

1972-73

United States

In 1972–73, the U.S. economy was expanding. It would peak in the last quarter of 1973 and then head into a sharp downturn lasting until March 1975.

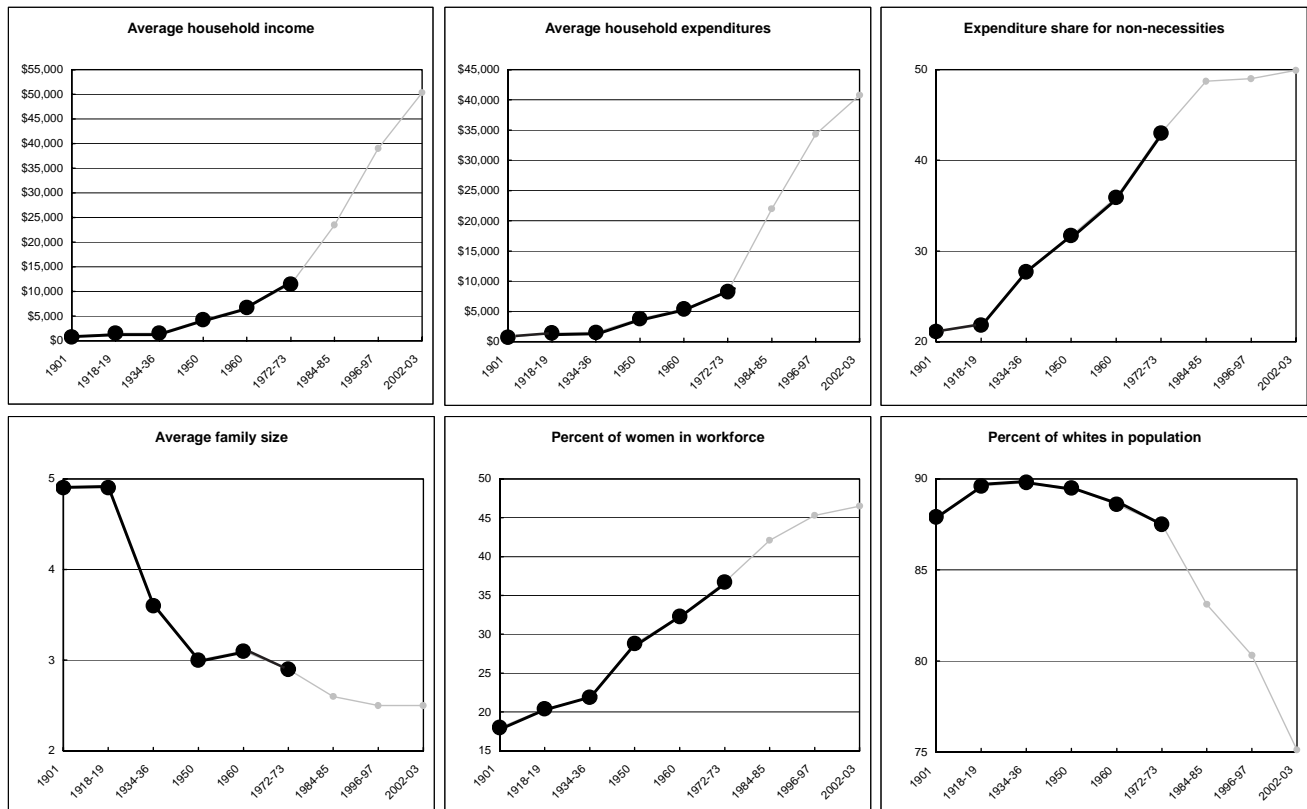
The U.S. population had exceeded 200 million, a net gain of 13.3 percent over the previous decade, and grown younger from baby boomers having children. The median age in the country had declined to 28.1 (26.8 for men and 29.3 for women)—the lowest since 1930—and the under-15 cohort ac-

counted for 28.5 percent of the population. Whites made up 87.5 percent of the population. (See chart 21.) The male-to-female ratio stood at 94.8 men for every 100 women.

The size of the average U.S. family was 2.9—markedly lower than in 1901 and reflecting a lower birth rate. Nearly one-fourth of households (23.5 percent) consisted of just one person; 27.3 percent of households had two members; and 9.1 percent of households had six or more members. The head of the average household was 48 years old and

had attained an 11th grade education. In 27.5 percent of households, the head had at least attended, if not completed, college, while in 21.2 percent of households, the family head had attained no higher than an eighth grade education. Family heads had the following occupations: 25.2 percent were craftworkers or machine operators, 22.1 percent were professionals or managers, 14.4 percent were retired, 12.0 percent were laborers or service workers, 10.8 percent were clerical workers or in sales, and 5.2 percent were self-employed.

Chart 21. Economic and demographic indicators, United States, 1972–73



SOURCES: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, and U.S. Census Bureau, *Statistical Abstract of the United States*

The labor force participation rate for men had declined to 78.8 percent by 1973, while women’s participation rate had risen to 44.7 percent. Women made up 36.7 percent of the U.S. workforce. (Table 18 contains hourly wages for selected industries.)

Average family income in the United States was \$11,419, an increase of 70.7 percent from 1960–61. The average U.S. household had an after-tax income of \$9,731, having allocated 14.8 percent of income for taxes: \$1,399 in Federal income taxes, \$234 in State and local income taxes, and \$55 in personal property and other personal taxes. The market value of the average household’s financial assets was \$7,094. Of all U.S. families, 24.7 percent earned less than \$5,000 during the year, while 6.8 percent earned more than \$25,000.

Average household expenses were \$8,348, an increase of 54.9 percent from

1960–61. This sum would have purchased \$5,972 worth of goods and services in 1960–61 dollars.

Expenditures for food, clothing, and housing accounted for 57.4 percent of family spending (\$4,794), a marked decline from 1960–61. The share of housing had increased to 30.8 percent (\$2,551), while food had declined to 19.3 percent (\$1,596), and clothing to 7.8 percent (\$647), down dramatically from almost 14 percent in 1901.

Of total spending on housing, the average U.S. household allotted 51.4 percent (\$1,311) for shelter, 16.0 percent (\$409) for fuel and utilities, 17.4 percent (\$443) for household operations, and 15.2 percent (\$387) for furnishings and equipment. Most Americans, 58.8 percent, owned their home (33.4 percent having a mortgage and 25.3 percent having no mortgage), while 36.8 percent were renters. The estimated market value of the average family home

was \$14,283, which translated into an estimated monthly rental value of \$100.

Consumers continued to eat away from home more often. The average U.S. household allotted 72.4 percent (\$1,155) of food expenditures for food at home, and 26.4 percent (\$422) for food away from home—more than 1 out of every 4 food dollars. In addition, 1.3 percent (\$110) of total spending was for alcoholic beverages. Of money spent on food eaten at home, 33.3 percent (\$385) went for meat, 16.2 percent (\$188) for eggs and dairy products, and 14.6 percent (\$168) for fruits and vegetables. (See table 19 for retail prices of selected foods.)

The average family spent more than half (54.5 percent or \$308) of its clothing dollars on women’s clothing, 28.2 percent (\$216) on men’s garments, and 2.6 percent (\$14) on infants’ clothing. An additional 4.7 percent (\$27) went for materials, repairs, alterations, and services.

Table 18. Hourly wages for selected industries, United States, 1970

Year	Manu- facturing	Mining	Con- struction	Transpor- tation	Communi- cations and public utilities	Trade	Finance, insurance, and real estate	Services	Government
1901	\$ 0.23	\$ 0.26	\$ 0.28	\$ 0.24	\$ 0.24	\$ 0.25	\$ 0.50	\$ 0.17	\$0.28
1918 .....	.53	.67	.57	.61	.42	.45	.69	.31	.49
1935 .....	.58	.55	.49	.72	.71	.61	.78	.42	.62
1950	1.59	1.66	1.60	1.79	1.61	1.46	1.55	1.05	1.45
1960	2.57	2.73	2.62	2.97	2.73	2.21	2.42	1.69	2.25
1970	3.92	4.45	4.47	4.77	4.28	3.31	3.86	2.86	3.83

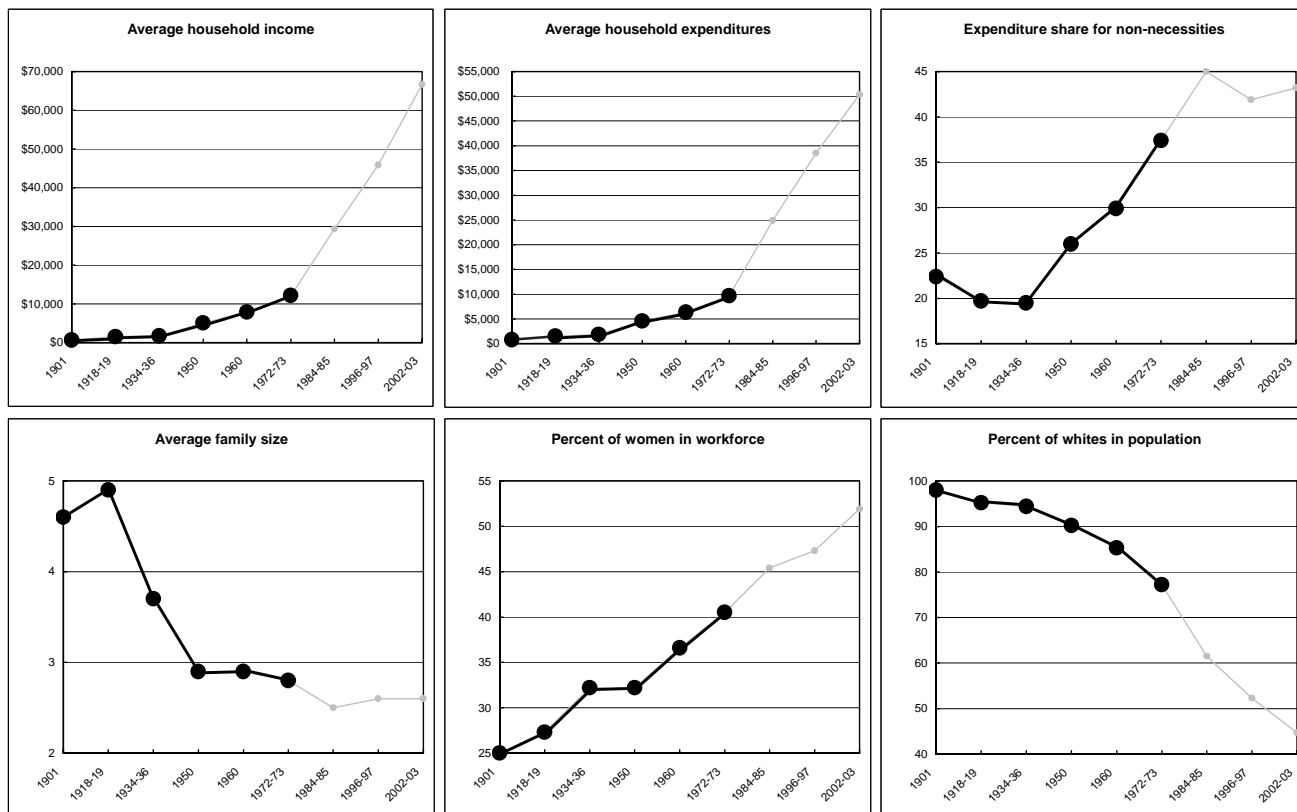
SOURCE: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

Table 19. Retail prices of selected foods in U.S. cities, 1970

Year	Flour 5 lb.	Round steak lb.	Pork chops lb.	Bacon lb.	Butter lb.	Eggs dozen	Milk 1/2 gallon
1901	\$ 0.13	\$ 0.14	\$ 0.13	\$ 0.16	\$ 0.27	\$ 0.22	\$ 0.14
1918 .....	.34	.37	.39	.53	.58	.57	.28
1934 .....	.25	.28	.26	.29	.32	.33	.22
1950 .....	.49	.94	.75	.64	.73	.60	.41
1960 .....	.55	1.06	.86	.66	.75	.57	.52
1970 .....	.59	1.30	1.16	.95	.87	.61	.66

SOURCE: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

Chart 22. Economic and demographic indicators, New York City, 1972–73



SOURCES: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, and U.S. Census Bureau, *Statistical Abstract of the United States*

Given that income had increased significantly and that the share of total spending for food, clothing, and housing had decreased, the average U.S. family had more dollars available for discretionary expenses. The shifts identified in 1960–61—toward spending on cars, recreation, and medical and personal care—continued.

The automobile had become a priority, and 80.1 percent of U.S. families owned at least one. These households spent \$784 (9.5 percent of their expenditures) to buy and finance their autos. Additionally, they spent \$750 (9.1 percent) on auto operating expenses.

U.S. households allocated 8.6 percent (\$708) of their spending for recreation. Of this, 1.4 percent (\$10) went for an owned vacation home, 35.3 percent (\$250) for vacations or pleasure trips, and 11.8 percent (\$84) for boats and aircraft.

Additionally, personal care and healthcare accounted for 8.4 percent (\$693) of family spending, with 37.1 percent (\$196) of healthcare dollars allocated for health insurance premiums. The average U.S. household contributed \$508 in charitable donations and allocated \$153 (1.9 percent of spending) for reading and education.

New York City

In 1970, 18.2 million people or 9.0 percent of the U.S. population lived in New York City. This percentage represented a slight decline from 1960. The population of New York City, 7.9 million, constituted 43.4 percent of the State's residents. Although this proportion, too, had declined over the decade, the city's population had increased by 100,000 or 1.5 percent.

The New York City population, like

the U.S. population, was getting younger. The median age had declined 2.4 years to 32.7. The age distribution of the population was as follows: 71.6 percent was 18 or older—with 12.1 percent at least 65—and 7.8 percent was younger than 5. The city's population was 46.9 percent male.

The proportion of residents who were white had declined to 77.2 percent. (See chart 22.) The black population, in contrast, had grown during the decade by 53.1 percent and represented 21.1 percent of all New Yorkers. City residents of Hispanic background—who could be either white or black—accounted for 10.3 percent of the population. One out of five New Yorkers (20.6 percent) listed their heritage as Italian.

Households in New York City numbered 2.1 million and had an average size of 2.8 people, a slight decline from

1960. The average head of household was 49, older than the national average. In 17.2 percent of family households, the head was a woman, while 34.7 percent of households consisted of just one person. One out of every nine (11.5 percent) New York City families lived below the poverty line.

In 1970, there were close to 137,000 births in the city, a decline of approximately 9.0 percent over the decade, and about 92,000 deaths.

In terms of education, the average New Yorker had completed 11.5 years of schooling. Only 7.6 percent had less than 5 years, while 46.9 percent had 4 years of high school or more and 6.6 percent had at least 4 years of college.

A new indicator of mobility showed that close to 60 percent of New Yorkers had lived in their current home for at least 5 years.

In terms of employment, 58.0 percent of working New Yorkers held white-collar jobs: 23.6 percent were in professional or managerial positions, and 34.4 percent were in sales. An additional 10.2 percent worked as craftsmen.

Men constituted 59.5 percent of the New York City workforce, while in 44.5 percent of married-couple families, the wife also was employed. Of city residents, 45.0 percent worked outside the county in which they lived, and 61.8 percent used public transportation to travel to work.

Although manufacturing still was the largest employer in the city, by 1970 manufacturing jobs had declined to 20.6 percent of the city's job base. Retail and wholesale trade accounted for 19.4 percent of all city jobs, followed by government (16.2 percent), the service sector (9.9 percent), education (6.3 percent), and construction (3.5 percent).

Average family income in New York City had increased 53.6 percent to \$12,159, 6.5 percent greater than for the average U.S. household. The average New York City household had an after-tax income of \$10,107, having allotted 16.9 percent of income for taxes: \$1,542 for Federal income taxes, \$477 for State and local income taxes, and \$33 for per-

sonal property and other property taxes. The market value of the financial assets of the average New York City family was \$8,428.

Average family expenses had risen 52.6 percent to \$9,697, 16.2 percent greater than those of the average U.S. family. This sum would have purchased \$6,400 worth of goods and services at 1960 prices.

Expenditures for food, clothing, and housing accounted for 64.2 percent of family spending (\$6,226), a significant decline from 1960–61. The share of housing had increased to 34.1 percent (\$3,303), while the shares for food and clothing had declined markedly, to 21.1 percent (\$2,050) and 9.0 percent (\$873), respectively.

There were approximately 3 million housing units in the city, with an average size of 3.9 rooms. Single-family homes represented 11.9 percent of all housing units. More than one-third of households (37.3 percent) owned their own home (24.4 percent having a mortgage and 12.9 percent being mortgage free), while 60.5 percent were renters. Only 2.4 percent of these units lacked all or some indoor plumbing services. The estimated market value of the average owned home in the city was \$13,223, with an estimated monthly market rental value of \$99.

As for modern conveniences, 55.6 percent of households had at least one car, 82.3 percent had a telephone, 37.5 percent owned an air-conditioner, and 5.7 percent had a separate home freezer. Average monthly residential electric bills were \$10.09.

Of total spending on housing, the average New York City family allotted 58.9 percent of expenditures (\$1,946) for shelter, 11.2 percent (\$369) for fuel and utilities, 17.5 percent (\$579) for household operations, and 12.4 percent (\$410) for household furnishings and equipment.

Food at home accounted for 72.2 percent of food expenditures (\$1,481), a proportion equal to that spent by the average U.S. family. Of this spending, New Yorkers allocated 29.0 percent

(\$429) for meat, 15.0 percent (\$222) for eggs and dairy products, and 16.7 percent (\$247) for fruits and vegetables. Food away from home accounted for 26.7 percent (\$547) of total food spending; 1.3 percent (\$126) of total expenditures went for alcoholic beverages.

Of spending on clothing, 56.7 percent (\$409) went for women's clothes, 38.1 percent (\$274) for men's clothing, and 2.4 percent (\$17) for infants' clothes. An additional 2.9 percent (\$21) went for materials, repairs, alterations, and services.

Although New York City households allocated a greater percentage of their spending for food, clothing, and housing than did the average U.S. household, New Yorkers still had more dollars (\$3,627 versus \$3,558) to spend on discretionary items.

New York City families allotted only 4.7 percent of spending (\$458) for the purchase and financing of an automobile, and 6.3 percent (\$607) for auto operating expenses.

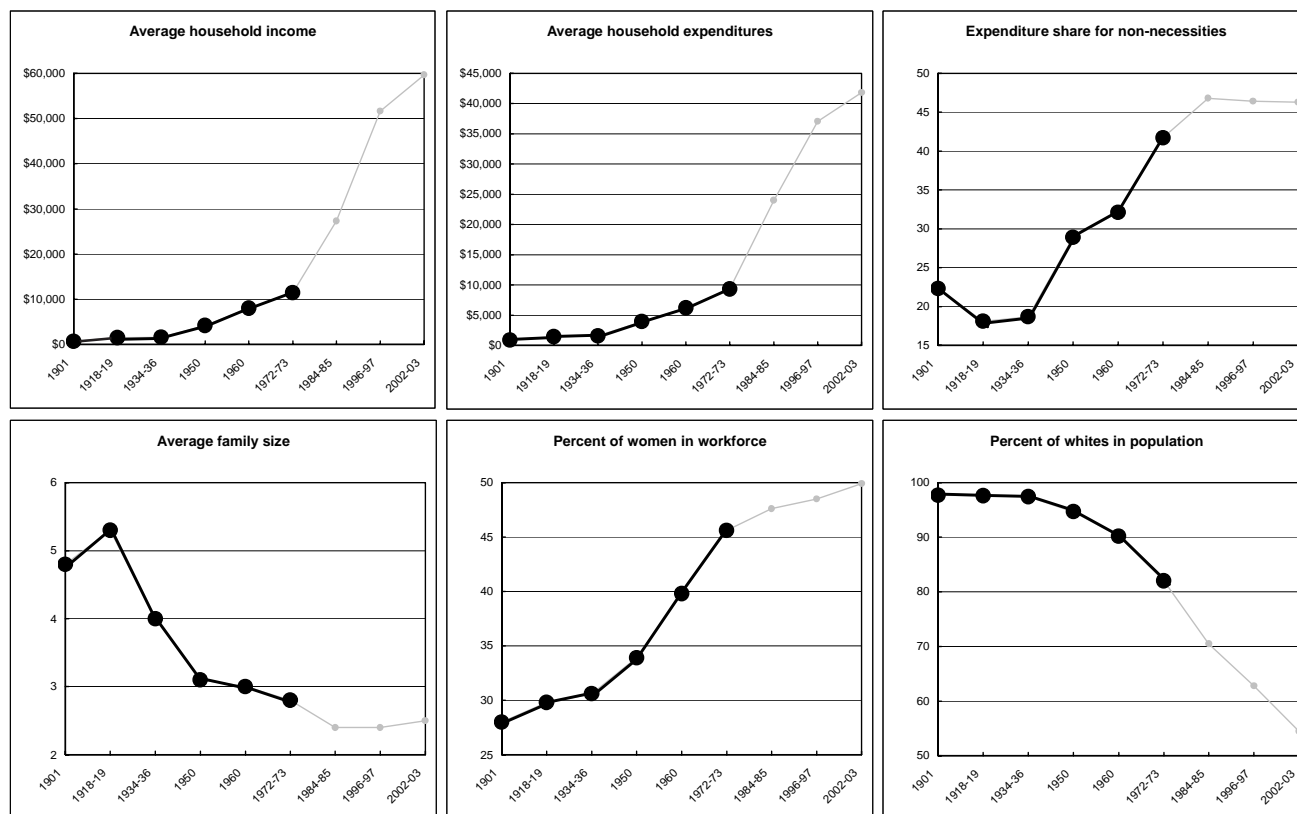
Recreational expenses (\$818) constituted 8.4 percent of household spending, of which 50.1 percent (\$410) went for vacations and pleasure trips, and 2.9 percent (\$24) went for boats, aircraft, and other vehicles.

Personal care items and healthcare accounted for 7.3 percent (\$712) of household spending, with health insurance premiums (\$159) accounting for 30.4 percent of healthcare spending. New York City families donated \$567 to charity and allocated \$263 (2.7 percent of spending) for reading and education.

Boston

The proportion of Americans living in Massachusetts continued to decline. By 1970, the Commonwealth's population had reached 5.7 million, but this figure represented only 2.5 percent of the U.S. population. In Boston, the population had declined 8.1 percent from the 1960 level and stood at 640,000 people—only 11.2 percent of the Commonwealth's total inhabitants.

Chart 23. Economic and demographic indicators, Boston, 1972-73



SOURCES: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey, and U.S. Census Bureau, *Statistical Abstract of the United States*

In Boston, families numbered 142,000 and included on average 2.8 people, a decline from 1960. (See chart 23.) The average head of household was 48, younger than in New York City but equivalent to the national average.

In about 1 out of 5 Boston families (22.5 percent), the head was a woman. One out of four (25.9 percent) families included at least one child younger than 6. In approximately 63,000 households (44.4 percent), there was only one person. One out of every nine Boston families (11.7 percent) lived below the poverty level.

Following the national trend and that in New York City, Boston's population had grown younger. The median age in the city had declined to 28.8 years, notably younger than in New York City. Almost three-quarters of all Bostonians (71.5 percent) were aged 18 or older, while 7.8 percent were younger than 5, and 12.8 percent were 65 or older.

Men accounted for 46.1 percent of the population.

The percentage of residents who were white had declined to 82.0, while blacks represented 16.3 percent and Hispanics 2.8 percent of the city's population. More than 1 out of 5 Bostonians (21.8 percent) listed their ancestry as Irish.

In 1970, there were about 11,600 births in the city—a 27.5-percent decline from 1960—and approximately 8,200 deaths.

The average Bostonian was slightly more educated than her New York City counterpart, having completed 12.1, rather than 11.5, years of schooling. The majority of Bostonians (53.5 percent) had at least 4 years of high school, while at the ends of the education spectrum 5.6 percent had less than 5 years of education, and 10.3 percent had at least 4 years of college.

Bostonians were more mobile than

their New York City counterparts. Only half of all Bostonians (49.9 percent) had lived in the same residence during the previous 5 years, compared with 60 percent of New Yorkers.

In terms of employment, 55.0 percent of Boston workers had white-collar jobs—22.5 percent in professional or managerial positions and 32.5 percent in sales. An additional 10.2 percent worked as craftsmen.

Men constituted 54.4 percent of all Boston workers, while in 32.8 percent of married-couple families, the wife also was employed. Only 19.5 percent of residents worked outside the city, while 39.3 percent used public transportation to travel to and from work.

By 1970, the number of jobs in manufacturing had declined to just 17.5 percent of all city jobs. Retail and wholesale trade had become the major employer, representing 19.4 percent of the job base. Government, with 17.5 per-

cent of all jobs, equaled manufacturing in its share of employment. Other important sectors included service (8.1 percent), education (8.4 percent), and construction (4.4 percent).

Average family income had increased 43.3 percent to \$11,449, equivalent to that earned by the average U.S. family. The average Boston family had an after-tax income of \$9,639, having allotted 15.8 percent of income for taxes: \$1,395 for Federal income taxes, \$356 for State and local income taxes, and \$59 for personal property and other property taxes. The market value of the financial assets of Boston families was \$4,533.

Average family expenses were \$9,302, 11.4 percent greater than for the average U.S. household and an increase of 50.0 percent over 1960–61 Boston family expenses. This outlay would have purchased \$4,218 worth of goods and services in 1960 dollars.

Expenditures for food, clothing, and housing represented 59.4 percent of family spending (\$5,531), a significant decline from 1960–61 but slightly higher than the national expenditure pattern. Over the decade, the share of housing had held constant at 31.5 percent (\$2,934), while food and clothing both had declined markedly to 20.0 percent (\$1,860) and 7.9 percent (\$737), respectively.

There were over 232,000 housing units in the city, with an average size of 4.5 rooms. Single-family homes represented 14.6 percent of all housing units. Only 5.1 percent of units lacked some or all indoor plumbing services.

Of Boston households, 47.7 percent owned their own home (31.8 percent having a mortgage and 16.0 percent being mortgage free), while 51.5 percent were renters. The estimated market value of the average owned home in Boston was \$14,891; its estimated monthly market rental value was \$98. As for appliances and other selected items, 84.3 percent of households had a telephone, 16.9 percent owned an air-conditioner, and 6.1 percent possessed a separate home freezer.

Average monthly residential electric bills were \$9.50.

Of total spending on housing, the average Boston family allocated 59.0 percent (\$1,732) for shelter, 15.6 percent (\$457) for fuel and utilities, 13.6 percent (\$400) for household operations, and 11.8 percent (\$345) for furnishings and equipment.

Regarding total food expenditures, food at home accounted for 66.1 percent (\$1,860), a share less than that spent by the average U.S. household. Of this spending, Boston households allocated 32.8 percent (\$403) for meat, 18.0 percent (\$222) for eggs and dairy products, and 14.9 percent (\$183) for fruits and vegetables. Food away from home accounted for 33.5 percent (\$623) of total food spending; a related item, alcoholic beverages, took up 1.6 percent (\$149) of total expenditures.

In the clothing expenditure category, 58.3 percent (\$368) was spent on women's clothes, 36.8 percent (\$232) on men's clothes, and 1.7 percent (\$11) on infants' clothing. An additional 2.2 percent (\$20) was allocated for materials, repairs, alterations, and services.

After paying for food, clothing, and housing, Boston families had more money (\$3,877) to allocate for discretionary expenses than did families nationwide, including those in New York City.

Among Boston households, 74.4 percent had at least one automobile. They allotted 6.4 percent of their budget (\$599) for the purchase and financing of an auto, and 8.9 percent (\$835) for its operating expenses.

Recreational expenses (\$815) accounted for an additional 8.8 percent of household spending, with 47.7 percent (\$389) allocated for vacations and pleasure trips and 7.0 percent (\$57) for boats, aircraft, and other vehicles.

Personal care items and healthcare accounted for 7.4 percent of household spending (\$687), with health insurance premiums (\$185) accounting for more than one-third (34.2 percent) of healthcare spending. Boston families donated \$459 to charity and allocated

\$362 (3.9 percent of spending) for reading and education.

Perspective

At the beginning of the 1970s, the U.S. economy was expanding, but by 1973, it was in a sharp downturn. Between 1960 and 1970, wages had continued to climb, as evidenced by a 53-percent increase in manufacturing wages and a 63-percent increase in miners' earnings. Prices, on the other hand, had increased more modestly.

In New York City, household incomes had surpassed those in Boston by 6 percent, but overall spending by New Yorkers was only 4 percent higher. New Yorkers and Bostonians spent about 95 percent of their after-tax incomes, while families nationwide spent only 86 percent.

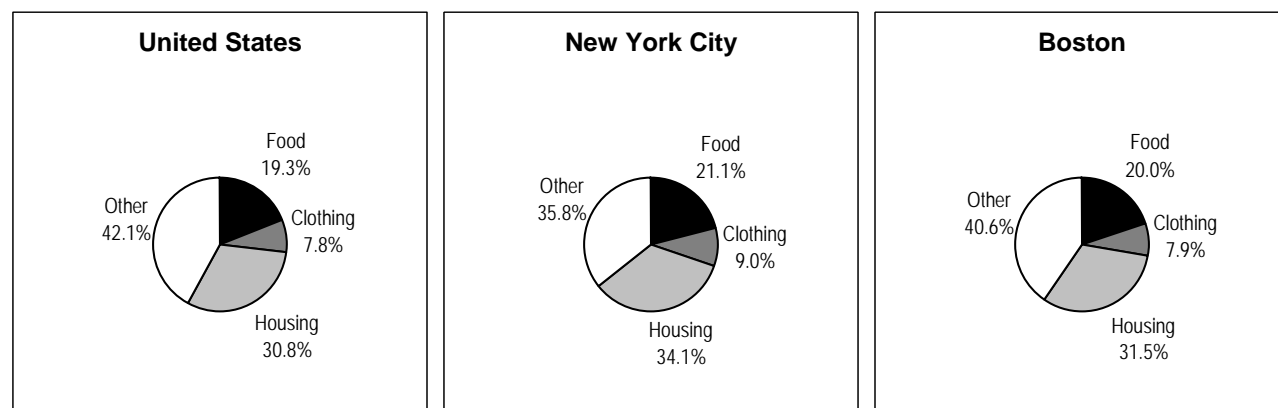
Household spending patterns continued to change as families allotted less of their incomes for necessities. Changes in the socioeconomic and demographic characteristics of families contributed to these modifications.

Women's share of the U.S. workforce had risen to 37 percent. The country as a whole had begun to get younger, as had the populations of New York City and Boston. Average family size also had decreased, with families in New York City and Boston being slightly smaller than the average U.S. family.

Rising incomes had permitted more people to buy homes in the suburbs and purchase cars. These trends had shrunk the population in central cities like Boston. Educational attainment had increased as over 30 percent of New Yorkers and Bostonians had graduated from college. Additionally, 58 percent of New Yorkers and 55 percent of Bostonians held white-collar jobs. Throughout the country, local and regional economies had begun to shift away from manufacturing and into services such as trade, education, healthcare, and government.

New York City households allotted a higher share of their expenditures (64

Chart 24. Expenditure shares, United States, New York City, and Boston, 1972-73



SOURCE: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

Table 20. Expenditures and expenditure shares, United States, New York City, and Boston, 1972-73

Item	United States		New York City		Boston	
	Expenditures	Shares	Expenditures	Shares	Expenditures	Shares
Food	\$ 1,596	19.3	\$ 2,050	21.1	\$ 1,860	20.0
Alcoholic beverages	110	1.3	126	1.3	149	1.6
Housing	2,551	30.8	3,303	34.1	2,934	31.5
Apparel and services	647	7.8	873	9.0	737	7.9
Transportation	1,597	19.3	1,322	13.6	1,532	16.5
Healthcare	528	6.4	523	5.4	526	5.7
Entertainment	708	8.6	818	8.4	815	8.8
Personal care products and services	165	2.0	189	2.0	161	1.7
Reading and education	153	1.9	263	2.7	362	3.9
Tobacco	130	1.6	155	1.6	174	1.9
Miscellaneous	86	1.0	74	.8	52	.6
Cash contributions	508		567		459	
Personal insurance and pensions	734		623		701	
Average income per family	11,419		12,159		11,449	
Expenditures, all items	8,348		9,697		9,302	

NOTE: Itemized expenditures are not all-inclusive and may differ from total expenditures. Expenditure shares do not add to 100 due to rounding. Cash contributions and personal insurance are not included in expenditure shares.

SOURCE: U.S. Bureau of Labor Statistics, Consumer Expenditure Survey

percent) for necessities than did families in Boston and nationwide, which had expenditure shares of about 58 percent each. (See chart 24.) New Yorkers spent more for clothing and housing, while spending shares for food were relatively similar in all locations.

Despite its high cost, beef constituted the single largest item of food consumed at home in both New York City and Boston. Bostonians, however, spent a larger share of their grocery budgets for eggs and dairy products, while New Yorkers spent more for

fruits and vegetables. Spending for food away from home had increased compared with a decade earlier, accounting for 27 percent of total food spending in New York City and over a third in Boston.

The continued rise in the quality of living had led to larger expenditures for recreation, education, reading, and transportation, as well as for personal insurance and pensions. (See table 20.)

Both New York City and Boston saw significant changes in population, with a declining white population, an in-

creasing black population, and a smaller proportion of foreign-born residents. One out of five New Yorkers listed their ancestry as Italian, while 1 out of 5 Bostonians claimed Irish lineage.

In 1974—largely as a result of the OPEC oil embargo, which drove up energy prices by 29.6 percent and led to higher food prices—inflation increased 11 percent, the steepest gain since World War II. Unemployment followed, peaking at 9 percent in May 1975. ■