

## How family spending has changed in the U.S.

*Since the Monthly Labor Review began, the proportion of family expenditures allocated for food has dropped by half, the incidence of homeownership has doubled, and spending for transportation, medical care, and recreation has increased significantly*

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Over the decades since the *Monthly Labor Review* was first published in 1915, significant changes have taken place in the economy and in the demographic composition of the U.S. population. Wars, the Great Depression, recessions, booms, and energy crises have in turn affected the economic status of the American family. Over the same period, the population shifted both by age composition and geographically. By the 1980's, the baby-boomers of the post-World War II period were themselves entering the family formation years at the same time that a larger proportion of the population was entering retirement years. These changes were accompanied by increases in the numbers of women—including mothers of small children—in the labor force; increased frequency of single parenthood and one-person households; and a decline in family size.

This article examines the changing consumption and income patterns of the American family that resulted from these movements as well as from change in tastes and preferences and technological and cultural developments. Two earlier studies, *How American Buying Habits Change*,<sup>1</sup> and *Study of Consumer Expenditures, Incomes and Savings*,<sup>2</sup> which provide excellent documentations of consumer expenditure data through 1950 greatly aided in the development of our analysis.

### Expenditure surveys: some background

Because expenditure surveys undertaken by the Bureau of Labor Statistics date back to the late 19th century, they are a particularly rich source of information for this anniversary study of changes in the American household. The current, ongoing survey has evolved from a long tradition of these surveys, which have differed in specific purpose and design but were all based on the assumption that factual information on family income, expenditures, and characteristics is important for understanding social and economic conditions. The earliest expenditure studies in the United States were concerned with the welfare of families at a time of rapid social and economic change. During the 1870's, the Massachusetts Bureau of Labor Statistics carried out the first such studies, which sought to evaluate the welfare of the worker's family after immigration to this country, as well as to evaluate their relative welfare once integrated into the community.

The early surveys were concerned with the cost of living of the "working" man and his family, that is the amount of dollars a family needed to live. Expenditure surveys have been broadened over the years to collect data on more than just expenditures. We now ask numerous questions about income, family characteristics,

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ownership of durable goods, assets and liabilities, and other nonexpenditure data. In addition, the scope of the surveys has been expanded to include everyone—not only the working man but also retired persons; not only families but also single persons; not only city dwellers but also inhabitants of rural areas. In addition to describing consumption patterns of different segments of the population, the expenditure data have also served the very important purpose of providing the weights for Federal indexes of retail prices—from the 1901 survey of retail food prices, to the 1917–19 cost-of-living index, to the 1934–36 Consumer Price Index, similar to the CPI that is published today.

Over time, the consumer expenditure surveys were expanded to reflect the increasing population and the growth in available goods and services. Each survey collected data from the “typical” urban family of the period. In 1901, data were collected for a family of two or more persons including boarders, lodgers, and servants. A “normal” family was limited to white renter families consisting of an employed husband, a wife, and not more than five children (the oldest of whom could not be more than 14 years of age), and having no other household members. In the the 1917–19 survey, a distinction was made between a “household” and a “family.” Data were collected for urban wage earners and clerical workers. In 1950, the currently used term “consumer unit” was introduced. The 1950 survey was the first to collect data for single consumers, but was still limited to the urban population. Beginning in 1960 and continuing today, expenditure surveys relate to the entire urban and rural population. Although references will be made throughout this article to “American” families, these units are more precisely defined as families living in the United States, including recent immigrants.

To maintain consistent comparisons with earlier studies, the data presented in the tables relate to urban workers who are wage earners and clerical or sales employees. This restriction yields the longest data series for similarly defined households. These families accounted for 82 percent of the population in 1901 and fewer than one-third in 1986–87. However, a review of expenditure survey data for the total population from 1960–61 to 1987 shows that the trends discussed here are applicable to the total population. (See table 1.)

Historically, times of crisis, either war or depression, influenced the timing of expenditure surveys. As was the custom, the early reports presented a massive array of tables displaying data in the most minute detail for different types of families. For example, in 1901, detailed ex-

**Table 1. Consumption expenditures for all consumer units, 1960–61 to 1986–87**

Item	1960–61	1972–73	1986–87
Consumption expenditures .....	\$5,054	\$8,271	\$19,576
Percent distribution ..	100.0	100.0	100.0
Food and alcoholic beverages .....	26.0	21.6	18.8
Shelter .....	13.1	16.6	20.6
Transportation .....	15.2	20.7	23.7
Health care .....	6.7	6.4	5.2
Recreation and reading .....	4.9	5.5	6.0

penditures are presented by the country of birth of respondents by State. There were no statistical standards of reliability and, at lower levels of detail, data were shown even if they represented only one family. Furthermore, the estimates of average expenditures were sample means, and were not weighted to represent the total population until 1950.

Despite some lack of comparability of the detail and the methodology and coverage in expenditure surveys over time, broad trends in spending patterns can be compared. The following discussion summarizes the most important changes in the spending patterns of families from 1901 through 1987. Data on expenditures (in dollars of each period), the distribution of expenditures, and selected demographic characteristics for the same period are shown in table 2. (Note that the first expenditure survey described here—conducted in 1901—predates the publication of the first issue of the *Review* in 1915. The earlier survey was chosen as the beginning point for this analysis because the next survey was conducted in 1917–19, a period considered atypical because of the Nation’s involvement in World War I.)

### Expenditure trends

The distribution of the expenditures in table 2 gives the best picture of the changes that have taken place since the turn of the century. Food as a percent of total expenditures has declined from 46 percent in 1901 to 19 percent of total current consumption. Within the food budget, however, spending for food away from home has increased. Homeownership has increased dramatically, as have outlays associated with owning a home. Data from the 1901 survey show that only 19 percent of the workers’ families owned a home, compared with 44 percent in 1950 and 56 percent in 1986–87. The

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invention of the automobile has contributed dramatically to changes in the lifestyle of the American family. Outlays for transportation now account for 26 percent of current consumption—a significant rise from 1901, when they were included in the “other purposes” (miscellaneous) category. Advances in health care have had a revolutionary effect on households. The 1901 survey indicated that families allocated 3 percent of their spending to “sickness and death,” that is, medical care and funeral expenses. Even as family size has declined over time, health care expenditures for workers’ families have increased. Finally, the budget share allocated for entertainment and reading has increased as the workday and workweek

became shorter and recreational activities became more accessible to more people. The following sections describe in more detail the major changes in the economy and the society and their effects on the spending patterns of working families.

**Food expenditures.** The increasing command of purchasing power of the urban wage earners served a dual function that led to generally improved diets. People were able to buy more and better foods. Too, increased purchasing power supported the development of low-cost mass production techniques and the marketing of new and better foods, many of them fully processed. As a result, the percent of expenditure allocated

**Table 2. Consumption expenditures of urban wage earner and clerical consumer units, 1901 to 1986-87**

Item	1901	1917-19	1934-36	1950	1960-61	1972-73	1986-87
Income before taxes <sup>1</sup>	\$827	\$1,505	\$1,518	—	\$6,678	\$12,771	\$27,576
Income after taxes <sup>1</sup>	—	—	—	\$3,923	\$5,912	\$11,054	\$24,986
Average family size	5.3	4.9	3.6	3.4	3.2	3.2	2.9
Percent homeowner	19	27	30	44	56	57	56
<b>Current consumption expenditures</b>	<b>\$791</b>	<b>\$1,353</b>	<b>\$1,463</b>	<b>\$3,925</b>	<b>\$5,431</b>	<b>\$8,601</b>	<b>\$20,226</b>
Food and alcoholic beverages	340	556	508	1,275	1,414	1,948	3,914
Shelter	111	187	259	415	753	1,411	4,085
Utilities, fuels, and public services	41	74	108	163	330	597	1,654
Household operations	—	37	58	155	226	103	291
Household furnishings and equipment	26	62	60	278	280	414	797
Apparel and services	107	238	160	453	559	722	1,061
Vehicle expenses	—	16	87	472	728	1,968	5,003
Public transportation	—	26	38	69	90	99	194
Health care	21	64	59	200	357	401	819
Entertainment and reading	21	44	53	211	268	445	1,172
Personal care	—	14	30	91	156	108	214
Education	—	7	7	17	58	96	205
Miscellaneous (sundries)	124	27	36	126	212	285	816
<b>Percent of current consumption</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Food and alcoholic beverages	46.4	41.1	34.7	32.5	26.0	22.6	19.4
Shelter	15.1	13.9	17.7	10.7	13.7	16.4	20.2
Utilities, fuels, and public services	5.6	5.6	7.4	4.3	6.1	6.9	8.2
Household operations	—	2.7	4.0	3.9	4.2	1.2	1.4
Household furnishings and equipment	3.5	4.6	4.1	7.1	5.2	4.8	3.9
Apparel and services	14.7	17.6	10.9	11.6	10.3	8.4	5.2
Vehicle expenses	—	1.2	5.9	12.0	13.4	22.9	24.7
Public transportation	—	1.9	2.6	1.8	1.7	1.2	1.0
Health care	2.9	4.7	4.0	5.1	6.6	4.7	4.0
Entertainment and reading	2.7	4.5	5.6	7.1	6.7	7.2	7.3
Personal care	—	1.0	2.1	2.3	2.9	1.3	1.1
Education	—	.5	.5	.4	1.1	1.1	1.0
Miscellaneous (sundries)	9.0	2.0	2.5	1.2	4.5	3.3	4.1

<sup>1</sup> Income values are derived from data for complete income reporters—consumer units that provided usable data on household income.

NOTE: Dash indicates data not available.

SOURCE: *Eighteenth Annual Report of the Commissioner of Labor: Cost of Living and Retail Prices of Food* (U.S. Department of Labor, 1903), pp. 20, 84, and 581; *Cost of Living in the United States*, Bulletin 357 (U.S. Department of Labor, 1924), pp. 4, 5, 333; *Consumer Expenditures and Income, Cross Classification of Family Characteristics, Urban United States, 1960-61*, Supple-

ment 2—Part A to Report 237-38 (Bureau of Labor Statistics, July 1964) (Data for this article were computed from the 1960-61 Consumer Expenditure Survey general purpose public use tape.); *Consumer Expenditure Survey: Integrated Diary and Interview Survey Data, 1972-73*, Bulletin 1992 (Bureau of Labor Statistics, 1978), pp. 72-77 (Data for this article were computed from the 1972-73 Interview public use tape.); *Consumer Expenditure Surveys: Integrated Data, 1984-86* (Bureau of Labor Statistics, August 1989); and “Comprehensive Picture of Spending Released by Bureau of Labor Statistics,” USDL 89-330 (Bureau of Labor Statistics, July 6, 1989) (Data for this article were computed from internal files.).

for food and beverages declined from 43 percent in 1901 to 19 percent in 1986–87. The shrinking share allocated for the food budget vividly confirms early studies, which found that the share of expenditures for food declines as income increases.<sup>3</sup>

For the working man and his family in the early 1900's, diets were monotonous. Said one writer about the customary winter diet: "We never thought of having fresh fruit or green vegetables and could not have got them if we had."<sup>4</sup> Today's diet includes more meat, poultry, fruits, vegetables, and milk. Improvements in the food distribution system have freed cities from depending on produce and meats from local farms. High-speed refrigerated transportation has increased the variety and reduced the cost of purchasing food. Another aspect of the increasing availability of foods since the early 1900's is the "revolution in retailing." Chain grocery stores began to appear early in the century. The supermarket combined into one establishment the butcher, produce vendor, bakery, and other specialty stores. The supermarkets purchased directly from the food producers, thus reducing the costs of distribution through large-scale operations. The spread of ownership of refrigerators allowed families to reduce the number of food shopping trips. The availability of foods that are partially or fully prepared continues to increase to accommodate dual-earner families and the busier lifestyles of families today.<sup>5</sup>

Another important trend has been the increasing share of the food budget allocated for food away from home. Data from a 1909 report (the earliest such information available),<sup>6</sup> show that only 3 percent of the food budget went for food away from home. This share has grown steadily to 29 percent today. (See chart 1.) Even this increase probably understates the increase in the number of meals eaten away from home because of the changing nature of the eating-away-from-home activity. In 1909 or 1920 or even 1950, a meal away from home was taken in a restaurant, but the proliferation over the last three decades of fast-food establishments, with relatively low prices for a "meal," has changed the eating-out habits of the population. More recently, the increase in the use of "carry-out" prepared foods is further altering food purchasing habits and obscuring the distinction between at-home and away-from-home food consumption.

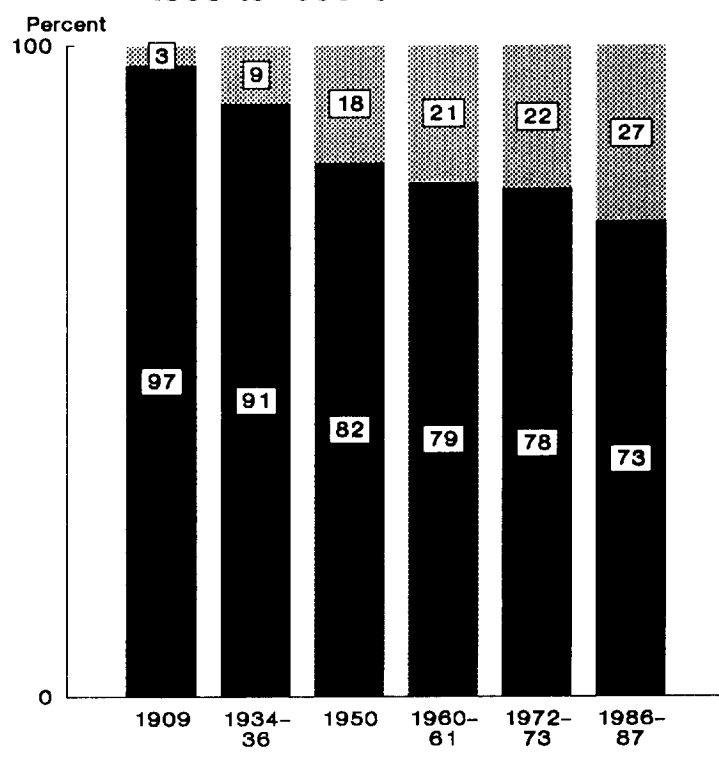
*Shelter.* Rising incomes and technological change have also allowed for the improvement in housing conditions and the growth in homeownership. The 1901 expenditure survey found

that only 19 percent of worker families owned a home.

Limited income was one of the reasons for low rates of homeownership in the early years. The difficulty of borrowing money and the high cost of financing made owning a home virtually impossible for many families. Long workdays (6-day weeks of 9 or 10 hours per day were normal), lack of good but affordable transportation, and the need to spend a large share of income on food also contributed to the incidence of poor, crowded living quarters. Subsequently, however, increasing incomes, the shorter workweek, the spread of auto ownership and the development of a paved highway system, and the availability of less expensive land in the suburbs led to the expansion of the population and workplaces into areas where homeownership was more feasible.

By 1917–19, homeownership was enjoyed by 27 percent of all families, and the share of the family budget spent on housing had declined from 18 percent in 1901 to 14 percent in 1917–18—the only period under study for which such a decline occurred. However, private building was virtually suspended during World War I due to government wartime restrictions. Housing shortages occurred, and even though income

**Chart 1. Percent distribution of the family food budget between food at home and away, 1909 to 1986–87**



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was high, workers found it hard to improve their housing conditions. The average number of rooms per family during the war years was 5—the same as in 1901. However, more than half of these families now had full bathrooms.

By the early 1920's, home construction began to recover. Row houses, walkup apartments and single-family houses were built in sufficient quantity to meet demand by the higher paid industrial workers. The net effect was that the low-wage factory workers could "move up" to the old housing vacated by the higher income families. The 1934–36 consumer expenditure survey indicates the progress that was made during the 1920's. Even though the depression caused many people to lose their houses, among the families surveyed in 1934–36, 30 percent were homeowners, compared with 27 percent of those interviewed in 1917–19. "The home of the typical wage earner or clerical family with an annual income above \$500 had a bathroom with inside flush toilet and hot running water. It had electric lights and gas or electricity for cooking." Among all the renter families, 98 percent had running water, 90 percent had bathrooms, and 96 percent had inside flush toilets. The average number of rooms in rental homes, however, was 4 to 4.5—the same as in

1917–19. Homeowners had larger homes—an average of 6.4 rooms, compared with 5 in 1917–19.<sup>7</sup>

Legislation within the depression environment of the early 1930's dealt with the financing aspects of homeownership. The creation of the Federal Housing Administration "to encourage improvement in housing standards and conditions, and to provide a system of mutual mortgage insurance,"<sup>8</sup> resulted in changes in residential loan practices that stimulated the construction of medium priced housing. By 1950, the incidence of homeownership had increased to 44 percent for urban worker families. Homeownership continued its rapid rise through the 1960's and 1970's—reaching 56 percent in 1960 and staying at about that level for worker families through 1986–87.

The rise in homeownership slowed during the late 1970's and early 1980's for the population as a whole because of changing demographics and soaring house prices and mortgage interest rates. Even so, the incidence of homeownership continued to grow among married couples, as favorable tax treatment and the advantages of having a fixed mortgage in times of inflation made buying a house a good investment.<sup>9</sup> The estimated market value of homes rose faster

### Historical overview of expenditure survey methodology

The first national expenditure survey was conducted from 1888 to 1891 as a result of tariff negotiations between the United States and European countries. Comprehensive surveys were conducted in 1901 and 1917–19 in response to concern over the effects of rapidly rising prices on living costs during those periods. It was from information obtained in the 1917–19 survey, which focused on wage earners and salaried workers living in urban areas, that the Bureau of Labor Statistics developed its first cost-of-living index, which evolved into the Consumer Price Index (CPI).

Studies in the late 1920's and early 1930's showed that consumption patterns of American consumers had changed markedly since the 1917–19 survey. These changes, combined with the needs of public policy planners underscored the necessity for new information on consumption patterns. Hence, the 1934–36 survey was used for revision of the CPI and the selection of a new list of items to be priced in the index. It covered only the urban population.

Many statistical improvements were incorporated in the expenditure survey of

1950. It was the first BLS survey in which the entire sample population was chosen using scientific sampling methods. The 1960–61 survey, more ambitious than any of its predecessors, covered all urban and rural families and single consumers. Data were collected in interviews in which respondents were asked to recall the previous year's expenditures. Detail on food expenditures was obtained from respondents' recall of purchases over the 7 days preceding the interview. The release of a general-purpose public use computer tape containing findings from the 1960–61 survey marked the first time microdata had been released on tape by BLS.

Unlike previous surveys, the 1972–73 survey was carried out by the U.S. Bureau of the Census under contract to BLS. It was the first BLS expenditure survey consisting of two separate components: a Quarterly Interview panel survey and a Diary survey. The decision to adopt the diary/interview format was based on extensive testing of collection methodology. These tests revealed that data of high quality could be obtained if questionnaires were tailored so that information on larger, more

easily recalled expenditures was collected by periodic recall in a quarterly interview, while that for small, less expensive items was obtained through day-to-day record-keeping in a diary.

It had been apparent for a long time that there was a need for more timely consumption data for different kinds of families than could be supplied by surveys conducted every decade. The rapidly changing economic conditions of the 1970's intensified this need. As a result of concerns of policymakers, a new Continuing Consumer Expenditure Survey was initiated in 1980, extending the BLS tradition of providing data about the consumption behavior of American families.

While the continuing survey and the 1972–73 survey are similar in many respects, there are differences between them. One major difference is the ongoing nature of the new survey, with rotating panels of respondents interviewed on a continuous basis. Also, in the new survey, students living in college- or university-regulated housing report their own expenditures separately, rather than as members of their parents' households.

than the Consumer Price Index during this time, adding to the incentive to invest in homeownership.

The share of expenditures allocated for shelter, which includes rent as well as payments on owned homes, has fluctuated, but the overall trend has been upward. Working families allocated 14.6 percent of their outlays for shelter in 1960, 16.4 percent in 1972-73, and 20.2 percent in 1986-87. Homes have continued to increase in size as well. According to the U.S. Bureau of the Census, the median owner-occupied home surveyed in 1985 had 6 rooms, compared with 5.6 rooms in 1970. Homes today also have many amenities unheard of in the earlier years. For example, in 1988, 79 percent of all new homes had a garage, up from 64 percent 10 years earlier; three-fourths had central air-conditioning, an almost 50-percent increase; and 42 percent had more than 2.5 bathrooms, almost double the number in 1978.<sup>10</sup>

*Transportation.* In 1909, a forecaster concluded that it was "nothing less than feeble-mindedness to expect anything to come of the horseless carriage movement."<sup>11</sup> Despite this and other predictions to the contrary, automobiles have been one of the most significant contributors to the economy and to changes in the lifestyle of the American family. They have changed modes of travel, altered leisure time activities, and broadened the range of residential and employment opportunities for workers. Numerous new industries and jobs were created to produce and service vehicles. These developments in transportation since the early 1900's are mirrored in changes in family spending.

Transportation expenditures were collected as part of "other" goods and services in the 1901 survey and so cannot be identified separately for analysis, although other studies indicate that outlays ranged between 1.7 and 2.5 percent of average income.<sup>12</sup> In 1901, an average car cost \$1,000—well above the average family income of \$650. By 1910, the yearly production of cars had increased to 181,000 from 4,000 in 1900. As a result of the introduction of the assembly line, the price of the Ford Model-T fell from \$850 in 1908 to \$360 in 1916.<sup>13</sup>

Transportation expenditures had not increased much by 1917-19, however. Despite increases in the output of cars, only 1 out of 18 families in the 1917-19 consumer expenditure survey owned a car. On average, families allocated 3.1 percent of their expenditures for transportation. Only 10 percent reported expenditures on travel for pleasure or personal business. Expenditures for 1917-19 may have been low because of the transportation diffi-

**Table 3. Percent distribution of medical care expenditures by wage earner and clerical families, 1917-19 to 1986-87**

Item	1917-19	1934-36	1950	1960-61	1972-73	1986-87
Total medical care . . .	\$64	\$59	\$200	\$357	\$401	\$819
Percent distribution . . .	100	100	100	100	100	100
Health insurance . . .	—	7	19	26	32	35
Medical services . . .	80	71	60	50	54	48
Drugs and supplies . . . . .	20	22	21	24	14	17

culties generated by World War I, which especially affected travel.

Ownership of cars increased dramatically during the 1920's, 1930's, and 1940's, stimulated by lower auto prices, advertising, the introduction of consumer credit, and generally rising incomes. By 1950, auto installment credit was 26 percent of total consumer (nonmortgage) credit outstanding, and increased to nearly 40 percent by 1987.<sup>14</sup> The 1934-36 expenditure survey found that 44 percent of working families owned a car and that 10 percent had purchased one during the survey years. This prompted one analyst to comment that "nowadays when the family has had a successful year, it is more apt to think of an automobile as a symbol of success rather than new clothes or furniture for the parlor."<sup>15</sup> Working families during the mid-1930's allotted 8.5 percent of their expenditures to transportation.

The purchase of automobiles continued to increase, as did the percent of total expenditures allocated for transportation, which rose from 8.5 percent in 1950 to 25.7 percent in 1986-87. During the 1970's and 1980's, other vehicles were added to the family's driveway—vans, trucks, recreational vehicles, and motorcycles. Data from the 1986-87 expenditure survey show that 91 percent of all worker households now own a vehicle and that the average number of vehicles per household is 2.2, for an average family size of 2.9 persons!

As vehicle ownership became widespread, related expenditures also increased dramatically. In 1986-87, an average household spent about as much to and maintain a car—that is, to pay for gasoline, insurance, repairs, and licenses—than it did to feed that household at home. In 1950, auto-related costs were only about 20 percent of the food bill.

The automobile has changed lifestyles in a dramatic way. It has given families freedom of choice of places to live, work, and travel but at a cost in terms of the family budget, commuting time, and the environment.

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**Health care.** Advances in medical research and health care have also had a revolutionary effect on families, although changing financing arrangements make the effect less apparent in the expenditure statistics. By the beginning of the 20th century, several of the most severe contagious diseases—for example, small pox, yellow fever, typhus, and cholera—had been brought under control. However, contaminated water, unpasteurized milk, and unsanitary home and work conditions still were responsible for a large number of deaths in the early 1900's. Medical services were few and a hospital was viewed as a place one went to die. In addition to these health problems, the industrial worker faced dangerous working conditions over which he or she had little control, and for which employers and the government accepted little responsibility.

During the 1920's and 1930's, changes in the health field began to occur. The number and quality of hospitals increased. Nonprofit organizations that provided services in free clinics were established. Private-sector firms began to offer inhouse medical care and provide health insurance for employees. Other medical advances, such as improved control of drugs and scientific breakthroughs, also have contributed to the lengthening of the lifespan from about 50 years in the early 1900's to more than 70 years by the 1980's. Longer life expectancy and improved health have increased the earning power of the worker. In addition, the emphasis placed on sanitation, nutrition, and recreation in health education programs has stimulated the demand for a variety of consumer goods and services.<sup>16</sup>

The 1901 detailed expenditure survey found that families spent 2.9 percent of their total outlays for products and services in the category "sickness and death," that is, medical care and funeral expenses. This share rose to 6.6 percent by 1960–61 as improved economic conditions,

education, and the availability of insurance led households to purchase more health care, and declined to 4 percent by 1986–87, as practices of financing health care changed.

In the 1920's and 1930's, unions played a role in providing much of the insurance coverage. Significant changes began to occur during the 1940's with the expansion of the concept of fringe benefits. By the late 1960's and extending into the early 1980's, the practice of employer-provided health insurance had spread. In 1987, 64 percent of individuals had employment-related health insurance, some or all of which was paid for by employers.<sup>17</sup> These programs reduced the out-of-pocket medical costs to households and the share of the household budget going for health care costs declined. Table 3 shows how urban worker families have allocated their medical care expenditures since the 1917–19 expenditure survey. (Little is known about the distribution of medical expenditures in the 1901 survey, other than that they included burial expenses.) Even though the data in the table are not strictly comparable from survey to survey, it is evident that an increasing share of the family medical budget is being spent on insurance and less on services and prescription drugs directly.

A 1903 report advised that "more attention be paid to the improvement of the conditions of the working class."<sup>18</sup> It took the attention of many individuals and organizations to achieve the advances that have taken place since the early 1900's. There are still issues to be faced, however, such as the fact that 37 million individuals currently have no health insurance coverage.<sup>19</sup>

**Recreation.** The increase in leisure time that resulted from the shortening of the workday to 8 hours and the workweek to 5 days is yet another improvement in the life of the American family. Unions began to argue for the 8-hour day late in the 19th century. However, it was rising productivity that ultimately made the 8-

**Table 4. Distribution of entertainment and reading expenditures, 1901 to 1986–87**

Item	1901	1917–19	1934–36	1950	1960–61	1972–73	1986–87
Entertainment and reading .....	\$17	\$44	\$53	\$211	\$269	\$455	\$1,172
Percent distribution .....	100	100	100	100	100	100	100
Entertainment:							
Televisions, radios, musical instruments .....	—	23	13	32	29	34	34
Admissions .....	59	20	36	22	22	24	23
Other <sup>1</sup> .....	—	32	23	30	30	33	33
Reading .....	41	25	28	16	19	9	10

<sup>1</sup> The "other" category is not entirely comparable for 1917–19 and subsequent periods. For the 1917–19 period, it includes travel expenditures, which are classified elsewhere in the later surveys.

hour day possible. In addition, it was recognized that time had to be left for the worker and his family to consume and enjoy the resulting products and services. In 1926, when Henry Ford announced the 5-day week for his company, he said: "The industry of this country could not exist long if factories generally went back to the 10-hour day, because people would not have the time to consume the goods produced."<sup>20</sup>

Increasing free time and incomes meant that families had more time for sports, once the exclusive province of the "idle rich," travel, and entertainment. The introduction of the motion picture and the nickelodeons after the turn of the century gave rise to yet another form of entertainment. The nickelodeons permitted workers to stop on their way home to enjoy a 15-minute film for 5 cents. Radios were introduced in the 1920's and televisions in the late 1940's. Today there are videocassette recorders, compact disc players, and new mechanical toys every day. And the popularity of participatory sports and spectator sports continues to grow.<sup>21</sup>

Although many leisure activities are free of cost, the expenditure surveys since 1901 do indicate that increasing amounts are being spent for recreation and for reading. The budget share spent for these items increased from 5.7 percent in 1917-19 to 8.3 percent in 1986-87. Table 4 shows the change over time in the distribution of expenditures for entertainment and reading items.

THIS ARTICLE has presented a brief history of changing consumption patterns of the American worker. Changes in consumption patterns occur as the result of trends in social and economic conditions, and demography. The last includes, among other factors, the age distribution of the population, and the number of children in families. All these are likely to change in the future. Some, like the age distribution of the population, can be projected under various assumptions; others, particularly changes in tastes, are unpredictable. It will be interesting to add to this history for the 100th anniversary of the *Monthly Labor Review*. □

## Footnotes

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<sup>1</sup> U.S. Department of Labor, *How American Buying Habits Change* (Washington, U.S. Government Printing Office, 1958).

<sup>2</sup> Helen Humes Lamale, *Study of Consumer Expenditures, Income and Savings: Methodology of the Survey of Consumer Expenditures in 1950* (University of Pennsylvania, 1959).

<sup>3</sup> H. S. Houthakker, "An International Comparison of Household Expenditure Patterns, Commemorating the Centenary of Engel's Law," *Econometrica*, 1957, pp. 332-551.

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<sup>7</sup> Faith M. Williams and Alice C. Hanson, *Money Disbursements of Wage Earners and Clerical Workers, 1934-36, Summary Volume*, Bulletin 638 (Bureau of Labor Statistics, 1941), p. 4.

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<sup>9</sup> Louise Russell, *The Baby Boom Generation and the Economy* (Washington, The Brookings Institution, 1982).

<sup>10</sup> U.S. Bureau of the Census, *Characteristics of New Housing: 1978 Construction Report*, C-25-78 (1979); and *Characteristics of New Housing: 1988 Construction Report*, C-25-88 (July 1989).

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<sup>12</sup> Wilfred Owen, *The Metropolitan Transportation Problem* (Washington, The Brookings Institution, 1956), p. 282.

<sup>13</sup> *How American Buying Habits Change*, chapter VIII.

<sup>14</sup> *Economic Report of the President*, table B-75 (Washington, U.S. Government Printing Office, 1989).

<sup>15</sup> Williams and Hanson, *Money Disbursements*, p. 41.

<sup>16</sup> *How American Buying Habits Change*, chapter VII.

<sup>17</sup> *Uninsured Americans: A 1987 Profile* (Washington, U.S. Department of Health and Human Services, 1988), p. 12.

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<sup>19</sup> *Uninsured Americans*, p. 12.

<sup>20</sup> "The 5-Day Week in Ford Plants," *Monthly Labor Review*, December 1926, p. 1162.

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