

Our first witness this morning will be Prof. David Caplovitz, associate professor of sociology, Columbia University.

Professor, good morning. We are delighted that you are able to take time off from a very busy schedule to spend this morning with us.

Professor, if you have a prepared statement, we would be pleased for you to begin.

STATEMENT OF DAVID CAPLOVITZ, ASSOCIATE PROFESSOR OF SOCIOLOGY, COLUMBIA UNIVERSITY

Mr. CAPLOVITZ. It will take perhaps 15 or 20 minutes.

Mr. ROSENTHAL. That is fine.

Mr. ERLNBORN. Mr. Chairman, if I might explain, I am a member of the conference committee on the Department of Transportation bill and there is a meeting of the House conferees this morning, and I want the witness to understand when I leave it is only because I had to and it is not because I am disinterested.

Mr. REUSS. Mr. Chairman, unfortunately I have to join in explaining that I, too, must absent myself for a while.

Mr. ROSENTHAL. You may proceed.

Mr. CAPLOVITZ. My remarks will bear upon the problems that low-income persons face as consumers in our society. Until recently the "war on poverty" was focused exclusively on the earning power of the poor and how to expand it through education, job training and the creation of jobs. But the inability of the poor to earn a decent living is only one side of their economic plight. Equally important is how the poor spend what little income they have; that is, their situation as consumers making major buying decisions in the marketplace. To the extent that the poor pay more for the goods they buy—and I am convinced that they do—then to that extent they are deprived of the benefits of their earning power. They are forced to live in a world of inflation that our more well-to-do citizens are able to escape.

The tendency has been to assume that since the poor have little money to spend, they cannot possibly be consumers of costly merchandise. But this reasoning overlooks the role of installment credit in our society. Through the mass media, Americans in all walks of life are bombarded with messages to buy now and pay later. "Easy payments" and "no money down" are the slogans luring even the poor into the marketplace. Nor is it very difficult to lure the poor into making costly purchases, for in some ways the ownership of goods takes on even more significance for low-income persons than for those in higher income brackets. Since the poor have little prospect of greatly improving their low social standing through occupational mobility, they are apt to turn to consumption as at least one sphere in which they can make some progress toward the American dream of success. Appliances, automobiles and the dream of a home of their own can become compensations for blocked social mobility.

Whatever the motive, there is increasing evidence that the poor are consumers of major durables. My own study of almost 500 low-income families, living in public housing projects in New York City, showed that these families owned many expensive appliances. Fully 95 percent owned at least one television set; almost two-thirds owned a phonograph; almost half owned a sewing machine and almost half owned