

were purchased primarily by the higher income groups and are now expanding into the lower income groups.

Senator BUSH. Thank you.

Mr. GREENWALD. It might also be that these are relatively new items, if I might add a point here, and fast growth begins in the period when you first market new items, air conditioners, and so on.

Miss DINGLE. Washing machines, refrigerators, and television sets are owned by an extremely high proportion of all families. The demand is either the result of necessary replacements or obsolescence. Practically all purchases of those items are made by families that already own one. Most families don't have much need for more than one washing machine or refrigerator, except perhaps for summer camps. There is expansion in the numbers of owners of television sets.

One might refer to color television as being a growth area, but television sets are generally very, very widely owned.

This reduction in plans may reflect in part saturation in the ownership of such appliances by high-income families and a tendency to make expenditures in other directions, rather than any significant change in their willingness to spend. Plans to buy new cars on the part of the high-income group appear to have weakened from April to July.

While I don't feel that I am in a position to explain this decline, it is possible that it may reflect in part the recent stock market developments and perhaps some sense of economic uncertainty on the part of this group.

A shift of buying plans from higher to lower income groups does not necessarily presage a decline in purchases on the part of all planners, since purchase rates for planners generally differ little among income groups. Purchase rates of nonplanners are higher in the upper income group, however, and any sign of caution on the part of this income group might be reflected in a reduction in overall purchase rates.

In looking at data for families with incomes of \$7,500 or more, it should be recognized that these families constitute a relatively small part of the total, and hence that the data are subject to more sampling variability than data for all families or for families with incomes below \$7,500. Planning rates of this group over a period of years may also be affected by general increases in consumer incomes and the movement of new families into the higher income group.

Unlike the surveys conducted by Professor Katona, the Quarterly Survey of Consumer Buying Intentions has only a limited number of questions directed toward general economic attitudes and financial developments. I hope he will say a great deal more about this area in the course of his discussion.

Concerning income prospects, slightly fewer consumers than in other recent quarterly surveys expected their incomes to increase over the coming year, and a correspondingly higher proportion expected their incomes to be unchanged. There was no change, however, in the number expecting lower incomes or uncertain about their income prospects. Slightly fewer families than in other recent surveys also reported an increase in income compared with a year earlier.

(The tables and charts referred to follow:)