

quotations per commodity; and (3) the six cities must be widely distributed geographically.

The six cities included in the study were Atlanta, Ga.; Chicago, Ill.; Houston, Tex.; Los Angeles, Calif.; New York, N.Y.; and Washington, D.C.

2. Selection of commodities

The approximate number of food commodities to be included had been agreed upon during the early discussion of the proposed survey in order to develop cost estimates of the project. The specific foods were selected on the basis of several criteria:

(a) That the specific commodity be important in the expenditure pattern of low-income urban families as reported in the 1960-61 BLS study of consumer expenditure and income, or that it represents a class of commodities that accounts for sizable expenditures of low-income families as reported in that survey.

(b) That the commodity be characterized by physical-quality characteristics, are sold under brand name, so that identical qualities can be identified in the retail marketplace.

(c) That one of the qualities of the commodity be priced for the CPI.

The 18 foods included were flour, bread, steak, ground beef, pork chops, bacon, chicken, fresh milk, evaporated milk, margarine, eggs, grapefruit, lettuce, potatoes, canned peas, sugar, coffee, and cola drink.

3. Selection of areas within each city from which the foodstore sample was drawn

The design of the project required that prices and related information be collected from a sample of foodstores located in low income areas and from a sample of foodstores located in higher income areas of the city. Individual city studies entitled "Income, Education, and Unemployment in Neighborhoods" based on selected social and economic data for census tracts from the 1960 Censuses of Population and Housing were used to classify the census tracts into the two income areas. No doubt there have been important population shifts since 1960. While it would have been preferable to have used later income data to define the areas, these were the most recent available at the time the study was initiated.

Low income areas were defined as those census tracts in which annual median family incomes fell in the lowest quartile for that city, as reported in the 1960 census. In an effort to limit the time required to inspect the low-income area and select a sample of independent stores representative of the areas in which low-income families reside, the Washington staff, in addition to identifying those tracts that constituted the low-income area, indicated those tracts in which it was preferred that the sample be selected. These preferred tracts consisted of groups of contiguous tracts in which median family incomes were in the lower part of the lowest quartile. Because of the differences in average family incomes in the six cities, the range of family incomes included in the lowest quartile varied from one city to another.

Higher income areas were defined as including all census tracts not included in the low-income area.

4. Selection of foodstore sample

In each of the six cities the sample consisted of 15 stores located in the low-income area and 15 located in the higher income area. These were selected to represent chains, large independents, and small independents; small independents were defined as those having annual sales volume of less than \$300,000.

Every important chain organization with a store located in the preferred low-income pricing area was designated for pricing. Two stores of the organization were priced—one in the low-income area and one in the higher. If the CPI store was located in the higher income area, another store of the same chain was selected in the low income area, or vice versa.

Since the analysis was to be done separately by type of store an attempt was made to select approximately the same proportion of large and small independents in both areas. The independent store sample in each income area was selected in the following manner:

A. Low income area: Few of the stores in the regular CPI sample are located in the preferred census tracts composing the low income area as defined in this survey. To assist the regional price economist in locating grocery stores in these tracts and selecting the sample, the Washington staff prepared lists of grocery store names and addresses developed from grocery route lists, telephone directories, and any other sources that were available. However, the regional price economist had the final responsibility for selecting the independent store sample,