

B. Within each income area, by type of store, using the small independent store average as the base for each area. In the above example, these relatives are:

	Low income area	Higher income area
Chainstores.....	94.40	89.48
Large independent stores.....	100.57	101.63

2. Findings

A. Between income areas, by type of store: For each city, the average price relatives for the 18 commodities described in 1-A above were arrayed, by type of store, and the median of each of the arrays calculated. As indicated in the table below, this comparison presents a very mixed picture for independents, while the medians in chainstores in all six cities were 100 for both the qualities defined by the CPI specification and the qualities reported as sold in largest quantity by respondent stores in the low-income area:

MEDIAN OF RELATIVES OF AVERAGE PRICES FOR 18 FOODS AVERAGE PRICES IN HIGHER INCOME AREA=100

	CPI quality			Low income area volume selling quality		
	Chain	Large independent	Small independent	Chain	Large independent	Small independent
Atlanta.....	\$100	\$101.00	\$101.50	\$100	\$101.00	\$100.00
Chicago.....	100	99.00	102.00	100	97.50	101.50
Houston.....	100	99.50	93.75	100	100.00	97.00
Los Angeles.....	100	100.00	100.00	100	101.50	99.50
New York City.....	100	101.50	96.50	100	99.50	99.00
Washington.....	100	102.00	100.00	100	102.50	99.50

Because the median relatives for chains in all six cities were 100, there did not appear to be any basis for the allegation that the chains often charge more for the same item in low-income areas than in higher income areas. But to make a further test, the distribution of relatives around the medians were examined.

CPI QUALITY

	\$112.50 and over	\$105- \$112.49	\$100.01- \$104.99	(Median) \$100	\$99.99- \$95	\$94.99- \$87.50	Less than \$87.50
Atlanta.....	1	2	3	5	5	2	-----
Chicago.....	-----	1	4	5	6	2	-----
Houston.....	-----	-----	3	11	4	-----	-----
Los Angeles.....	1	-----	4	9	3	-----	-----
New York City ¹	-----	-----	7	7	2	-----	-----
Washington, D.C. ²	-----	-----	-----	15	1	-----	-----

VOLUME SELLING QUALITY IN LOW-INCOME AREA STORES

Atlanta.....	-----	1	6	4	5	2	-----
Chicago.....	-----	-----	6	5	7	-----	-----
Houston.....	-----	1	-----	15	2	-----	-----
Los Angeles.....	1	-----	4	10	2	1	-----
New York City.....	-----	-----	6	10	2	-----	-----
Washington, D.C.....	-----	1	-----	16	-----	-----	1

¹ CPI quality of 1 item not stocked in 1 chain in low-income area.

² CPI quality of 2 items not stocked in 1 chain in low-income area.

In most cities, prices were lower in the low-income area store about as frequently as they were higher. Several chainstore managers told the BLS field agents that they had received new price lists from headquarters but the store personnel had not had time to change store prices to conform to the new price list. It is known that situation accounts for some of the price differences reported by stores of the same chain in the two areas.