

The finding with respect to the general condition of the food was that it was tackier in the low-income neighborhood.

Mr. ROSENTHAL. What does that mean?

Mr. ROSS. The quality—the lettuce was not as fresh or the fruit was not as fresh. In general, those items where there would be variations in the quality were of lower quality in the low-income neighborhood and the physical condition of the premises was inferior in the low-income neighborhood, even as between one chainstore and another. That is, as between a chainstore in the low-income area and in the high-income area, there was a difference in the physical condition of the stores.

Mr. ROSENTHAL. That is what the ladies testified to here this morning.

Mr. ROSS. Yes, sir. I might say here, since you mention it, that was not limited to foods. We also made a study of rents in high-income and low-income neighborhoods. We made a study of prices charged for non-food items.

(The text of the BLS food survey follows:)

A STUDY OF PRICES CHARGED IN FOOD STORES LOCATED IN LOW AND HIGHER INCOME AREAS OF SIX LARGE CITIES, FEBRUARY 1966

(Prepared by the U.S. Bureau of Labor Statistics for the National Commission on Food Marketing)

SUMMARY

The Bureau of Labor Statistics has found no significant differences in prices charged by foodstores located in low income areas versus those charged by stores in higher income areas, when the same types of stores (chains, large independents, small independents), the same qualities of foods, and the same sizes of packages are compared. Prices are usually higher, however, in the small independent stores which are most common in low-income neighborhoods, than in large independents and chainstores which predominate in the higher income areas. This conclusion is based on an analysis of data from a study conducted in six large cities in February 1966 for the National Commission on Food Marketing. This study also showed a tendency by patrons in low-income-area stores to purchase certain items in smaller sizes at higher unit costs than those in higher income area stores. Typically, prices are higher for smaller sizes when converted to the price per standard unit (pound, ounce, quart, etc.).

Stores located in low-income areas tend to be somewhat less orderly and clean than those located in higher income areas, and meats and produce do not appear as fresh. Selling prices are marked on most items in stores located in both low and higher income areas. The major exception is meat at a counter attended by a butcher. Few stores in either type of area extend credit or provide unlimited delivery service. Nearly all stores cash checks for their customers, but those located in low-income areas more often limit this service to Government or payroll checks, as against personal checks. Store hours vary more by city and type of store than by areas within a city. Independent stores, particularly those located in low-income neighborhoods, generally are open more days per week and longer hours than chainstores.

Many stores in low-income neighborhoods reported serious pilferage problems. Some of them also have taken special precautions against robbery and burglary. In the Watts area of Los Angeles, they reported difficulty in obtaining insurance; and to get it, they have to pay high rates.

SURVEY DESIGN

1. Selection of cities

Three criteria were used in selecting the cities: (1) the city must be in the CPI sample; (2) it must be large enough that it would likely have a sufficient number of foodstores in low-income areas to yield the required number of price