

We do try to relate the information collected to the needs of consumers. Bureau representatives meet with consumer groups to show them how BLS data can be used. Sometimes, we cooperate with special commissions or other groups in collecting data. For example, early last year, the Bureau made a special study for the National Commission on Food Marketing and the Office of Economic Opportunity comparing prices charged by stores located in low-income neighborhoods of six large cities with those charged by stores located in higher income neighborhoods. The purpose was to answer the question whether the poor pay more for important consumer items.

The poor paid more for food. This is because they more often bought their groceries in small independent stores where prices were usually higher than in large independent or chainstores. However, there were no significant differences in prices for the same type of store, whether located in low income or higher income neighborhoods. Thus, price differences for the same quality goods appeared to be associated with the size of store in which purchases were made rather than with differences in the geographic location of the stores. Another factor brought out by the study was that the poor were more likely to purchase certain items in smaller sizes which made the unit cost higher. It was also observed that in general the condition of goods available in stores in low-income areas was inferior to that in stores in higher income areas. The stores in low-income neighborhoods tended to be less orderly and clean, and the meats and produce did not appear as fresh.

With respect to other consumer items, the study showed that the prices for such appliances as washing machines and television sets were higher in the neighborhood stores in the low-income sections of the cities. On the other hand, the poor paid less for such services as dry cleaning, shoe repairs, and haircuts, if they patronized neighborhood establishments.

An analysis also was made from the Bureau's existing records of the comparative quality of rental housing. In general, homes occupied by low-income families were more often of lower quality than those occupied by families with higher incomes, even when they paid the same rent. Low-income families lived in poor-quality neighborhoods, and higher proportions of them occupied deteriorating or dilapidated housing at comparable rents. Heating equipment in housing occupied by low-income families was often inferior, and many of them had to share a bathroom with other families, without enjoying commensurately lower rents for such deficiencies.

It remains true that much of the information collected by BLS has not been published in a form that is most meaningful to the average consumer. Indexes, for example, are useful tools for market researchers, for economists in charting our battle against inflation, and for determining the amount of wage escalation in union-management contracts. But they may not be very meaningful for most consumers. The average consumer finds it difficult to relate an index to his own experience.

The price data collected by BLS can be analyzed and presented in such a way as to be more understandable and useful to the individual consumer. Let me list some examples of how this can be done. I know that the committee will understand that the Bureau would require additional resources to develop a full-scale program of consumer education.

1. Prices of many items have pronounced seasonal fluctuations. This means that the items are better buys at certain times of the year. From its historical records, the BLS could develop seasonal patterns of prices, to advise consumers how they could save by making their purchases at specified times of the year. How much are prices generally reduced for sheets and towels during the January "white sales" or for furniture during the usual semiannual sales? When are prices reduced by closeouts of seasonal items of clothing and shoes? A family might want to wait until winter to buy a used car if it knew that car prices are usually significantly lower in February than in July. For many food items, particularly if freezer space is available, advance buying during the seasonal low periods can result in considerable savings. It may be helpful to remind consumers that in some parts of the country fresh fruit and vegetables are higher in price in July when current crops have not reached the market in volume. A few weeks later, prices for these items will drop considerably.

2. Bureau data could be made more meaningful by presenting more information on actual average prices in dollars and cents. For example, the food component of the Consumer Price Index went up in May, partly because lettuce prices increased. This kind of information is not nearly as meaningful to the consumer buyer as if he were to be told that the average price of lettuce