

TABLE IV-13.—SUBSTANTIAL PURCHASES BY LOW-INCOME CUSTOMERS¹

Customer	Number of persons in household	Item purchased	Cost	Prior balance	New balance	Monthly income	Payment per month ²	Length of contract (months) ²
Female.....	1	Stereo.....	\$505	-----	\$505	\$240	\$26	20
Man and wife.....	4	do.....	453	-----	453	184	32	15
Do.....	2	Furniture.....	506	-----	506	262	30	17
Female.....	1	do.....	689	-----	689	220	38	19
Do.....	3	Television.....	371	\$47	418	248	24	18
Do.....	8	Furniture.....	309	-----	309	180	18	18
Man and wife.....	5	do.....	410	-----	410	218	24	18
Female.....	2	Television.....	309	-----	309	220	18	18
Do.....	4	Stereo.....	381	165	546	136	30	19
Do.....	9	Television.....	309	428	737	194	40	19
Do.....	3	Furniture.....	1,339	-----	1,339	288	66	21
Man and wife.....	4	Television.....	309	-----	309	218	16	20
Female.....	4	Stereo.....	391	-----	391	206	24	17
Male.....	4	do.....	412	-----	412	260	23	18
Do.....	1	Television.....	566	-----	566	280	32	18
Female.....	2	Furniture.....	319	714	1,033	200	60	18
Man and wife.....	2	do.....	792	-----	792	270	40	20
Do.....	2	do.....	372	-----	372	240	22	17
Male.....	3	Television.....	309	-----	309	210	21	15
Female.....	1	Furniture.....	412	-----	412	280	24	18
Do.....	4	Television.....	309	15	324	216	18	18
Man and wife.....	4	Furniture.....	370	-----	370	296	22	17
Do.....	6	Television.....	360	218	578	240	32	19
Female.....	1	Furniture.....	463	-----	463	268	25	19
Man and wife.....	4	Television.....	309	208	517	286	32	17
Do.....	2	Furniture.....	463	100	563	200	32	18
Female.....	5	do.....	515	-----	515	238	28	19
Do.....	3	Stereo.....	340	28	368	252	20	19
Do.....	3	Refrigerator.....	360	15	375	240	18	21
Man and wife.....	6	Television.....	402	20	422	188	24	18
Do.....	3	do.....	360	180	540	200	30	18
Do.....	5	Stereo.....	412	188	600	200	35	18
Female.....	5	Washer.....	412	318	730	245	40	19
Man and wife.....	2	Television.....	412	40	452	225	24	19
Female.....	2	Furniture.....	721	25	746	200	40	19
Man and wife.....	4	Television.....	309	80	389	290	20	20
Female.....	1	do.....	309	-----	309	280	24	13
Man and wife.....	8	Furniture.....	412	249	661	237	36	19

¹ All purchases of over \$300 by customers having monthly income of less than \$300 in the total sample of 486 customers.

² Payments and length of contract were all converted to a monthly basis. Many of the actual contracts specified weekly or biweekly payments. Consequently, when converted the number of payments times the monthly amount of payment, in most instances, did not exactly equal the amount of the original unpaid balance. After conversion and for some that were already on a monthly basis, the last monthly payment to fully satisfy the balance was usually less than preceding monthly payments.

Source: Bureau of Economics, Federal Trade Commission.

color models were available at \$600 and more, several of the most popular models sold for between \$250 and \$300.

The price range on stereo sets was highly variable. Portables typically were priced under \$100. Cabinet models ranged up to \$600. Among the most popular models sold by general market retailers, three-quarters were priced to sell at less than \$200. In only two instances (out of 50) was the most popular model priced at more than \$400. For the seven purchases of stereos by customers with incomes below \$300, the median price was \$412 (table IV-13). *Consumer Reports* in a recent study recommended as a best buy for home stereo entertainment a model priced at less than \$200.¹

In table IV-13, one refrigerator and one washer purchase is indicated. The refrigerator sold for \$360.² No popular model refrigerator sold by general market retailers was priced so high. Most sold for between \$200 and \$250. A number were available at less than \$200.

The one washing machine purchase indicated in table IV-13 involved a \$412 transaction. In no instance did general market retailers report sales of popular model washers at prices exceeding \$250; 21 of 36 examples of popular models sold for less than \$200 and five for less than \$150.

There was a total of 31 welfare recipients in the sample of customers; details concerning their purchases are given in table IV-14. Most of the purchases made by customers on welfare were in modest amounts of less than \$100. The payments on these small purchases were arranged on a weekly or monthly basis, so that

¹ *Consumer Reports*, Buying Guide Issue, December 1967, p. 293.

² This was a standard single-door model electric refrigerator.