

CHAPTER IV

THE PROBLEM OF THE STANDARD OF LIVING

- I. Difficulty of the problem
 1. Cost of living in city and country varies:
 - a.* In regard to rent
 - b.* In regard to food
 - c.* In regard to clothing
 - d.* In regard to fuel
 - e.* In regard to incidentals
 2. Cost of living in different cities varies
- II. The elements in a standard of living
 1. What the elements are
 2. Their relative importance as shown by a New York study:
 - a.* Amount spent for rent
 - b.* Amount spent for food
 - c.* Amount spent for clothing
 - d.* Amount spent for fuel and transportation
 - e.* Amount spent for other purposes
 3. The conclusion

The Problem Difficult. — Individual prosperity and industrial efficiency are dependent on the maintenance of a normal standard of living. It is an easy matter to say that a proper standard of living is determined by the amount of economic goods necessary to maintain the highest industrial efficiency, but a discussion of the price and character of these goods as well as of the specific goods necessary to maintain efficiency makes the problem an involved one.

Wages is not an accurate measure of the standard of

living, since the value of wages depends upon the amount of economic goods which wages will buy. When prices are high, a given wage will buy less than when prices are low. A standard of living varies therefore with the cost of living. But the cost of living itself is difficult to determine accurately because of differences between city and country conditions.

First of all, there is the question of rent. In the tenements of New York City a man pays six dollars a month for a single room. In many country towns this six dollars a month would secure a fairly comfortable four- or five-room wooden house. The six dollars which would provide bare necessities in the city would secure comforts in the country.

The price of food, the most important item in maintaining a proper standard of living, varies in city and country with the character of the commodity. The price of meat is about the same in both places. On the other hand, vegetables are considerably lower in the country, the price paid for them being the equivalent of the city price with the cost of freight, the charge of the commission merchant, and the profits of the retailer deducted. However, the prices of canned goods, bread, cakes, and crackers differ little in city and country districts. Things which are produced in the country are much lower in price there than in the city; while things which are produced in factories are about the same price in city and country.

The cost of clothing would vary little in city and country districts were it not for the presence in the city of rich people who dress extravagantly. The standard of dress which they set becomes the conventional or fashionable standard, and it must be followed by all who

would be "in style." The result is an expenditure for trumpery and cheap finery which is unknown in the country.

Another important city item is the expenditure for fuel; but in the country fuel is almost a negligible quantity because wood, which is very generally burned, can *In regard to fuel.* be easily and cheaply secured. Hence the fuel supply is much more cheaply secured in the country districts and small towns than it is in larger towns and cities.

Finally, the country districts do not furnish so many opportunities for spending money as do the city districts. There is little carfare to pay and the temptation *In regard to incidentals.* to buy in stores is greatly lessened by the absence of display advertising in store windows. Therefore less will be spent in the country for incidentals.

Again, the cost of living varies in cities themselves. Individual items of expense are much greater in some cities than in others. For example, rents are much higher in New York than in Philadelphia. While one *In different cities.* item may offset another, these differences must be taken into account when estimating the cost of living in different cities. The estimation of a standard of living is a problem of serious magnitude.

The Elements in a Standard of Living. — A standard of living to accomplish its purpose of securing and maintaining efficiency should provide for: (1) the necessities of life, including housing, food, clothing, fuel and *What the elements are.* light, and transportation; (2) recreation, including proper provision for health and hygiene, amusements, and books; (3) voluntary subscriptions for insurance, clubs, trade unions, and regular savings; (4) unusual expenditures for medicines, physicians, and the like, as well as expenditures required for household furniture.

Almost all the expenditures of a workingman's family are made for the necessities of life, of which housing and food are by far the most important in a modern city. In Chapin's New York study, which contains the standard American material on the subject, the expenditures for housing are classified by incomes and nationalities. Those families receiving an annual income of less than \$700 were found to spend one fourth of it for rent; the families having an income between \$700 and \$1000 spent one fifth for rent; while those families receiving more than \$1000 paid one sixth of the total income for rent. After a careful analysis of the number of rooms which each family used, the New York investigators decided that an "efficiency" standard of housing was not generally secured by the families receiving less than \$1000 annual income.

The largest single factor in the family budget is food and, unlike rent, the expenditure for food is almost constant. In the New York families, from forty to forty-five per cent of the income is expended for this one item. In the families with incomes of less than \$1000, from \$200 to \$350 is spent for food; that is, from four to seven dollars per week. The analysis of the food expenditures was very thorough. The family budgets were examined by a food specialist, the values of the various foods consumed were ascertained, and, in the case of each family, a decision was reached as to whether the family was or was not underfed. In the families included in the New York study underfeeding practically ceased when an income of \$900 a year was reached.

Clothing was found to constitute a surprisingly small item in the budget of a workingman's family. The families with incomes under \$800 spent less than \$100 for clothing,

while those with an income of more than \$800 spent from \$100 to \$150 for the same purpose. After a careful study of the problem, the New York investigators concluded that a normal family living on Man- *For clothing.* hattan Island could clothe itself for \$105 per year. This allowed \$33 for the man, \$23 for the woman, \$12 for each boy, \$15 for each girl, and \$10 for laundry. That this expenditure is not excessive is shown by the following list of articles designed to clothe a boy for a year: Two hats, \$.50; one overcoat, \$2.50; one suit, \$2.50; one pair of trousers, \$.50; two shirts, \$.50; summer underwear, \$.50; winter underwear, \$1.00; six pairs of stockings, \$.50; two pairs of shoes, \$2.00; repair of shoes, \$1.25; mittens, \$.25; total, \$12.00.

The expenditures for fuel and light are comparatively small, varying from three and one half to six per cent of the total family incomes; *i.e.*, \$25 to \$65 annually. The remaining item is transportation. In a city like *For fuel and transportation.* New York, this is an important factor. In most of the families reporting any transportation expenditure, it was found that this item fell between \$20 and \$40 per year.

Expenditures for recreation vary considerably. In the lower income groups they are very small, but they rise rapidly with the increase of income. The same thing is true with the voluntary disbursements and the *For other purposes.* extraordinary expenditures. For furniture, for example, the average amount expended by the families with incomes between \$600 and \$700 was \$6.22 per year; while even among the families with incomes between \$1000 and \$1100, the average expenditure for this purpose was only \$12.89.

Whatever may be the ultimate conclusion regarding the exact amount of income necessary to maintain efficiency in any locality, the necessity of providing an efficiency standard of living exists. Families — men, women, and children — require a certain minimum of the necessities of life. Such a minimum, whatever it may cost, should, in the interest of welfare and efficiency, be assured every member of the community.

TOPICS FOR CLASS DISCUSSION

1. In your opinion, what is the most fundamental reason for maintaining a proper standard of living in a community?
2. What is the effect of maintaining a high standard of living?
3. Do economic wants increase more quickly than the standard of living?
4. What would be the effect upon standards if the poorest third of our city populations could be moved on to farms?
5. What would be the effect on the United States of providing a uniform minimum standard of living for all?
6. What is the ultimate effect on the individual of living below the normal standard?
7. Why should the community at large be interested in maintaining a high standard of living?
8. What is the force most to be relied on to maintain a proper standard of living?

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