 annually.

^{3/} Annual quantity allowances have been adjusted to exclude the number of meals away from home, as shown in Part B for each budget level. For metropolitan areas the quantity allowances provide 2,161 meals at home for the lower budget, 2,138 for the intermediate budget, and 2,127 for the higher budget. For nonmetropolitan areas the quantity allowances are 2,150, 2,133, and 2,121 for the lower, intermediate, and higher budgets, respectively.

^{4/} Includes fluid whole milk and milk products; quantities are converted to units containing the same calcium content as milk, by using the following equivalents: 1 cup of milk equals 3/4 pound of cottage cheese (creamed), 1 pound of cream cheese, 1 1/3 ounces of cheddar cheese, or 1 scant pint of ice cream.

^{5/} Weight in terms of flour and cereal. 1 1/2 pounds of bread or baked foods are counted as 1 pound of flour.

^{6/} The coffee and tea quantities shown below are for both metropolitan and nonmetropolitan areas within a region and reflect regional preference patterns. (Coffee, tea and soft drink quantities are estimates prepared by BLS, from USDA survey data.)

Region	Quantity per week (in pounds)					
	Lower		Intermediate		Higher	
	Coffee	Tea	Coffee	Tea	Coffee	Tea
Northeast -----	0.438	0.048	0.438	0.044	0.500	0.030
North Central -----	.562	.034	.522	.034	.468	.032
South -----	.370	.058	.406	.080	.574	.048
West -----	.384	.028	.464	.030	.498	.056
Washington, D.C. (U.S. pattern) -----	.432	.046	.458	.048	.506	.040

^{7/} Estimated costs in 1966 in all cities. Costs in 1967 were estimated separately for each metropolitan area and nonmetropolitan region by the changes in the Consumer Price Index at the appropriate subgroup level.

^{8/} The allowance for this item assumes that the average cost per guest meal is the same as the cost per meal consumed at home by family members.

Table A-2. Housing Budget Quantities

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
A. Shelter: Renter families <u>1</u> /						
Contract rent:						
Unfurnished 2- or 3-room dwelling unit containing specified installed equipment----- months-----	21-006X	2/21-001X	21-016X	12	12	12
Heating fuel:						
Most common type heating fuel used in each city-----	--	--	--	(3)	(3)	(3)
Water----- cubic feet-----	EP-1	22-745X	22-746X	7,280	7,280	7,783
Electricity:						
Lighting, refrigeration, and electrical appliances-----kilowatt hours-----	EP-1	22-505X	EP-1	1,056	4/ 1,260	4/ 2,150
Power for heating equipment-----do-----	--	--	--	(5)	(5)	(5)
Gas: <u>6</u> /						
Cooking----- therms-----	EP-1	22-375X	EP-1	72	72	72
Hot water heating-----do-----	EP-1	22-385X	EP-1	192	192	216
Furnace pilot-----do-----	EP-1	22-390X	EP-1	120	120	120
Refuse disposal:						
Trash and garbage removal-----	--	--	--	(7)	(7)	(7)
Equipment:						
Refrigerator-----	23-385X	23-387	EP-5	.06	.06	.06
Range-----	EP-3	23-399, 23-399A, 23-399C	EP-3	.06	.06	.06
Insurance on household contents-----	EP-1	2/23-965X	EP-1	8/ 1.00	8/ 1.00	8/ 1.00
B. Shelter: Homeowners						
Shelter (5- or 6-room dwelling):						
Property tax-----	EP-1	21-120X	EP-1	1.00	1.00	1.00
Homeowner insurance premium-----	EP-1	21-140X	21-145X	1.00	1.00	1.00
Repairs and maintenance:						
Repairs contracted out:						
Painting and redecoration-----	EP-1	21-527	EP-1	.07	.08	.17
Repair of roof-----	EP-1	21-437	EP-1	.04	.04	.06
Other-----	--	--	--	(9)	(9)	(9)
Repair materials:						
Paint and redecoration-----gallons-----	EP-1	21-181	EP-1	1.21	1.31	2.29
Other-----	--	--	--	(9)	(9)	(9)
Heating fuel:						
Most common type heating fuel used in each city-----	--	--	--	(3)	(3)	(3)
Water----- cubic feet-----	EP-1	22-745X	22-746X	7,280	7,280	7,783
Electricity:						
Lighting, refrigeration, and electrical appliances-----kilowatt hours-----	EP-1	22-505X	EP-1	1,056	4/ 1,260	4/ 2,150
Power for heating equipment-----do-----	--	--	--	(5)	(5)	(5)
Gas: <u>6</u> /						
Cooking----- therms-----	EP-1	22-375X	EP-1	72	72	72
Hot water heating-----do-----	EP-1	22-385X	EP-1	192	192	216
Furnace pilot-----do-----	EP-1	22-390X	EP-1	120	120	120
Refuse disposal:						
Trash and garbage removal-----	EP-1	23-984FB	EP-1	1.00	1.00	1.00
Equipment:						
Refrigerator-----	23-385X	23-387	EP-5	.06	.06	.06
Range-----	EP-3	23-399, 23-399A, 23-399C	EP-3	.06	.06	.06
C. Lodging away from home: All families						
Hotels, motels, cottages, etc-----	--	--	--	--	--	10/\$52.00

See footnotes at end of table.

Table A-2. Housing Budget Quantities--Continued

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
D. Housefurnishings						
Household textiles:						
Bedding:						
Sheets-----	EP-4	23-001, 23-001A	EP-1	1.17	1.30	1.74
Pillow cases-----pair-----	EP-4	23-008FB	EP-1	.36	.39	.50
Pillows-----	23-013, 23-014FB	23-013	23-013, 23-014FB	.08	.08	.08
Blankets and quilts-----	EP-3	23-022FB	EP-3	.14	.16	.22
Bedspreads-----	EP-3	23-031	EP-3	.13	.13	.15
Towels:						
Bath-----	EP-3	23-050FB	EP-3	.77	.77	.89
Other-----	--	--	--	(9)	(9)	(9)
Window coverings:						
Curtains-----	EP-4	23-085, 23-085A	EP-1	.37	.44	.44
Draperies-----	EP-1	23-091FB	EP-3	.25	.31	.31
Other-----	--	--	--	(9)	(9)	(9)
Floor coverings:						
Room-size rug-----	EP-3	23-335, 23-335A, 23-336, 23-377FB	EP-3	.05	.07	.10
Other-----	--	--	--	(9)	(9)	(9)
Furniture:						
Living room:						
Living room suite-----	23-132, 23-133, 23-133A, 23-134FB	23-132, 23-133, 23-133A	23-132, 23-133, 23-133A, 23-134FB	.02	.04	.03
Chair, fully upholstered-----	EP-2	23-130X	EP-2	.05	.07	.10
Table-----	EP-1	23-169FB	23-169, 23-170FB	.01	.02	.04
Sofa-----	--	23-192	EP-4	--	.01	.03
Other-----	--	--	--	(9)	(9)	(9)
Bedroom:						
Suite-----	EP-3	23-211, 23-211A&B	EP-3	.02	.03	.05
Bed-----	EP-2	23-200X	EP-2	.01	.02	.06
Mattress and bedspring-----	EP-6	23-204X, 23-204	EP-6	.07	.10	.10
Dresser and chest-----	EP-2	23-210X	EP-2	.01	.01	.01
Dining room:						
Dining room suite-----	--	23-228, 23-228A	EP-4	--	.01	.01
Dining room table-----	EP-1	23-230X	EP-2	.01	.01	.02
Dining room chairs-----	EP-1	23-240X	EP-2	.01	.01	.01
Dinette set-----	EP-1	23-220X	EP-2	.01	.01	.06
Porch and garden-----	23-252	23-250X	23-252	.24	.36	.52
Other-----	--	--	--	(9)	(9)	(9)
Electrical equipment and appliances:						
Vacuum cleaner-----	EP-1	23-411	EP-4	.03	.07	.08
Washing machine-----	23-420X	23-423	EP-5	.02	.03	.05
Clothes dryer-----	--	--	23-429	--	--	.02
Dishwasher-----	--	--	23-430X	--	--	.01
Waste disposal-----	--	--	23-500X	--	--	.01
Toaster-----	EP-3	23-465 AUX.	EP-3	.02	.02	.02
Fryer, food mixer, etc-----	EP-1	23-470X	EP-1	.06	.09	.12
Iron-----	EP-3	23-471 AUX.	EP-3	.03	.04	.07
Sewing machine-----	EP-1	23-460X	EP-1	.02	.02	.02
Air conditioner-----	--	23-440X	23-441	--	(11)	(11)
Fan-----	EP-1	23-450X	EP-1	.07	.07	.06
Housewares, tablewares, miscellaneous equipment:						
Heater, room-size-----	EP-1	23-480X	EP-1	.03	.03	.02
Carpet sweeper-----	EP-4	23-591	EP-1	.01	.01	.01
Dishes, set-----	EP-3	23-531, 23-531C, 23-533, 23-534	EP-3	.03	.03	.09
Other serving pieces-----	--	--	--	(9)	(9)	(9)
Light bulbs-----	EP-1	H-954	EP-1	8.05	10.26	11.79
Lamp-----	EP-3	23-608	EP-3	.06	.11	.12
Miscellaneous equipment-----	--	--	--	(9)	(9)	(9)
Other:						
Servicing, repairs, and rentals-----	--	--	--	(9)	(9)	(9)
Lawn mower-----	23-679X	23-680X	23-681	.05	.06	.08
Tools, paint brush, etc-----	--	--	--	10/\$2.43	10/\$3.58	10/\$3.79

See footnotes at end of table.

Table A-2. Housing Budget Quantities--Continued

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
E. Household operations						
Laundry and cleaning supplies:						
Laundry soap:						
Soap flakes, chips-----13 ounces-----	EP-1	H-802	EP-1	2.35	2.89	3.35
Detergent powder, granules-----20 ounces-----	EP-1	H-804	EP-1	32.06	39.86	46.38
Detergent liquid-----15 ounces-----	EP-1	H-807	EP-1	14.06	17.40	20.17
Starch, spray-----14 ounces-----	EP-1	H-952FB	EP-1	2.18	2.70	3.12
Bleach, liquid-----1/2 gallon-----	EP-1	H-950FB	EP-1	7.45	9.19	10.67
Floor wax-----27 ounces-----	EP-1	H-951FB	EP-1	3.13	3.88	4.25
Scouring powder-----14 ounces-----	EP-1	H-953FB	EP-1	14.06	17.36	19.10
Scouring pads-----box of 10-----	EP-1	H-901	EP-1	4.49	5.58	6.12
Air deodorizer-----7 ounces-----	--	H-906	EP-1	--	3.70	4.08
Other-----	--	--	--	(9)	(9)	(9)
Paper supplies:						
Paper napkins-----box of 80-----	EP-1	H-764	EP-1	9.97	12.13	14.01
Toilet tissue-----650-sheet roll-----	EP-1	H-799	EP-1	62.00	68.00	82.00
Paper towels, shelf, wax paper, foil, etc-----	--	--	--	(9)	(9)	(9)
Services and miscellaneous supplies:						
Launderettes-----pound-----	EP-1	34-754	EP-1	136.22	111.62	170.42
Laundry sent out-----10 pounds-----	--	23-924	EP-1	--	14.73	15.29
Dry cleaning sent out-----	--	--	--	--	--	10/\$ 7.41
Household help-----days-----	--	23-931	EP-1	--	5.91	9.08
Gardeners and grass cutters-----	--	--	--	--	--	10/\$24.71
Miscellaneous supplies-----	--	--	--	(9)	(9)	(9)
Communications:						
Residential telephone service:						
Basic charge-----	22-622X	2/22-620X	22-621X	12/ 12.00	12.00	12.00
Long distance-----	--	--	--	(9)	(9)	(9)
Other charges-----	--	--	--	--	--	10/\$ 7.55
Postage-----	--	--	--	10/\$19.24	10/\$20.59	10/\$33.30
Stationery, greeting cards, etc-----	--	--	--	10/\$12.05	10/\$14.78	10/\$35.06

1/ Allowances specified for fuel, utilities, and equipment do not apply when the cost of these items is included in the monthly rent.

2/ This is a correction of the specification number published in Bulletin 1570-4.

3/ Heating fuel requirements vary with the length and severity of the cold season, type of structure, and type of heating equipment. The variation caused by climate is measured in standard British thermal units (B.t.u.) (convertible to equivalent quantities of fuel oil, gas, etc.) and the normal number of annual degree days in a given city, derived from annual data published by the U.S. Weather Bureau. (A degree day is a unit, based upon temperature difference and time, which measures the difference between the average temperature for the day and 65° F.; the number of degree days for any one day is equal to the number of Fahrenheit degree differences between the average and 65° F.) The average number of B.t.u.'s required in a given city may be computed as follows:

2- or 3-room unit -- Million of B.t.u.'s = 0.75 (-302.817962 + 110.285800 times the
 logarithm of the normal number of annual degree days)
 6-room unit -- Million of B.t.u.'s = -302.817962 + 110.285800 times the
 logarithm of the normal number of annual degree days.

The quantity of any type of heating fuel used in a given city can be determined by converting the required number of B.t.u.'s into quantities of the type of fuel used. In the determination of the total amount of fuel required, both the average B.t.u. content and an assumed efficiency factor must be taken into consideration for each specified fuel.

4/ An additional 1,250 kw.-hrs. were allowed for operation of a window air conditioner in cities which met the criteria specified in footnote 11.
 5/ The kw.-hrs. of electricity required to operate gas or oil heating equipment vary according to the amount of fuel used. The average required number of kw.-hrs. assumed here is 0.25 per therm of gas and 0.44 per gallon of fuel oil.

6/ In cities where either electricity or oil was the predominant fuel used for cooking and/or water heating, it was substituted for gas. In the lower and intermediate budget the annual allowances for electricity are: cooking, 1,080 kw.-hrs.; hot water heating, 3,480 kw.-hrs. For oil, the annual requirement of hot water heating is 155 gallons. In the higher budget, the annual allowances for electricity are: Cooking, 1,080 kw.-hrs.; hot water heating, 3,720 kw.-hrs. For oil, the annual requirement of hot water heating is 166 gallons.

7/ Cost is included in the rent.

8/ The proportions of families with insurance on household contents are: lower budget, 15 percent; intermediate, 40 percent; and higher, 50 percent.

9/ See table A-10.

10/ Estimated cost in 1966. See footnote 7 table A-1.

11/ For the intermediate budget an annual allowance of 0.03 air conditioners is limited to 19 areas that had an average July-August temperature of 85° and over, and a relative humidity of at least 85 percent; an average July-August temperature of 90° or over, regardless of relative humidity; or, for Los Angeles only, an average July-August temperature close to 85° and relative humidity nearly 85 percent, as reported by U.S. Weather Bureau. For the higher budget, the criteria were expanded to include all cities that had an average July-August temperature of 80° or over, regardless of relative humidity, applicable to 34 of the metropolitan areas and to nonmetropolitan areas in 2 regions. The annual allowance is 0.06.

12/ Telephone service is provided for 75 percent of the families in metropolitan areas, and 88 percent in nonmetropolitan areas.

Table A-3. Transportation Budget Quantities

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
A. Automobile owners ^{1/}						
Private transportation:						
Replacement of automobile ^{2/} -----	41-025X	41-030X	41-035X	.250	.130	.130
Automobile operating expenses: ^{3/}						
Gasoline-----gallon-----	EP-1	41-065	EP-1	285.80	393.73	393.73
Motor oil-----quart-----	EP-1	41-097	EP-1	11.27	19.77	19.77
Lubrication-----	EP-1	41-355	EP-1	1.38	1.95	1.95
Antifreeze-----gallon-----	EP-1	41-110X	EP-1	<u>4/</u>	<u>4/</u>	<u>4/</u>
Tires-----	41-193	41-161	EP-1	1.00	.73	.73
Battery-----	EP-1	41-226FB	EP-1	.38	.33	.33
Repairs and parts:						
Motor tuneup-----	EP-1	41-483	EP-1	.33	.69	.69
Front-end alignment-----	EP-1	41-675	EP-1	.10	.16	.16
Brakes relined-----	EP-1	41-643FB	EP-1	.12	.17	.17
Other repairs-----	---	---	---	<u>5/</u>	<u>5/</u>	<u>5/</u>
Other operating expenses-----	---	---	---	<u>5/</u>	<u>5/</u>	<u>5/</u>
Insurance:						
Public liability-----	EP-1	41-807	41-806X	1.00	1.00	1.00
Comprehensive-----	---	41-810X	EP-1	---	.50	.50
Registration fees:						
State-----	EP-1	41-870	EP-1	1.00	1.00	1.00
Local-----	EP-1	41-871FB	EP-1	1.00	1.00	1.00
Inspection fee-----	EP-1	41-880FB	EP-1	<u>6/</u>	<u>6/</u>	<u>6/</u>
Personal property tax-----	---	---	---	<u>7/</u>	<u>7/</u>	<u>7/</u>
Operator's permit-----renewal-----	EP-1	41-902	EP-1	1.50	1.50	1.50
Tolls, parking, fines, etc.-----	---	---	---	<u>5/</u>	<u>5/</u>	<u>5/</u>
Public transportation:						
Local:						
Transit fares-----ride-----	EP-1	42-020X	EP-1	<u>8/</u>	<u>8/</u>	<u>8/</u>
Taxi fares-----do-----	EP-1	42-143	EP-1	<u>9/</u>	<u>9/</u>	<u>9/</u>
Out of city-----	---	---	---	---	10/\$31.70	10/\$31.70
B. Nonowners of automobiles ^{1/}						
Public transportation:						
Local:						
Transit fares-----ride-----	EP-1	42-020X	EP-1	<u>11/</u>	<u>11/</u>	<u>11/</u>
Taxi fares-----do-----	EP-1	42-143	EP-1	<u>12/</u>	<u>12/</u>	<u>12/</u>
Out of city-----	---	---	---	---	10/\$50.50	10/\$101.50

^{1/} The mode of transportation within cities and metropolitan areas is related to location, size, and characteristics of the community. The average costs to automobile owners and nonowners in the lower budget were weighted by the following proportions of families: New York, Boston, Chicago, and Philadelphia, 100 percent for nonowners; all other metropolitan areas, 45 percent for automobile owners, 55 percent for nonowners; nonmetropolitan areas, 55 percent for owners, 45 percent for nonowners. The intermediate budget proportions are: New York, 25 percent for owners, 75 percent for nonowners; Boston, Chicago, and Philadelphia, 40 percent for owners, 60 percent for nonowners; all other metropolitan areas, 60 percent for owners, 40 percent for nonowners; nonmetropolitan areas, 68 percent for owners, and 32 percent for nonowners. The higher budget proportions are: New York, Boston, Chicago, and Philadelphia, 75 percent for owners, 25 percent for nonowners; all other areas, 100 percent for automobile owners.

^{2/} The age of the car purchased was a 6-year old in the lower budget, a 2-year old in the intermediate budget, and a new car (55 percent of the families) or a 2-year old car (45 percent of the families) in the higher budget. Applying the replacement rates given, the car traded in was 10 years old in the lower budget, 9 years old in the moderate, and 7 or 9 years old in the higher budget. No allowance was given for the 9 and 10 year old cars.

^{3/} The mileage allowance in the lower budget is 4,287; in both the intermediate and higher budgets, 6,009.

^{4/} The annual allowance is 1.25 gallons for all cities with an average minimum temperature of 32° - 15° during January. For cities with below 15° January minimum temperatures, the allowance is 2.00. No anti-freeze is provided for mild climate cities.

^{5/} See table A-10.

^{6/} The number of inspections required by law in each city.

^{7/} Cost required by law in each city.

^{8/} The annual allowances for the 3 budget levels is 34 rides in Boston, New York, Philadelphia and Chicago; 25 in all other metropolitan areas. None in nonmetropolitan areas.

^{9/} The annual allowance for the 3 budget levels is 7 rides in Boston, New York, Philadelphia and Chicago; 1 in all other areas.

^{10/} Estimated cost in 1966 for all cities.

^{11/} The annual allowance for the 3 budgets levels is 107 rides in metropolitan areas, 3 in nonmetropolitan areas.

^{12/} The annual allowance for the 3 budget levels is 10 rides in metropolitan areas, 13 in nonmetropolitan areas.

Table A-4. Clothing Budget Quantities

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
A. Husband						
Outerwear:						
Topcoats* -----	EP-3	31-018 series	EP-3	0.05	0.07	0.08
Jackets, sport coats* -----	31-005X	31-010X	31-005X	.12	.16	.22
Sweaters -----	EP-3	31-154	EP-3	.15	.17	.19
Raincoats* -----	EP-2	31-020X	EP-2	.07	.09	.11
Suits:						
Year-round weight* -----	EP-3	31-052, 31-053	EP-3	.15	.26	.33
Tropical weight* -----	EP-2	31-050X	EP-2	.03	.05	.07
Slacks:						
Dress -----	EP-3	31-086, 31-087 series	EP-3	.45	.56	.77
Work -----	EP-1	31-171	EP-1	.76	.84	.97
Shirts:						
Dress -----	EP-3	31-273, 31-273A	EP-3	.64	.82	1.08
Work -----	EP-1	31-222, 31-222A	EP-1	.41	.33	.44
Sports -----	EP-3	31-292	EP-3	.47	.75	.86
Other outerwear* -----	--	--	--	(1)	(1)	(1)
Underwear, nightwear:						
Undershorts, briefs -----	EP-3	31-342FB	EP-3	1.37	1.45	1.77
Undershirts -----	EP-3	31-324	EP-1	1.43	1.58	1.86
Other underwear* -----	--	--	--	(1)	(1)	(1)
Pajamas -----	EP-3	31-376FB	EP-3	.45	.47	.57
Bathrobes -----	EP-1	31-370X	31-375X	.03	.07	.09
Hosiery (socks)-----pair---	EP-3	31-409, 31-409A	EP-3	3.98	4.21	4.48
Footwear:						
Shoes:						
Street -----do-----	33-001, 33-002, 33-002A	33-002, 33-002A	33-001, 33-002, 33-002A	.48	.54	.67
Work -----do-----	EP-1	33-046	EP-1	.13	.17	.14
Loafers -----do-----	EP-2	33-010X	EP-2	.08	.12	.10
Houseslippers -----do-----	EP-2	33-050X	EP-2	.13	.15	.22
Rubbers, galoshes, boots* -----do-----	EP-1	33-226FB	EP-1	.09	.11	.12
Hats, gloves, accessories:						
Hats:						
Felt* -----	EP-3	31-427FB	EP-3	.21	.22	.36
Straw* -----	EP-1	31-420X	EP-1	.15	.17	.22
Gloves:						
Dress* -----pair---	EP-1	31-430X	EP-1	.13	.21	.24
Work* -----do-----	EP-1	31-440X	EP-1	.24	.24	.27
Ties, handkerchiefs -----	--	--	--	2/ \$1.75	2/ \$2.09	2/ \$2.56
Jewelry, watches -----	--	--	--	2/ \$.66	2/ \$.85	2/ \$1.41
Other accessories* -----	--	--	--	(1)	(1)	(1)

See footnotes at end of table.

Table A-4. Clothing Budget Quantities--Continued

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
B. Wife						
Outerwear:						
Coats:						
Heavyweight* -----	EP-3	32-001	EP-3	0.14	0.18	0.22
Lightweight -----	EP-2	32-002 series				
Carcoats, jackets -----	EP-1	32-010X	EP-2	.15	.16	.26
Sweaters -----	EP-3	32-105	EP-3	.01	.06	.04
		32-118,	EP-3	.28	.33	.35
		32-118A				
Suits -----	EP-1	32-120X	EP-1	.07	.09	.12
Dresses:						
Street -----	EP-3	32-222,	EP-3	.95	1.21	1.29
		32-223,				
		32-226,				
		32-226A				
House -----	EP-3	32-248	EP-1	.87	1.02	1.15
Skirts -----	--	--	--	2/ \$.23	2/ \$.26	2/ \$.27
Blouses, shirts -----	EP-3	32-144, 32-144A	EP-3	.17	.21	.25
Other outerwear* -----	--	--	--	(1)	(1)	(1)
Underwear, nightwear:						
Slips, petticoats -----	EP-3	32-287	EP-3	.60	.73	.84
Girdles -----	EP-3	32-378,	EP-3	.46	.64	.79
		32-378B				
Brassieres -----	32-391,	32-391	32-391,	.51	.66	.74
	32-392FB		32-392FB			
Panties, briefs -----	32-313,	32-313	32-313,	1.31	1.53	1.82
	32-314FB		32-314FB			
Nightgowns -----	EP-1	32-327FB	EP-3	.33	.41	.45
Pajamas -----	EP-3	32-339FB	EP-1	.12	.12	.20
Robes, housecoats -----	32-345X	32-340X	32-345X	.11	.14	.19
Other underwear, nightwear* -----	--	--	--	(1)	(1)	(1)
Hosiery:						
Stockings -----pair-----	EP-3	32-405,	EP-3	4.89	6.05	6.86
		32-405A				
Anklelets -----do-----	--	--	--	2/ \$.08	2/ \$.11	2/ \$.11
Footwear:						
Shoes:						
Street -----do-----	EP-3	33-271,	EP-3	.79	.98	1.11
		33-272				
Casual -----do-----	EP-3	33-361	EP-3	.29	.34	.39
Houseslipppers -----do-----	EP-3	33-406	EP-3	.30	.38	.42
Rubbers, galoshes, boots* -----do-----	EP-2	33-410X	EP-2	.13	.16	.18
Hats, gloves, accessories:						
Hats* -----	EP-3	32-432FB	EP-3	.49	.65	.78
Gloves* -----pair-----	EP-3	32-443	EP-3	.23	.31	.40
Purses, handbags -----	EP-1	32-450X	32-455X	.22	.28	.35
Jewelry, watches -----	--	--	--	2/ \$.80	2/ \$ 1.31	2/ \$ 2.62
Other accessories* -----	--	--	--	(1)	(1)	(1)
C. Clothing materials and services						
Materials:						
Wool, wool blends ----- yards-----	EP-2	34-420X	EP-2	0.60	0.50	0.31
Cotton, cotton blends -----do-----	EP-3	34-438,	EP-3	2.46	2.73	2.89
		34-438A,				
		34-449 AUX				
Rayon, acetate -----do-----	EP-2	34-460X	EP-2	.29	.25	.22
Nylon, orlon, dacron -----do-----	EP-3	34-469FB	EP-3	.11	.09	.08
Other yard goods -----	--	--	--	(1)	(1)	(1)
Notions (yarn, pins, etc.) -----	--	--	--	(1)	(1)	(1)
Services:						
Cleaning and pressing:						
Men's suits -----garment-----	EP-3	34-708,	EP-3	4.55	6.36	8.46
		34-708A				
Women's dresses -----do-----	EP-3	34-731,	EP-3	3.75	5.64	7.40
		34-731A				
Shoe repair:						
Men's half soles and heels---number---	EP-1	34-639FB	EP-1	.36	.45	.61
Women's heels -----do-----	EP-1	34-662,	EP-1	1.64	2.38	3.15
		34-662A				
Shoe shines, polish, laces, etc. -----	--	--	--	(1)	(1)	(1)
Other clothing services -----	--	--	--	(1)	(1)	(1)

1/ See table A-10.

2/ Estimated cost in 1966. See also footnote 7 on table A-1.

* Explanatory note: Quantities of starred items vary from city to city. The basic clothing budget is the U.S. average quantity, both for metropolitan and nonmetropolitan areas. For each city or metropolitan area, the quantities of clothing articles specified for each budget are adjusted upward or downward in accordance with local climatic conditions, on the basis of the normal number of annual degree days as published by the U.S. Weather Bureau. A tabulation, showing the quantities of specified items of clothing required in metropolitan areas when the normal number of annual degree days average 0 and 8,392, and in nonmetropolitan areas when the average is 489 and 10,864, are available upon request. (For definition of degree days, see footnote 3, table A-2.) The quantities required for specific cities were determined by straight line interpolation.

Table A-5. Personal Care

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
Services:						
Husband:						
Haircut -----	EP-1	52-697	EP-1	12.7	15.3	21.5
Wife:						
Haircut -----	EP-1	52-753	EP-1	1.5	1.7	3.1
Permanent wave -----	EP-1	52-825	EP-1	.9	1.6	2.2
Shampoo and set -----	EP-1	52-849	EP-1	3.7	10.9	14.0
Manicure -----	--	--	--	--	--	<u>1/</u> \$1.15
Tinting and coloring -----	--	--	--	--	(2)	(2)
Family:						
Other -----	--	--	--	--	(2)	(2)
Supplies:						
Toilet soap -----medium bar--	EP-1	52-001	EP-1	58.6	68.1	84.0
Toothpaste -----ounce--	EP-1	52-025	EP-1	21.8	25.7	35.4
Shaving cream -----ounce--	EP-1	52-073	EP-1	12.2	22.7	25.9
Cleansing tissue -----box 200 double--	EP-1	52-625	EP-1	10.7	13.7	23.4
Shampoo -----ounce--	EP-1	52-193 AUX	EP-1	7.2	7.3	13.8
Face powder -----	--	--	--	<u>1/</u> \$.88	<u>1/</u> \$1.46	<u>1/</u> \$2.13
Home permanent kit -----refill--	EP-1	52-529	EP-1	.4	.3	.1
Other -----	--	--	--	(2)	(2)	(2)

1/ Estimated cost in 1966. See also footnote 7 on table A-1.

2/ See table A-10.

Table A-6. Medical Care

Item	Pricing code	Quantity per year
		All levels
Medicare:		
Hospital insurance deductible -----	--	<u>1/</u> \$17.72
Medical insurance:		
Premium -----	--	<u>1/</u> \$72.00
Deductible and coinsurance -----	--	<u>2/</u> \$82.17
Medical care not covered by Medicare:		
Physician's office visit (check-up) <u>3/</u> -----	51-201	.64
Dental care:		
Fillings -----	51-465	.36
Extractions -----	51-466	.30
Cleaning and examination -----	51-469FB	1.00
Denture work, other dental care -----	--	(4)
Eye Care:		
Examination for glasses -----	51-518, 51-519	.17
Eyeglasses -----	<u>5/</u> 51-518, 51-520	.48
Other -----	--	(4)
Drugs:		
Prescription -----	51-061 through 51-181	14.8
Nonprescription:		
Vitamins -----100--	51-001	1.6
Other -----	--	(4)

1/ Estimated cost for all areas.

2/ Estimated average cost differs from city to city. Change in cost for intermediate budget from autumn 1966 due to revised cost estimate from the Department of Health, Education, and Welfare.

3/ An allowance for those family members not using any Medicare service within 1 calendar year.

4/ See table A-10.

5/ Pricing codes are for intermediate budget. Price estimating procedure for lower and higher budget is EP-3.

Table A-7. Other Family Consumption

Item	Pricing code or price estimating procedure for:			Quantity per year		
	Lower	Intermediate	Higher	Lower	Intermediate	Higher
A. Reading materials						
Newspapers (subscription) -----	EP-1	53-806, 53-807, 53-810 53-811	EP-1	1.14	1.20	1.28
Books (not school) -----	--	--	--	1/ \$ 2.06	1/ \$ 4.33	1/ \$ 7.31
Magazines -----	--	--	--	1/ \$ 7.81	1/ \$11.85	1/ \$17.59
B. Recreation						
Radios, television sets, etc:						
Television sets -----	EP-7	2/53-001	EP-7	.06	.07	.14
Radios -----	EP-3	53-033, 53-033A, 53-034	EP-3	.04	.08	.10
Musical instruments -----	--	--	--	--	--	(3)
Repairs including parts -----	--	--	--	1/ \$16.84	1/ \$20.14	1/ \$22.66
Phonograph records -----	--	53-177	EP-1	--	.23	.30
Admissions:						
Movies -----	EP-1	53-612	EP-1	5.91	6.50	6.50
Other admissions -----	--	--	--	--	1/ \$ 4.68	1/ \$ 9.21
Other recreation:						
Participant sports -----	--	--	--	--	(3)	(3)
Club dues, memberships -----	--	--	--	--	(3)	(3)
Hobbies, toys, etc. -----	--	--	--	(3)	(3)	(3)
Pets, pet supplies, and other recreation expenses -----	--	--	--	1/ \$ 2.73	1/ \$ 5.30	1/ \$23.42
C. Tobacco						
Cigarettes -----carton----	--	54-002, 54-006	--	--	4/ 17.9	--
Cigars -----each----	54-078FB	54-077	54-079FB	97.0	97.0	165.8
Pipe tobacco -----ounce----	54-153, 54-154FB	54-153FB	54-153, 54-154FB	41.1	41.1	42.5
Pipe and smoker's supplies -----	--	--	--	(3)	(3)	(3)
D. Alcoholic beverages						
At home:						
Beer and ale -----72 ounces----	EP-1	54-309	EP-1	15.7	12.9	10.8
Liquor (whiskey, etc.) -----1/5 gallon----	--	54-384, 54-399	54-401FB	--	3.4	5.3
Wine -----1/5 gallon----	--	54-429, 54-431	EP-1	--	5.9	5.9
Away from home -----	--	--	--	--	(3)	(3)
E. Miscellaneous expenses						
Miscellaneous expenses:						
Bank service charges, legal expenses, and other expenses that cannot be allocated elsewhere.				(3)	(3)	(3)

1/ Estimated cost in 1966. See footnote 7 table A-1.

2/ Specification revised beginning with spring 1967 pricing period.

3/ See table A-10.

4/ Quantity deleted from intermediate budget beginning with spring 1967 pricing period.

Table A-8. Other Costs

Item	Quantity per year		
	Lower	Intermediate	Higher
Gifts and contributions: Christmas, birthday, and other presents to persons outside the immediate family; and contributions to religious, welfare, medical, educational, and other organizations.	A. Gifts and contributions		
	(1)	(1)	(1)
	B. Life insurance		
Life insurance policy: A policy to provide income to the widow in the event of the husband's death.	-	-	<u>2/</u> \$71

1/ See table A-10.

2/ Estimated cost in all cities in 1966.

Table A-9. Taxes

Item	Quantity per year		
	Lower	Intermediate	Higher
Taxes: Personal income taxes (Federal, State, and local), and capitation taxes.			Rates appli- cable in 1967 in each city; in metropoli- tan areas, the applicable rates in each urban part were used.

Table A-10. Ratios for Estimating Costs of Unpriced Budget Items

(For items for which it was not possible to derive a quantity, a cost was estimated as a ratio of the cost of one or more closely related items. The ratios were based on expenditures reported at the inflection point, or the income class below or above the inflection point (in the 1960-61 CES data), for the lower, intermediate, and higher budgets respectively. The "base" items to which these costs were related, and the ratios are shown below.)

Item		Ratio of estimated to base cost:		
		Lower	Intermediate	Higher
Estimated	Base	(Percent)		
Shelter: Homeowner families :				
Other repairs contracted out-----	Itemized repairs -----	128.9	108.4	116.3
Other repair materials -----	Paint and decorating materials -----	121.1	110.7	104.5
Housefurnishings:				
Household textiles:				
Other towels -----	Bath towels -----	41.5	54.6	74.4
Other household textiles -----	Itemized textiles -----	28.4	34.6	31.9
Floor coverings, furniture:				
Other floor coverings -----	Room-sized rug -----	298.8	432.7	554.2
Other living room furniture -----	Itemized living room furniture -----	7.2	5.1	6.1
Other furniture -----	Itemized furniture -----	21.2	15.7	5.8
Housewares, tableware, miscellaneous equipment:				
Other serving pieces -----	Sets of dishes -----	60.3	88.6	56.6
Miscellaneous equipment -----	Furniture, equipment and housewares -----	10.8	10.4	6.4
Other:				
Servicing, repairs, rentals -----	Furniture and equipment -----	17.1	18.6	12.1
Household operations:				
Other laundry and cleaning supplies -----	Itemized laundry and cleaning supplies -----	28.6	27.0	25.9
Paper towels, shelf, wax paper, foil, etc. -----	Itemized paper products -----	150.0	150.0	150.0
Miscellaneous supplies (candles, matches, flowers, seeds, etc.) -----	Itemized laundry, cleaning, and paper supplies -----	27.5	29.4	73.1
Communication:				
Long distance telephone -----	Basic telephone service -----	--	13.2	48.5
Transportation:				
Other repairs -----	Itemized repairs -----	170.5	56.6	56.6
Other operating expenses -----	Itemized operating expenses -----	6.0	4.1	4.1
Tolls, parking, fines, etc. -----	Itemized operating expenses -----	4.6	4.4	4.4
Clothing: Husband :				
Other outerwear* -----	Itemized outerwear -----	1.1	1.0	0.8
Other underwear* -----	Itemized underwear -----	37.9	26.4	22.4
Other accessories* -----	Total clothing -----	0.8	0.9	0.8
Clothing: Wife :				
Other outerwear* -----	Itemized outerwear -----	6.6	8.5	12.3
Other underwear and nightwear* -----	Itemized underwear, nightwear -----	5.6	4.7	4.7
Other accessories* -----	Total clothing -----	1.1	1.8	1.3
Clothing materials and services:				
Materials:				
Other yard goods -----	Itemized yard goods -----	3.9	3.8	2.0
Notions (yarn, pins, etc.) -----	Total yard goods -----	99.0	89.5	119.9
Services:				
Shoe shines, polish, laces, etc. -----	Shoe repairs -----	31.4	18.3	26.1
Other clothing services -----	Itemized clothing services -----	18.9	15.4	17.3

See footnotes at end of table.

Table A-10. Ratios for Estimating Costs of Unpriced Budget Items--Continued

(For items for which it was not possible to derive a quantity, a cost was estimated as a ratio of the cost of one or more closely related items. The ratios were based on expenditures reported at the inflection point, or the income class below or above the inflection point (in the 1960-61 CES data), for the lower, intermediate, and higher budgets respectively. The "base" items to which these costs were related, and the ratios are shown below.)

Item		Ratio of estimated to base cost:		
		Lower	Intermediate	Higher
Estimated	Base	(Percent)		
Personal care:				
Services:				
Tinting and coloring -----	Itemized services for wife -----	--	3.4	3.4
Family: Other -----	Itemized services -----	--	0.2	0.2
Supplies:				
Other -----	Itemized supplies -----	91.2	102.5	98.9
Medical care:				
Dentures and other dental care -----	Itemized dental procedures -----	228.0	228.0	228.0
Other eye care -----	Total of eyeglasses and examination -----	11.1	1/ 11.1	11.1
Other nonprescription drugs -----	Vitamins -----	269.0	269.0	269.0
Recreation:				
Musical instruments -----	Total cost of radios and television sets -----	--	--	1.6
Other recreation:				
Participant sports -----	Total cost of television, radio, etc., and admissions -----	--	29.6	53.4
Club dues, memberships -----	do -----	--	17.2	24.7
Hobbies, toys, etc. -----	do -----	0.7	10.3	15.0
Tobacco:				
Pipe and smoker's supplies -----	Itemized tobacco products -----	1.1	1.1	0.7
Alcoholic beverages:				
Away from home -----	Itemized alcoholic beverages -----	17.4	17.4	17.4
Miscellaneous expenses -----	All other costs of family consumption -----	0.3	0.4	0.5
Gifts and contributions -----	Total cost of family consumption, less miscellaneous expenses -----	4.5	6.4	7.5

1/ This is a correction of the ratios published in Bulletin 1570-4, p. 30.

* See explanatory note table A-4.

Appendix B

Pricing Specifications

The specifications shown on the following pages are those used to collect or estimate prices for the lower and higher budgets which differ from those used in the

intermediate budget, described in appendix 1 of Bulletin 1570-3. The coding system for the specifications is the same as for the intermediate budget.

FOOD

Food Away From Home

DINNER 54-525 (X)

Description: Same as 54-530 (X)
(see bulletin 1570-3) except
that "high-priced" outlets
were excluded.

DINNER 54-535 (X)

Description: Entrees under these
general descriptions:

1. Ground beef patty
2. Round steak

3. Veal cutlet
4. Ham
5. Chicken
6. Fish

An appetizer, two vegetables, a
beverage, bread and butter, and
a dessert were added to these
entrees to complete the meal.
"Low-priced" outlets were
excluded.

Special Instructions: In cases
where any of the specified items
were not included, the a la
carte price(s) was added to the
cost of the entrees.

HOUSING

Rent and Homeowner Shelter Costs

<u>RENTAL COSTS</u>	<u>HOUSING, RENT AND HOMEOWNER SHELTER COSTS</u>
<u>Contract Rent</u>	<u>Electricity</u>
<u>21-006 (X)</u>	<u>22-505 (X)</u> (For lighting, refrigeration, and electrical appliances.)
Description: A rental unit meeting the same general description as that used for the intermediate budget (see bulletin 1570-4, p. 18).	Description: Total monthly net bill per residential rate schedule for 105-kw.-hr. in all cities.
Estimating Procedure: The rental cost for the lower budget was calculated as the average rent for the lower third of the distribution of rents for units meeting the standard. Where facilities usually covered by rent were not included, estimates of the cost of these items were added to the contract rent.	Method of Calculating Average Price: Method II a.
<u>Contract Rent</u>	<u>Gas</u>
<u>21-016 (X)</u>	<u>22-375 (X), 22-385 (X), and 22-390 (X)</u>
Description: A rental unit meeting the same general description as that used for the intermediate budget (see bulletin 1570-4, p. 18), but with no restrictions on the number of baths or extra facilities and services such as switchboard, secretarial, swimming or special recreational facilities.	Description: Total monthly net bill per residential rate schedule for: 22-375 (X) (cooking) 6 therms. 22-385 (X) (hot water heating) 16 therms. 22-390 (X) (furnace pilot) 10 therms.
Estimating Procedure: The rental cost for the higher budget was calculated as the average rent for the upper third of the distribution of rents for units meeting the above level. Estimates of the cost for fuel and utilities were added to the contract rent.	Method of Calculating Average Price: Method II a.
	<u>Residential Water and Sewer Rates</u>
	<u>22-745 (X)</u>
	Description: Annual charge for 7280 cubic feet (54,600 gallons) for service to residences.
	Meter rates computed using most common size of residential meter; flat rates computed for residences meeting Retired Couple's Budget specifications

HOUSING

Rent and Homeowner Shelter Costs

(i.e., kitchen sink and washbowl, flush toilet, tub or shower, and washing machine):

Service charges, special taxes included in rates; discounts deducted.

22-746 (X)

Description: Annual charge for 7,783 cubic feet (58,373 gallons) for service to residences.

Computed the same as 22-745(X).

INSURANCE ON HOUSEHOLD CONTENTS22-965 (X)

Description: Annual premium for tenants for coverage that includes:

1. Fire and extended coverage insurance on unscheduled personal property contained in the rental unit.
2. Deductible: A \$50 deductible applies to loss from the perils of windstorm and hail.

The annual premium calculated varied according to the specified value of the insured property at the three budget levels.

HOMEOWNER COSTS

The items for homeowner cost for the lower and higher budgets were calculated for a 5- or 6-room dwelling meeting all the criteria specified for the intermediate level (see bulletin 1570-3), but with no restrictions on the number of baths for the higher level.

PROPERTY TAXES21-120 (X)

Description: See bulletin 1570-3.

The annual tax calculated varied according to the specified value of the property at the three levels.

PROPERTY INSURANCE FOR HOMEOWNERS21-140 (X)

Description: See Bulletin 1570-3.

The annual premium calculated varied according to the specified value of the insured property at the lower and intermediate levels.

21-145 (X)

Description: Same as 21-140 (X), except that insurance costs were based on a higher home value and the annual premium for the broad form comprehensive homeowner's policy.

HOUSING
Household Textiles

PILLOW

23-014 (FB)

Description: Bed pillow, cotton cover; (zipper closure excluded); packaged in polyethylene.

Materials:

Pillow filling: White goose feathers; weight, 2 to 3 pounds.
Cover: 8 ounce cotton ticking; corded edge.

Size:

Cut size: 22 x 28 inches
Standard size: 21 x 27 inches
Thickness: 3 to 8 inches

Estimating Procedure: Same as EP-3 except that the array of prices used included both 23-013 (FB-G) and 23-014 (FB) in five benchmark cities. The ratio of the average price of the upper or lower third of the combined array was applied to the price used in the intermediate level in other cities.

HOUSING

Furniture

LIVING ROOM SUITE23-134 (FB)

Description: Sofa and lounge chair; (sold either from open stock or as a suite with matching or harmonizing chair) premium grade: promotionals excluded.

Style: Modern or contemporary

Construction: Kiln dried hardwood frame, corner blocked, crossbraced, double doweled, screwed and glued, hard or soft edge well padded, self-decked, may have exposed wood arms or legs, padded outside arms and backs, Scotchgaard or Zepel stain resistant finish. Reversible seat and pillow back cushions (sofa may have tight back cushion), concealed zipper cushion covers, snug fit, compact and smooth cushions, latex or urethane foam/polyester core. Coilsprings fastened to frame and/or webbing; or sinuous construction, no sag, zipper or arch types.

Covering: (Good quality)

Synthetic, natural or blend fibers, 100% flax excluded; flat, pile or texture weaves.

Size: Sofa platform length 60 to 90 inches.

Estimating Procedure: Same as EP-3 except that the array of prices used included 23-132, 23-133 (FB-G), and 23-134 (FB) in the five benchmark cities. The ratio of the average price of the upper or lower third of the combined array was applied to the price used in the intermediate level in other cities.

COCKTAIL TABLE23-170 (FB)

Description: Premium grade; walnut, cherry, pecan, or teak wood.

Style: Modern or contemporary; oval or rectangular; may have shelf and/or drawer.

Construction: All pieces framed and braced throughout, mortised and tenoned or doweled, glued and screwed. Table top: Veneer surface and base, if any, machined smooth and clean, oiled and hand-rubbed finish. Edges, rails, and legs: Solid wood.

Size: Approx. 42, 48, or 54 inches.

Estimating Procedure: Same as EP-3 except that the array of prices used included both 23-169 (FB-G) and 23-170 (FB) in the five benchmark cities. The ratio of the average price of the upper third of the combined array was applied to the price used at the intermediate level in other cities.

LAWN CHAIR23-252 (CPI)

Style: Folding chair.

Construction: 1-inch polished aluminum tubing.
Webbing: Approx. 4 to 6 vertical and 8 to 10 horizontal webs of saran, velon, or polypropylene, approx. 2½ inches wide.
Arm rests: Double tubular, or 1-piece flat.

Size:

Seat: Approx. 21 to 23 inches.

Height: Approx. 30 to 32 inches.

Special Instructions: Three volume sellers priced in each outlet in the five benchmark cities.

Method of Calculating Average Price:
Method I (see Bulletin 1570-3).

HOUSING

Housewares, Tableware and Miscellaneous Equipment

LAWN MOWER23-679 (X)

A price of \$26.25 was estimated for all cities, based on average retail price estimates for a hand mower from mail-order catalogs.

LAWN MOWER23-681 (CPI)

Style: Lawn mower, power; rotary type; push type; hand propelled; 19 to 22 inch cutting width.

Construction: Steel die cast aluminum alloy or fiberglass housing (deck); tubular steel or aluminum handle;

engine control (throttle); alloy steel blade; wheels, adjustable for cutting height, with rubber tires; may be offset; discharge chute on side; may have leaf mulcher attachment.

Engine: 4 cycles. Type of starting: Recoil *or* impulse.

Special Instructions: Three volume sellers priced in each outlet in the five benchmark cities.

Method of Calculating Average Price: Method I (see Bulletin 1570-3).

HOUSING
Electrical Equipment and Appliances

REFRIGERATOR

23-385 (X)

Price estimated in each city as 60.48 percent of average price of refrigerator-freezer, 23-387 (CPI), intermediate level, based on mail-order catalog price relationships.

WASHING MACHINE

23-420 (X)

Price estimated in each city as 62.49 percent of average price of washing machine, 23-423 (CPI), intermediate level, based on mail-order catalog price relationships.

CLOTHES DRYER

23-429 (CPI)

Style: Electric, semideluxe model, not installed; thermostatic temperature control; automatic shut-off; safety switch on door (shuts off machine when door is opened); may have interior light; lint trap; no-vent models excluded.

Construction: Sheet steel exterior and frame work; steel drum, rust-proofed with porcelain, zinc, or similar coating, *excluding* stainless steel drums; white baked enamel or acrylic enamel exterior, may have porcelain enamel top; may operate on either 115 or 230 volts, 60 cycle electrical current.

Special Instructions: One model each of two manufacturers priced in each outlet.

Method of Calculating Average Price:
Method I (see Bulletin 1570-3).

DISHWASHER

23-430 (X)

Price estimated in each city as 94.4 percent of average price of washing machine, 23-423 (CPI), intermediate level, based on mail-order catalog price relationships.

FOOD WASTE DISPOSER

23-500 (X)

A price of \$60 was estimated for all cities, based on average retail price estimates for mail-order catalogs.

AIR CONDITIONER

23-441 (CPI)

Style: Standard window-type (excluding portable-type); thermostatic control; installation charges not included.

Electrical Characteristics:

B.T.U. hourly rating: 9,000 to 12,000. Volts and amperes: 115 volts, 7½ to 12 amperes; or 230 volts, 7 to 9 amperes.

Special Instructions: Three volume sellers priced in each outlet in the five benchmark cities.

Method of Calculating Average Price:
Method I (see Bulletin 1570-3).

HOUSING
Household Operations

LAUNDRY, FLATWORK

23-924 (CPI)

Description: Finished service, all washed and ironed and ready for use, for a 10-pound bundle of laundry, flatwork only, including any bundle or service charge or insurance.

Special Instructions: Delivered and cash, carry and call-for service priced in each outlet.

Method of Calculating Average Price:
Method II a (see Bulletin 1570-3).

Averages Weighted as follows:
Delivered: 50 percent.
Cash, carry and call-for: 50 percent.

GENERAL HOUSEWORK WITH LAUNDRY

23-931 (CPI)

Description: Cash entering wage for dayworker for an 8-hour day; including transportation allowance; general housework with laundry (washing and/or ironing) *excluding* heavy cleaning.

Method of Calculating Average Price:
Method II a (see Bulletin 1570-3).

TELEPHONE SERVICE

22-621 (X)

Description: Monthly rate, local residential telephone service; 1-party unlimited rate.

22-622 (X)

Description: Monthly rate, local residential telephone service; 2-party, most economical rate in the city.

TRANSPORTATION

Private Transportation

AUTOMOBILE PURCHASE

41-025 (X)

The purchased car was considered to be a 6-year-old model, without allowance for trade-in, since the previously owned car was scrapped. Estimated prices of 6-year-old full-sized Chevrolets and Fords (as described for 41-035 (X), the higher budget trade-in) were used for this budget.

REPLACEMENT OF AUTOMOBILE

41-031 (X)

In metropolitan areas, the budget cost is the price of a 2-year-old car purchased without allowance for trade-in, since the previously owned car was scrapped. In nonmetropolitan areas, however, the budget cost is a replacement cost, i.e., the difference between the price of a 2-year-old car purchased and an 8-year-old model traded-in. The price of the 8-year-old car was derived from estimates furnished by trade sources. (See 41-035 (X) for description of cars priced.)

41-036 (X)

The replacement of the automobile included the purchase of a new car for 55 percent of the retired couples and, for the remaining 45 percent, a used car of the same age permitted by the intermediate budget. As in the intermediate budget, the replacement cost is the difference in price between the purchased car and the traded-in car.

The purchased car was a new model or a 2-year-old model. For the new car, CPI average prices for Chevrolet Impala and Ford Galaxie 500 2-door hard tops were combined (dealer's concessions were deducted). For the 29 largest cities (having 1960 populations of 250,000 or more) individual city averages were used. For the remaining cities, regional-stratum averages were used, because dealer samples are too small to permit calculation of reliable average prices in these cities. Prices of the 2-year-old car are based on average transaction (retail) prices as reported to the National Automobile Dealers Association (NADA) for full-size Fords and Chevrolets. The prices for traded-in cars were estimated from NADA data and adjusted to approximate wholesale levels. NADA price data are state averages reported separately for Chevrolets and Fords. CPI weights—60 percent Chevrolet and 40 percent Ford—were used to combine prices of each make for each model year. The car traded in on the new car was 8 years old in metropolitan areas, and 6 years old in nonmetropolitan areas. On the used-car purchase, an 8-year-old car was traded in nonmetropolitan areas, but in metropolitan areas, the previously owned car was scrapped.

TIRE RETREAD

41-193 (CPI)

Description: Full tread retread applied to carcass meeting the following description:

TRANSPORTATION

Private Transportation

Type: Tubeless; low pressure
Size: 7.50 x 14
Carcass: Rayon and nylon cord
Tread: Regular; excluding snow
or mud treads.
Ply rating: 4

Material: Rubber; synthetic or synthetic
and natural rubber.

Method of Calculating Average Price:
Method I (see Bulletin 1570-3).

PUBLIC LIABILITY INSURANCE41-806 (X)

Description: Same as 41-807 (CPI) (see
Bulletin 1570-3), except for the following
coverage:

- (a) \$25,000 to \$50,000 bodily injury.
- (b) \$10,000 property damage.
- (c) \$1,000 medical payments.
- (d) Uninsured motorist coverage where
mandatory—10,000/20,000 bodily injury
or statutory limits, if higher.
- (e) Pleasure use only.

CLOTHING
Men's Clothing

JACKET or SPORTCOAT

31-005 (X)

Price estimated in each city as 163 percent of average price of boys' sportcoat, 31-662 (FB-G), benchmark cities, and 31-662 (CPI) nonbenchmark cities, as estimated for the respective higher or lower budgets, based on mail-order catalog price relationships. See Bulletin 1570-3 for description of boys' sportcoat.

BATHROBE

31-375 (X)

A price of \$10.92 was estimated for all cities, based on average retail price estimates from mail-order catalogs.

STREET SHOES

33-001 (CPI)

Style: Oxford

Material:

Upper: Smooth calf, medium quality.

Outsole: Leather, semifine grade, 8 to 9 irons.

Insole: Leather or nonleather, medium quality.

Lining: Leather or nonleather, medium quality.

Heel: Rubber.

Construction: Goodyear welt; medium quality workmanship.

Size Range: 6½ to 12, A to D.

Estimating Procedure: Same as EP-3 except that the array of prices included both 33-001 (CPI) and 33-002 (FB-G) in five benchmark cities. The ratio of the average price of the upper or lower third of the combined array was applied to the price used in the intermediate budget in other cities.

CLOTHING
Women's Apparel

PANTIES

32-314 (FB)

Style: Brief.

Fabric: Warp knit (2-bar tricot); nylon yarn, 40 denier.

Construction: Full cut, clean workmanship; overlock or merrowed seams; double crotch; may have concealed gusset; elasticized waist, 1/2- or 5/8-inch exposed elastic.

Size Range: Regular (small, medium, and large).

Estimating Procedure: Same as EP-3 except that the array of prices included both 32-313 (FB-G) and 32-314 (FB) in the five benchmark cities. The ratio of the average price of the upper or lower third of the combined array was applied to the price used in the intermediate budget in other cities.

BRASSIERE

32-392 (FB)

Style: Bandeau; adjustable straps.

Fabric:

Cups: Nylon lace or nylon tricot or batiste of polyester/nylon/cotton blends.

Cup lining: Cotton, nylon marquisette, or nylon tricot.

Sides: Spandex.

Straps: Nylon ribbon or cotton adjustable stretch; *excluding* continuous stretch straps.

Construction: Clean workmanship.

Cups: Three sections, may have side stays.

Size Range: Regular.

Estimating Procedure: Same as EP-3 except that the array of prices included both 32-391 (FB-G) and 32-392 (FB) in the five benchmark cities. The ratio of the average price of the upper or lower third of the combined array was applied to the price used in the intermediate budget in other cities.

ROBE, HOUSECOAT

32-345 (X)

Same price as girls' robe, 32-866 (FB-G), benchmark cities and 32-866 (CPI), nonbenchmark cities, for the respective budgets. See Bulletin 1570-3 for description of girls' robe.

PURSE, HANDBAG

32-455 (X)

A price of \$10.46 was estimated for all cities, based on average retail price estimates from mail-order catalogs.

OTHER FAMILY CONSUMPTION

Alcoholic Beverages

LIQUOR AT HOME54-401 (FB)

Description: Straight bourbon whiskey,
4 years old or more, 100 proof,
bottled in bond.

Unit: Fifth; or quart.

Brand: Nationally advertised and
distributed.

Estimating Procedure: Same as EP-3 except
that the average price of 54-401
(FB) was used in place of the upper
third of the array of prices in the
five benchmark cities. The ratio was
applied to the price used in the
intermediate budget in other cities.

Appendix C.

Table C-1. Index of Population Weights Used in the Budgets at Three Levels of Living for a Retired Couple

Area	Population weights	Area	Population weights
United States urban population-----	100.00	United States urban population--Continued	
Metropolitan areas 2/-----	74.96	South 4/-----	27.34
Nonmetropolitan areas 3/-----	25.04	Atlanta, Ga-----	2.03
		Austin, Tex-----	1.42
Northeast 4/-----	30.90	Baltimore, Md-----	.98
Boston, Mass-----	2.36	Baton Rouge, La-----	.82
Buffalo, N.Y-----	2.09	Dallas, Tex-----	2.34
Hartford, Conn-----	2.51	Durham, N.C-----	1.08
Lancaster, Pa-----	1.09	Houston, Tex-----	.94
New York-Northeastern New Jersey-----	13.93	Nashville, Tenn-----	2.26
Philadelphia, Pa.-N.J-----	2.86	Orlando, Fla-----	2.61
Pittsburgh, Pa-----	1.70	Washington, D.C.-Md.-Va-----	.87
Portland, Maine-----	1.47	Nonmetropolitan areas 3/-----	11.99
Nonmetropolitan areas 3/-----	2.89		
North Central 4/-----	25.87		
Cedar Rapids, Iowa-----	1.56	West 4/-----	15.83
Champaign-Urbana, Ill-----	1.60	Bakersfield, Calif-----	.70
Chicago, Ill.-Northwestern Indiana-----	4.55	Denver, Colo-----	1.35
Cincinnati, Ohio-Ky.-Ind-----	.55	Los Angeles-Long Beach, Calif-----	4.95
Cleveland, Ohio-----	.76	San Diego, Calif-----	1.60
Dayton, Ohio-----	.76	San Francisco-Oakland, Calif-----	2.80
Detroit, Mich-----	2.26	Seattle-Everett, Wash-----	1.64
Green Bay, Wis-----	1.41	Nonmetropolitan areas 3/-----	2.79
Indianapolis, Ind-----	.53		
Kansas City, Mo.-Kans-----	.95	Honolulu, Hawaii 5/-----	.06
Milwaukee, Wis-----	.78	Anchorage, Alaska 5/-----	(6)
Minneapolis-St. Paul, Minn-----	1.29		
St. Louis, Mo.-Ill-----	.97		
Wichita, Kans-----	.53		
Nonmetropolitan areas 3/-----	7.37		

1/ The weight in each urban area is the total population of 2-person, husband-wife families, age 65 or over, with no full-time earner in the family, as reported in the 1960-61 Survey of Consumer Expenditures. For an explanation of the sample selection, see "Technical Note: The Revised City Sample for the Consumer Price Index," Monthly Labor Review, October 1960, pp. 1078 - 1083. (Also issued as BLS Reprint 2352.)

2/ For a detailed description, see the 1967 edition of the Standard Metropolitan Statistical Areas, prepared by the Bureau of the Budget.

3/ Places having population of 2,500 to 50,000.

4/ Regions as defined by the Bureau of the Census: Northeast--Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; North Central--Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; South--Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia; and West--Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

5/ Honolulu and Anchorage were separate sampling strata in the BLS 1960-61 Consumer Expenditure Survey, and, therefore, are not included in the total weight for the West. Honolulu's weight is in the United States and metropolitan area totals; Anchorage's weight is in the United States and nonmetropolitan area totals.

6/ A population weight for Anchorage is not shown separately because the sample which represented this type of family was not statistically significant. Therefore, the weight was imputed to other nonmetropolitan areas.

Appendix D.

Technical References

1. Brackett, Jean C., "Intercity Differences in Family Food Budget Costs," *Monthly Labor Review*, October 1963, pp. 1189–1194.

An analysis of the effects on food budget cost estimates of using for all cities a single set of weights representing urban U.S. food patterns, or different weights for each city reflecting the food preferences of the region in which the city is located. Also presents a discussion of the conceptual implications of varying the weights in a place-to-place comparison of family living costs.

2. Clorety, Joseph A., "Consumption Statistics: A Technical Comment," *How American Buying Habits Change*, chapter X, 1959, pp. 217–242.

Includes a section on "Standard Budgets as Indicators of Progress" (pp. 232–242). Also presents in summary form a representative cross-section of budgets compiled in this country during the 20th century, showing average dollar cost figures for the total and for the major components of each budget.

3. Lamale, Helen H., "Changes in Concepts of Income Adequacy Over the Last Century," *Journal of the American Economic Association*, May 1958, pp. 291–299.

An analysis of the relationship over time between actual levels of living in the United States and the goals or standards of living which have been accepted in different historical periods and for different purposes; and a discussion of the implications in this relationship for present-day concepts of income adequacy.

4. _____ "Poverty: The Word and the Reality," *Monthly Labor Review*, July 1965, pp. 822–827.

Discusses the role of standard budgets in providing an intelligible definition of poverty, for use in evaluating income adequacy for different family types and in different geographical locations and for estimating the extent of poverty in the United States.

5. _____ Margaret S. Stotz, "The Interim City Worker's Family Budget," *Monthly Labor Review*, August 1960, pp. 785–808.

Estimates of the cost of a "modern but adequate" standard of living for a husband, wife, and two children (living in rented housing), at autumn 1959 prices; in 20 large cities and their suburbs (Atlanta, Baltimore, Boston, Chicago, Cincinnati, Cleveland, Detroit, Houston, Kansas City, Los Angeles, Minneapolis, New York, Philadelphia, Pittsburgh, Portland, Oreg., St. Louis, San Francisco, Scranton, Seattle, and Washington, D.C.). Includes a detailed list of the goods and services considered necessary by four-person families to maintain the specified living standard as determined by levels of living actually achieved in the 1950's, and describes how this representative list was developed and priced. (See Reference No. 10 for description of original BLS City Worker's Family Budget.)

6. Orshansky, Mollie, "Budget for an Elderly Couple: Interim Revision by the Bureau of Labor Statistics," *Social Security Bulletin*, December 1960, pp. 26–36.

A summary report on "The BLS Interim Budget for a Retired Couple." (See Reference No. 7.) Includes a discussion of various conceptual problems encountered in developing normative living costs estimates for a retired couple, and some of the limitations of this particular budget for the multitude of purposes for which budgets for older persons and families are needed.

7. Stotz, Margaret S., "The BLS Interim Budget for a Retired Couple," *Monthly Labor Review*, November 1960, pp. 1141-1157.

Estimates of the cost of a "modest but adequate" standard of living for a man age 65 or over and his wife (living in rented housing), at autumn 1959 prices, in 20 large cities and their suburbs (cities are the same as those listed in Reference No. 5). Includes a detailed list of the goods and services considered necessary for retired couples to maintain the specified living standard as determined by levels of living actually achieved in the 1950's; and describes how this representative list was developed and priced. (See Reference No. 11 for description of original Budget for an Elderly Couple.)

8. U.S. Department of Labor Bureau of Labor Statistics, "Estimating Equivalent Incomes or Budget Costs by Family Type," *Monthly Labor Review*, November 1960, pp. 1197-1200.

Describes a scale for measuring the relative after-tax income required by families of differing composition to maintain the same level of material well-being, or for estimating comparable costs of goods and services for families of different age, size, and type. (Scale values cannot be used to estimate relative costs of components of family budgets—food, housing, taxes, insurance, etc.)

9. _____ *Report of the Advisory Committee on Standard Budget Research*, June 1963, 26 pp.

Members of the BLS Advisory Committee on Standard Budget Research:

Professor Gwen Bymers, Department of Household Economics and Management, Cornell University; Ithaca, N.Y.

Dorothy M. Durand, Private consultant on the development and use of standard budgets; Scarsdale, N.Y.

Getrude Lotwin, Home Economics Consultant, State of New Jersey Division of Welfare; Trenton, N.J.

Charles A. Pearce, Director, Division of Research and Statistics, Department of Labor, State of New York; New York, N.Y.

Lazare Teper, Director, Research Department, International Ladies' Garment Workers' Union, AFL-CIO; New York, N.Y.

Gertrude S. Weiss, Chairman, Consultant; Washington, D.C.

C. Ashley Wright, Economist, Standard Oil Company (N.J.); New York, N.Y.

Contains recommendations of this committee of experts on the needs for various types of budgets, general concepts of the standards of living to be described by the budgets, and technical and other problems associated with estimating and publishing budget costs. Includes a selected bibliography on the major uses of standard budgets.

10. _____ *Workers' Budgets in the United States: City Families and Single Persons, 1946 and 1947*, (BLS Bulletin 927, 1948) 55 pp.

Describes concepts, definitions, and techniques used in developing the original City Worker's Family Budget for a four-person family, detail list of goods and services priced, and 1946-47 cost estimates for 34 cities. Also contains an historical survey of family budgets, and summary data on State Budgets for single women workers.

11. U.S. Department of Health, Education, and Welfare, Social Security Administration, "A Budget for an Elderly Couple," *Social Security Bulletin*, February 1948, pp. 4-12.

Contains estimates of the cost of a "modest but adequate" standard of living for a couple age 65 or older, at March 1946 and June 1947 prices, in eight large cities. (Concepts and techniques used to compile this budget were the same as those employed in developing the original BLS City Worker's Budget. See Reference No. 10.)