

Mr. COHEN. You have to make a static assumption there that the cost of living goes up but their earnings do not go up.

Chairman PROXMIRE. That is correct. I am talking particularly about people who are on fixed income.

Mr. COHEN. We will try to make an estimate of that for you.

(The information referred to, subsequently filed for the record follows:)

*Question:* What is the percentage that are pulled into the poverty class for each five percent increase in the cost of living?

*Answer:* The SSA poverty index has been adjusted year by year to reflect changes in the cost of living. More precisely, the estimated food costs at the poverty level have been increased in proportion to rises in the per capita cost of the U.S. Department of Agriculture economy food plan.

From available data, it is clear that as the state of the economy has improved, those groups who could take advantage of increased earnings opportunities have declined as a proportion of the total poor. For them the effect of price rises has been more than offset by increased employment and higher earnings levels. It is the groups on fixed incomes—primarily the retired aged, and families headed by women who cannot work—who have been most seriously disadvantaged by price increases, although social security benefit increases resulting from the 1965 amendments helped some of them.

The SSA is looking into the possibility of developing some rough estimates of the proportion of aged retired persons in fixed incomes who would fall below a poverty line 5 percent higher than that used for 1965. We do not have these estimates at this time. It should be noted that, since food prices may not rise as fast as the total consumer price index, the poverty line may not—presumably will not—rise as much as the “cost of living” in any given period.

Chairman PROXMIRE. Congressman Scheuer?

Representative SCHEUER. I am very grateful to the chairman for his kindness and consideration in letting me ask you some questions, Mr. Cohen.

Chairman PROXMIRE. Let me tell you, Congressman Scheuer, judging by the questions you ask, we are mighty happy to hear them. I think we ought to make you an honorary member.

Representative SCHEUER. I accept. I had a small taste of being honorary chairman for a few seconds. The chairman is very generous indeed, and I am grateful.

Mr. Secretary, I enjoyed your always stimulating and brilliant testimony very much. I recall in your testimony you referred to the fact that administration proposals for additional funds for the elementary and secondary educational program will help us reach an additional million culturally deprived children.

Can you tell us what the total constituency is of culturally deprived children in the elementary and secondary years?

Mr. COHEN. Do you mean sort of conceptually or numerically?

Representative SCHEUER. How many culturally deprived kids do we have in this country?

Mr. COHEN. Oh, how many do we have?

Representative SCHEUER. Very roughly.

Mr. COHEN. I would start with the 14 million children who live in families below the poverty level. I would say some of them are not culturally deprived, and some of those with incomes over that are. My target figure would be in the nature of 10 to 15 million children.

Representative SCHEUER. That seems reasonable. How many of them are we reaching now, impacting in some way?

Mr. COHEN. Last year under the Elementary and Secondary Act there were 7 million children who benefited in some way under title I.