

of the two income areas) of the same chain. This was considered essential because, in addition to collecting price data, each agent was to evaluate the quality of the fresh meat and produce to which the quoted prices related, and the appearance of the store relative to cleanliness, orderliness, and the completeness of inventory that would be typical of a store of that type and size. Since these evaluations required personal judgment, it was essential that each agent be assigned the same number of stores in each area so that the comparison between the two income areas would not be affected by differences in individual agents' evaluations.

PRICE COMPARISONS

1. Method of comparing prices

Prices were compared for the same brand, or for unbranded commodities, for the same variety and grade (e.g., pork chops, center cut loin, No. 1 grade), and for the same quantity. In all calculations the quality of the commodity designated in the CPI specification and that reported to be the volume selling quality by stores in the low-income area sample were handled separately. When two or more quotations on the same brand and size were reported by the same type of store (chain, large independent, small independent) within the same income area (low or higher) an average of the quotations were computed. In calculating an average price for chainstores, the quotations for the individual stores in each income area were assigned the weight used for that organization in averaging prices for the food component of the CPI for that city. If quotations on the same brand and size were reported by two or more stores in the large independent store sample or in the small independent store sample, a simple arithmetic average of the quotations was made. For example, the following averages for a 5-pound sack of X brand flour meeting the CPI specification were computed for one city:

	Prices reported by stores in—	
	Low-income area	Higher income area
Chainstores, chainstore wt.:		
Organization 1—34.....	\$0.67	\$0.67
Organization 2—34.....	.65	.49
Organization 3—30.....	.65	.65
Organization 4—2.....	.72	.72
Average price.....	.658	.604
Large independent stores.....	.75	.72
	.69	.69
	.69	.67
	.71	.69
	.69	.69
	.69	.65
	.69	.69
Average price.....	.701	.686
Small independent stores.....	.71	.69
	.69	.61
	.69	.73
		.67
Average price.....	.697	.675

Two sets of relatives of average prices were computed:

A. Between income areas, by type of store, using the average price in the higher income area as the base. In the above example, these relatives are:

Chain stores	108.94
Large independent stores	102.19
Small independent stores	103.26

When comparable quotations were reported by the same type stores in each of the two income areas for more than one brand, or for more than one size of the same brand, relatives for each were computed in the same manner as described above. For each of the three types of stores, an average of these relatives were used.