

When the cereal enrichment program was being developed, the survey data were used to show the effect of different levels of enrichment on different income classes in the population. One of the arguments for enrichment was the evidence from the USDA food consumption survey that low-income families, whose diets were most in need of improvement, would be especially helped by the program.

Market research. Government economists and market analysts from food industries use information from the surveys in developing estimates of the present and future size and location of food markets. Such estimates are used in decision making about food marketing such as relate to new products, new processing plants or firms, or the acquisition of additional processing outlets. The information provided by these studies on the percentage of households that use different kinds of foods or foods in different forms gives a measure of market penetration for existing products and suggests targets for new products.

Many segments of the food industry are eagerly awaiting new information on household and individual food consumption from our 1965-66 survey. It is quite possible that the National Industrial Conference Board will recompute the data to provide "a share of the market type" analysis as they did for the 1960-61 Consumer Expenditure Survey data.

Consumption research. To gain better understanding of the factors that influence consumption, Government, industry and university economists have made many analyses of the data from USDA's food consumption surveys. The data have been used to measure income elasticities of expenditures for food at home and away from home and of the quantities and expenditures for individual foods. Other factors studied have been place of residence, education and employment of the homemaker and size and composition of families. With better understanding of the effect of these factors on the demand for food, better forecasts are possible under different assumptions of income, price, and population. The new data on the food intake of individuals classified by age and sex will provide a better basis for projections as the population distribution by age changes. Such estimates, of course, are required for public policies and programs that affect agricultural production, and the marketing and distribution of food.

In summary—our surveys of food consumption are multipurpose, providing basic data for many action and educational programs and for research needed for policy determinations. The results are important in relation to nutrition and food programs, consumer use of food, health protection programs, and for economic and marketing research that pertains to production, marketing, and distribution of food.

MARKETING USES OF CONSUMER EXPENDITURE SURVEY DATA

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The BLS Survey of Consumer Expenditures in 1950 was described by Vergil Reed as "a gold mine of market data."¹ More recently, the National Industrial Conference Board, in releasing the results of a special tabulation of data from the nonfarm portion of the 1960-61 BLS-Agriculture expenditure survey, predicted that "for many years to come this book will be an indispensable source of information—for those sections of the business community that are involved in any aspect of marketing consumer products and services."²

Although large-scale Federal surveys of consumer expenditures, incomes, and savings date back to the 1880's, their widespread use by the business community for marketing studies seems to have begun with the 1935-36 Consumer Purchases Study. This survey was conducted by the Bureau of Labor Statistics and the Bureau of Home Economics (Department of Agriculture), in cooperation with the National Resources Committee, the Works Progress Administration, and the Central Statistical Board. The two bureaus prepared separate reports on the distribution of income and expenditures in individual cities or rural areas which their respective surveys covered. The National Resources Committee utilized the results in the preparation of estimates of national consumption as related to the socioeconomic distribution of the total population. The data were used extensively in developing the household sector of the National Income and Product Accounts

¹ Reed, Vergil, "Don't Miss This Gold Mine of Market Data," *Printers' Ink*, December 18, 25, 1953. See also, *Printers' Ink Advertisers' Annual-1954* number.

² Linden, Fabian, (Editor), "Experience Patterns of the American Family," prepared by the National Industrial Conference Board, 1965, Foreword. See also, "A Graphic Guide to Consumer Markets, 1965," NICB-Life.