

1984-85

United States

By 1980, the U.S. population had exceeded 226 million, an increase of 11.5 percent from the previous decade. The median age in the country had increased almost 2 years to 30.0 (28.8 for men and 31.2 for women), countering the decline that had begun in 1960. The percentage of the population younger than 15 also had declined further, to 22.6. Population dynamics in the country had continued to shift: the percentage of Americans who were

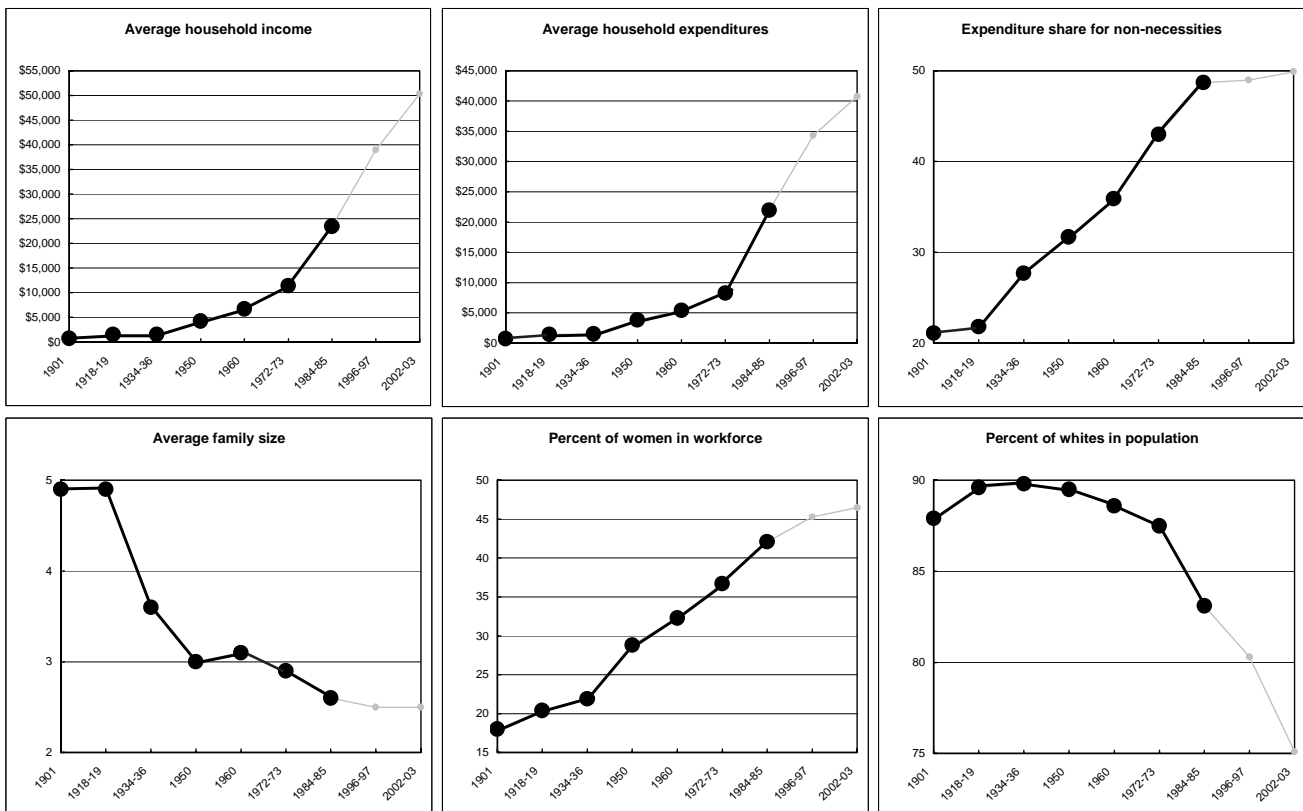
white had fallen further, to 83.1, and the male-to-female ratio had started to level off at 94.5 men for every 100 women.

The size of the average U.S. family had declined notably, to 2.6 people. (See chart 25.) More than a quarter of households (27.2 percent) consisted of only one person, 30.0 percent of two people, and 4.5 percent of six or more people. In statistical terms, the average household contained 0.7 children younger than 18; 0.3 people aged 65 or older; and 1.4 wage earners, whose ages

typically fall between those of the other two groups.

The average age of the reference person who owned or rented the home—the individual formally referred to as household head—was 46.7. In 43 percent of households, this individual had attended college; in 43 percent, he or she had attended high school; while in 13 percent, this individual had attended only elementary school. Reference persons held the following types of jobs: 21.3 percent were managers or professionals, 17.7 percent were in

Chart 25. Economic and demographic indicators, United States, 1984–85



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

sales or administrative positions, 7.1 percent held service jobs, 7.1 percent were in the crafts or repair fields, and 13.5 percent were laborers or operators. Some, 6.6 percent, were self-employed, and 16.0 percent were retired.

Nationally, the economy was expanding again in 1984, following a sharp, 16-month recession that had ended in November 1982 after unemployment had peaked at 10.8 percent. Male participation in the labor market had continued its slow decline and stood at 76.4 percent in 1984, but female participation had continued to edge up, reaching 53.6 percent. As a result, women made up 42.1 percent of the U.S. workforce. Prices had risen sharply from the previous decade: a market basket of consumer goods and services that had cost \$100 in 1972 cost \$249 in 1984. Wages had increased after 1970 but not at comparable rates. (See table 21 for 1979 wages.)

Average family income in the country had risen to \$23,464, an increase of 105.5 percent since 1972-73. The income of the average family came from several sources: 77.5 percent (\$18,158) from wages and salaries; 4.8 percent (\$1,123) from self-employment income; 10.3 percent (\$2,420) from Social Security and private and government retirement; 4.0 percent (\$938) from interest, dividends, rental income and other property income; 1.2 percent (\$282) from unemployment and workers' compensation and from veterans' benefits; 1.1 percent (\$252) from public assistance, Supplemental Security Income, and food stamps; 0.8 percent (\$191)

from regular contributions of support; and 0.3 percent (\$81) from other sources.

The average U.S. family had an after-tax income of \$21,237, having allocated 9.5 percent of income for taxes: \$1,733 in Federal income taxes, \$431 in State and local income taxes, and \$63 for other taxes. Of all U.S. families, those in the lowest fifth of the income distribution had average yearly earnings of \$3,169, while those in the highest fifth earned \$56,426 on average.

Average household expenditures, \$21,975, had grown 165.7 percent. This amount would have purchased \$8,790 worth of goods and services in 1972 dollars.

Expenditures for food, clothing, and housing accounted for 51.4 percent of household spending, continuing the steady decline recorded over the previous 80 years in the share devoted to necessities. Compared with 1972-73, the share for food had decreased to 15.0 percent (\$3,290), while clothing had declined to 6.0 percent (\$1,319), and housing had held steady at 30.4 percent (\$6,674). Among U.S. families, 63 percent owned their own home (38 percent with a mortgage and 25 percent without a mortgage), while 38 percent were renters. The estimated market value of the average home was \$47,269, and its estimated monthly rental value was \$292.

In 85 percent of households, there was at least one automobile. Moreover, for the first time, the purchase of a vehicle accounted for a greater expenditure share than did total food at home

for the average family.

Of total spending on housing, the average U.S. family allotted 52.3 percent (\$3,489) for shelter; 24.5 percent (\$1,638) for utilities, fuel, and public services; 4.7 percent (\$315) for household operations; and 13.9 percent (\$926) for household furnishings and equipment.

Of the overall food bill, 59.9 percent (\$1,970) was for food at home, while 40.1 percent (\$1,320) was spent for food away from home. Alcoholic beverages took up 1.3 percent (\$275) of total spending. Of grocery money, 29.7 percent (\$586) was spent on meat, poultry, fish, and eggs; 15.9 percent (\$313) on fruits and vegetables; 13.3 percent (\$262) on cereals and bakery products; and 12.8 percent (\$253) on dairy products. (See table 22 for retail prices of selected foods.)

A breakdown of clothing expenditures showed that 39.7 percent (\$524) went for women's and girls' clothing, 26.5 percent (\$350) went for men's and boys' clothing, 3.8 percent (\$50) went for children's clothes, 14.0 percent (\$185) went for footwear, and 16.0 percent (\$211) was allotted for other clothing products and services.

As mentioned above, 85 percent of U.S. households owned at least one automobile, with the average household owning 1.9. Households allotted 19.6 percent of spending (\$4,304) for transportation: 8.3 percent (\$1,813) for auto purchases; 4.8 percent (\$1,058) for gasoline and motor oil; and 5.4 percent (\$1,178) for other vehicle expenses, including financing.

Table 21. Hourly wages for selected industries, United States, 1979

Year	Manu- facturing	Mining	Con- struction	Transpor- tation	Communi- cations and public utilities	Trade	Finance, insurance, and real estate	Services	Govern- ment
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
1979	6.69	6.16	9.26	8.18	7.85	5.06	5.28	5.36	(n/a)

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

Table 22. Retail prices of selected foods in U.S. cities, 1984

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
1984	1.07	2.91	2.38	1.86	2.11	1.00	1.13

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

Additionally, the average U.S. household allocated 4.8 percent of spending (\$1,049) for healthcare (with 35.3 percent or \$370 allotted for health insurance), 4.8 percent (\$1,055) for entertainment, 1.3 percent (\$289) for personal care products and services, and 2.0 percent (\$435) for reading and education. Families gave \$706 to charities.

New York City

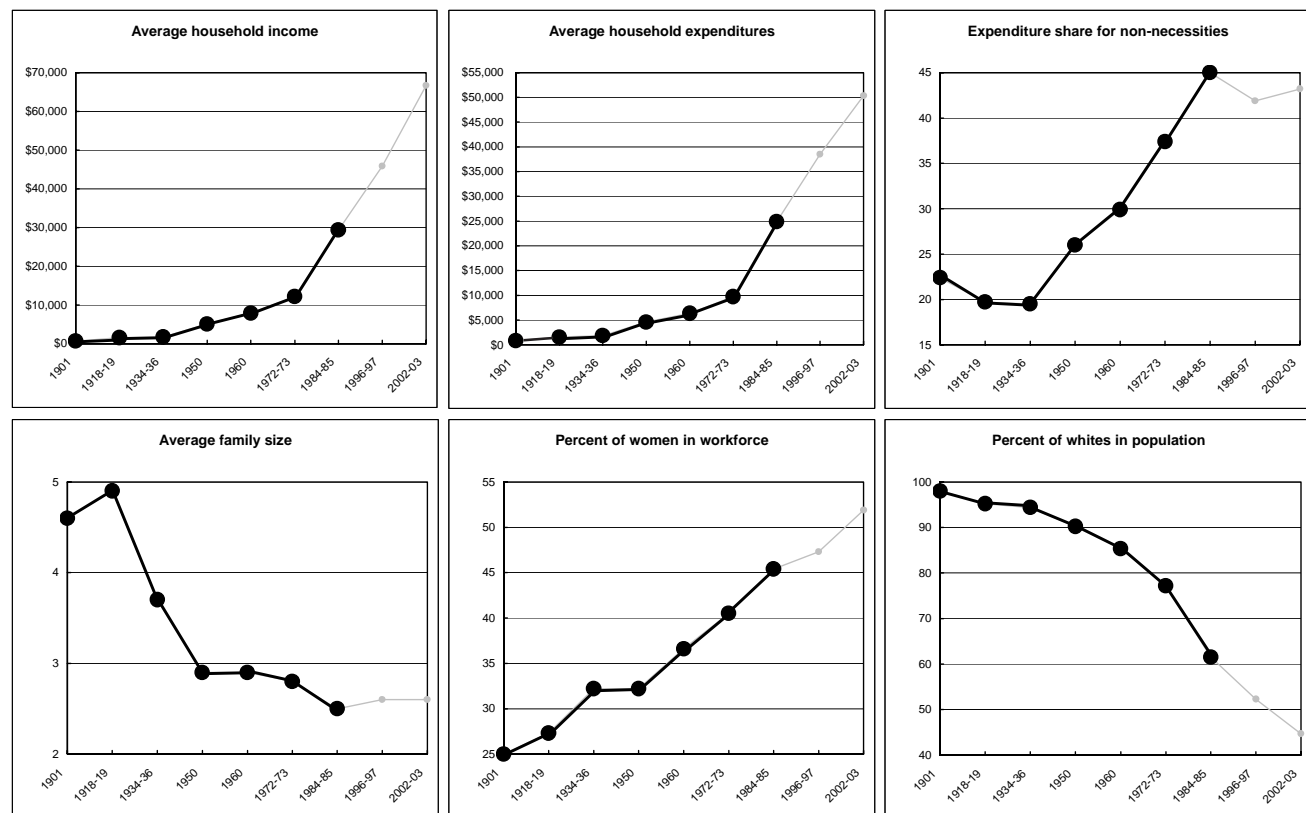
Between 1970 and 1980, the population of New York State had declined 3.7 percent, and in 1980 it stood at 17.6 million. Within the State's borders resided 7.8 percent of the U.S. population. During the same period, the population of New York City had decreased 10.4

percent to 7.1 million, representing 40.3 percent of the State's population.

Demographically, the median age of the city's residents had remained constant at 32.7. Three-quarters of New Yorkers were 18 or older, with 6.7 percent younger than 5 and 13.5 percent 65 or older.

The percentage of New Yorkers who

Chart 26. Economic and demographic indicators, New York City, 1984-85



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

were white had continued to decline and stood at 61.5. (See chart 26.) Blacks represented 25.3 percent of the population, and Hispanics—who could be of any race—19.9 percent. Approximately 44 percent of all city residents had been born beyond the borders of New York State.

Average family size was 2.5 people, a notable decline from the previous decade. Married couples made up 43.1 percent of households, female-headed families accounted for 16.6 percent, and one-person households constituted 32.7 percent. More than one-sixth of families (17.2 percent) lived below the poverty line.

During 1980 there were 103,000 live births in the city, a decline of 24.8 percent compared with births in 1970. There were 72,500 deaths.

In terms of education, 60.2 percent of New Yorkers had 12 or more years of schooling, and 17.3 percent had 16 years or more—a notable increase in the percentage of residents who had completed college.

The manufacturing sector continued to shed jobs and constituted just 17.4 percent of the city's job base. The professional and related sector had become the city's largest employer, with 23.1 percent of all jobs. Next came retail and wholesale trade at 18.1 percent; government at 17.6 percent; and finance, insurance, and real estate at 12.0 percent. In New York City, 4.8 percent of workers were self-employed.

Women made up 45.4 percent of the city's workforce. Although the overall city unemployment rate was 9.6 percent, the rate for women was only 7.7 percent. In terms of workers per household, 20.5 percent of families contained no employed persons, while in 43.4 percent of families two or more people were employed.

Only 6.2 percent of New York City residents worked outside the city. When they commuted to work, 20.1 percent drove alone, 9.9 percent were members of carpools, and 55.8 percent used public transportation.

Average family income had risen 141.3 percent since 1972–73 to \$29,339, 25.0 percent higher than the income of the average U.S. family. The average New York City family's income derived from numerous sources: 75.5 percent (\$22,144) from wages and salaries; 8.5 percent (\$2,494) from self-employment income; 9.2 percent (\$2,711) from Social Security and from private and government retirement; 4.8 percent (\$1,401) from interest, dividends, rental income, and other property income; 0.6 percent (\$176) from unemployment and workers' compensation and from veterans' benefits; 1.0 percent (\$290) from public assistance; and 0.2 percent (\$72) from other sources.

The average New York City household had an after-tax income of \$26,983, having allotted 8.0 percent of income for taxes: \$1,730 for Federal income taxes, \$587 for State and local income taxes, and \$39 for other taxes.

Average New York City family expenses were \$24,907, 13.3 percent greater than the expenditures of the average U.S. household and 156.9 percent more than New Yorkers had spent a decade earlier. The \$24,907 would have purchased \$10,710 worth of goods and services in 1972–73 dollars.

Expenditures for food, clothing, and housing accounted for 55.0 percent (\$13,704) of family spending, a notable decline from the 1972–73 level. The shares of housing (31.1 percent, \$7,753), food (16.4 percent, \$4,091), and clothing (7.5 percent, \$1,860) had all decreased.

There were 2.8 million housing units in the city. Of these, 11.7 percent were single-unit structures, and 64.5 percent contained five or more units. Forty-nine percent owned their home (31 percent having a mortgage and 18 percent having no mortgage), while 51 percent rented. The median value of an owned home in the city was \$56,778, while the average monthly rent was \$398. Only 3.8 percent of units lacked complete plumbing facilities, while 46.3 percent had air-conditioning.

Of total spending on housing, the average city household allotted 57.2 percent (\$4,431) for shelter, a marked shift from the previous decade; 24.6 percent (\$1,904) for utilities and fuel; 7.9 percent (\$614) for operations and supplies; and 10.4 percent (\$803) for furnishings and equipment.

Food at home accounted for 54.8 percent (\$2,240) of food expenditures, a notable decline from the previous decade. Of this, the average city household allocated 31.3 percent (\$700) for meat, fish, poultry, and eggs; 18.4 percent (\$413) for fruits and vegetables; 13.8 percent (\$308) for cereals and baked goods; and 13.3 percent (\$297) for dairy products. Food away from home accounted for 45.2 percent (\$1,851) of total food spending; alcoholic beverages constituted 1.3 percent (\$331) of total expenditures.

Of total spending on clothing, 41.3 percent (\$768) was allocated for women's clothing, a notable decline from the previous decade; 22.2 percent (\$412) was for men's clothes; 3.2 percent (\$59) was for infants' clothing; 14.0 percent (\$260) was for footwear; and 19.4 percent (\$361) was for other products and services.

The average New York City household owned 1.2 automobiles, compared with 1.9 for the average U.S. household. City families allotted 15.8 percent (\$3,924) of their spending for transportation expenses—5.2 percent (\$1,297) for the purchase of automobiles and 3.3 percent (\$815) for gasoline and motor oil. Both the relative shares and the actual dollar outlays on these items were less than those of the average U.S. household. New Yorkers allotted 4.8 percent (\$1,192) for other vehicle expenses, including financing costs.

Additionally, New York City households allocated 4.1 percent (\$1,029) of total spending for healthcare (with 24.2 percent or \$249 of this spending allotted for health insurance), 4.5 percent (\$1,121) for entertainment, 1.3 percent (\$315) for personal care products, and

2.3 percent (\$574) for reading and education. New York City households gave an average of \$945 in charitable contributions.

Boston

By 1980, the population of Massachusetts had surpassed 5.7 million, a gain of less than 1 percent from 1970. The total represented 2.5 percent of the U.S. population. During the same timeframe, the population of Boston had declined 12.2 percent to 563,000, or 9.9 percent of the Commonwealth.

There were 218,000 households in Boston, with an average family size of 2.4—slightly smaller than that of New York City families. Married couples made up just 33.6 percent of these households, women-headed households accounted for 16.2 percent, and 36.8 percent consisted of just one person. One-sixth (16.7 percent) of families lived below the poverty level.

On average, Bostonians were younger than New Yorkers: the median age in Boston remained constant at 28.9. In terms of age groups, 78.4 percent of the population was 18 or older, with 5.3 percent younger than 5 and 12.7 percent aged 65 or older.

The percentage of Bostonians who were white had declined significantly to 70.5. Blacks made up 22.5 percent of the population, and Hispanics—who could be of any race—6.5 percent. Of Boston residents, 58 percent had been born in Massachusetts.

During 1980, there were 7,700 live births in the city, a decline of 33.6 percent compared with the number in 1970. There were 5,800 deaths.

More than two-thirds (68.4 percent) of Bostonians had 12 or more years of schooling, and 20.3 percent had at least 16 years. Both of these proportions were higher than those recorded in New York City.

There were approximately 240,000 housing units in the city, of which 15.6 percent were single-unit structures, and 42.8 percent contained 5 or more units. Among Boston households, 55 percent

owned their home (37 percent having a mortgage and 18 percent living mortgage free), while 45 percent were renters. The median value of an owned home in the city was \$67,240, and the average monthly rent was \$444. Only 2.5 percent of units lacked complete plumbing services, while 30.5 percent had air-conditioning.

The decline in manufacturing employment continued, with other industries absorbing more workers. The manufacturing sector accounted for just 14.3 percent of all Boston jobs. As in New York City, the leading Boston employer was the professional and related sector, which represented almost a third (31.6 percent) of the city's job base. This was followed by government at 19.7 percent; retail and wholesale trade at 16.8 percent; and finance, insurance, and real estate at 9.0 percent. In Boston, 3.4 percent of workers were self-employed.

The unemployment rate in Boston was 9.1 percent, lower than that recorded in New York City. The unemployment rate for women, 6.1 percent, also was lower than the corresponding rate in New York City. Women made up almost half (47.6 percent) of Boston's workforce. (See chart 27.) In 19.1 percent of Boston's households, no one was employed, while in half (49.2 percent) of all households, two or more people were working.

One out of four Bostonians (25.2 percent) worked outside the city. When they commuted to work, 33.2 percent drove alone, 14.1 percent were members of carpools, and 33.7 percent used the public transit system.

In Boston, average family income had risen 138.6 percent to \$27,318, 16.4 percent higher than that of the average U.S. family. The average Boston household had an after-tax income of \$23,966, having allotted 12.3 percent of income for taxes: \$2,423 for Federal income taxes, \$755 for State and local income taxes, and \$175 for other taxes.

For the average family, 78.0 percent of income (\$21,304) came from wages and salaries; 8.4 percent (\$2,298) came

from Social Security and from private and government retirement; and 8.1 percent (\$2,217) came from interest, dividends, and rental income.

Over the previous decade, average family expenses had increased 158.1 percent to \$24,004, 9.2 percent greater than those for the average U.S. household. This amount of money would have purchased \$10,082 worth of goods and services in 1972 dollars.

Expenditures for food, clothing, and housing accounted for 53.2 percent (\$12,783) of spending, a decline from 1972-73. The shares for food (12.5 percent, \$3,006) and clothing (5.3 percent, \$1,280) had declined, while the share for housing (35.4 percent, \$8,497) had increased from 1972-73.

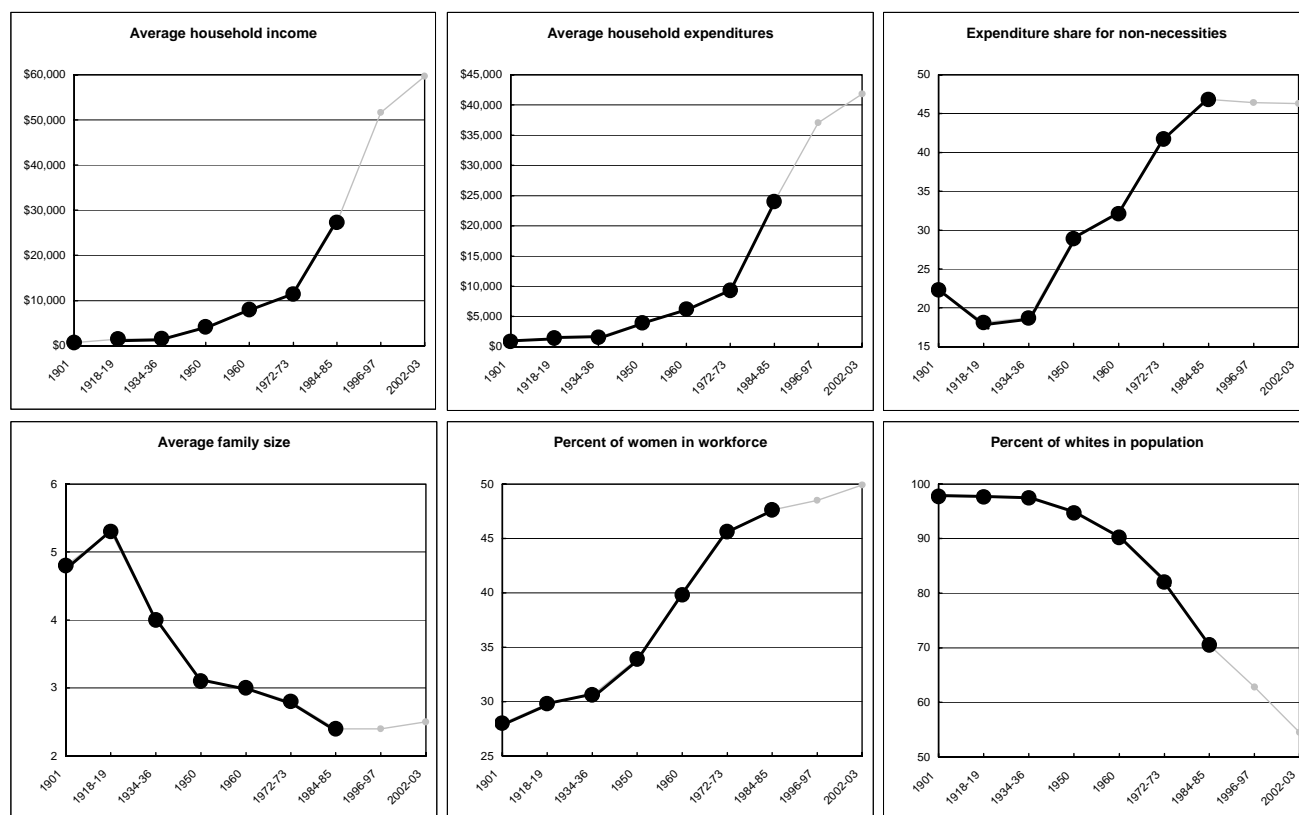
Of total spending on housing, the average Boston family allotted 60.2 percent (\$5,114) for shelter, 20.4 percent (\$1,732) for utilities and fuel, 8.3 percent (\$706) for household operations and supplies, and 11.1 percent (\$946) for furnishings and equipment.

Food at home accounted for 49.7 percent (\$1,493) of food expenditures, a significant decline from the previous decade. Of this spending, Boston families allocated 32.2 percent (\$480) for meat, poultry, fish, and eggs; 17.4 percent (\$260) for fruits and vegetables; 13.8 percent (\$206) for dairy products; and 13.6 percent (\$203) for cereals and baked goods. Food away from home accounted for 50.3 percent (\$1,513) of total food spending; purchases of alcoholic beverages amounted to 1.3 percent (\$305) of total expenditures.

Of spending on clothing, 38.4 percent (\$492) was for women's clothing, a notable decline from the previous decade; 26.9 percent (\$344) was for men's clothing, another decline; 3.8 percent (\$49) was for infants' clothes; 9.8 percent (\$125) was for footwear; and 20.9 percent (\$268) was for other apparel products and services.

The average Boston household owned 1.4 automobiles, less than the 1.9 owned by the average U.S. family. Families allocated 19.3 percent (\$4,637) of their total spending for transporta-

Chart 27. Economic and demographic indicators, Boston, 1984–85



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

tion. Itemized expenses included 8.6 percent (\$2,071) for the purchase of automobiles; 3.7 percent (\$880) for gasoline and motor oils; and 5.1 percent (\$1,230) for other vehicle expenses, including financing costs.

Additionally, Boston households allotted 4.2 percent (\$1,013) of total spending for healthcare (with 31.8 percent or \$322 of this spending allocated for health insurance), 5.2 percent (\$1,252) for entertainment, 0.9 percent (\$227) for personal care products, and 3.7 percent (\$886) for reading and education. Boston households gave \$606 in charitable contributions.

Perspective

By the mid-1980s, the U.S. economy was expanding, following a 16-month recession that had ended in late 1982. During the previous decade, both earnings and prices had increased sharply.

For example, hourly earnings in the manufacturing sector had increased by 71 percent, while the cost of a pound of round steak had increased by 124 percent.

Demographically, the average age in the country had increased 2 full years to 30. However, the average New Yorker was 2.5 years older, while the average Bostonian was 1 year younger than 30. Average family size in the country had continued to decrease and was 2.6 people; New York City and Boston families were slightly smaller. Women made up 42 percent of the U.S. workforce.

Household income in New York City exceeded that in Boston by more than 7 percent, but spending in New York City was only 4 percent higher. New Yorkers spent about 92 percent of their after-tax income, while in Boston spending exceeded after-tax income by \$38. In contrast, the average

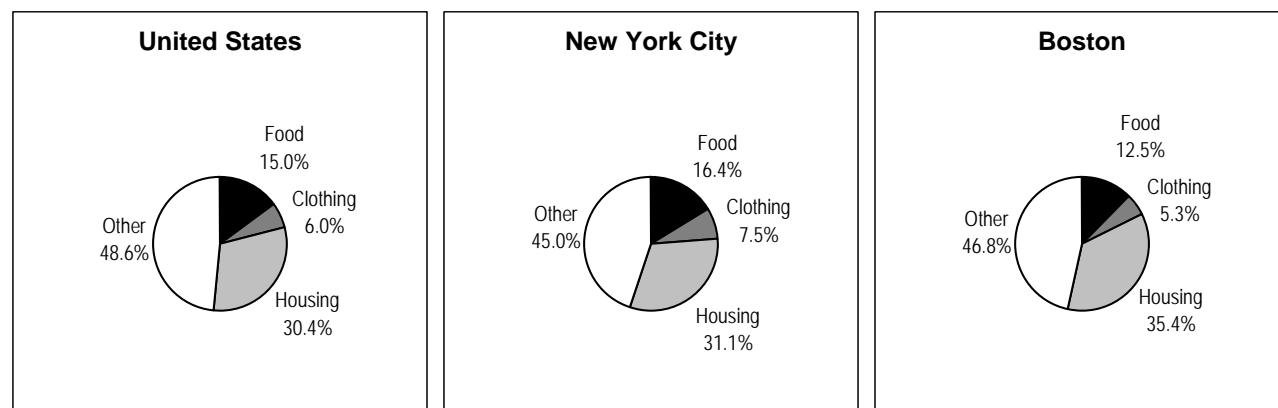
U.S. household spent 3.5 percent more than its after-tax income.

In total, New York City households allocated 55.0 percent of their spending for necessities, while Boston families allotted just 53.2 percent, and U.S. families spent even less: 51.4 percent.

Spending patterns indicate that, in terms of expenditure share (35.4 percent) and actual dollars, Boston families spent more for housing than did families in New York City (31.1 percent) and in the country as a whole (30.4 percent). (See chart 28 and table 23.) In Boston, 55 percent of families owned their home, while only 49 percent of New York City families were homeowners.

New Yorkers, though, allocated larger shares of spending for food (16.4 percent) and clothing (7.5 percent) than did families in Boston or in the country as a whole. Yet, Boston households spent more (50.3 percent)

Chart 28. Expenditure shares, United States, New York City, and Boston, 1984-85



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

Table 23. Expenditures and expenditure shares, United States, New York City, and Boston, 1984-85

Item	United States		New York City		Boston	
	Expenditures	Shares	Expenditures	Shares	Expenditures	Shares
Food	\$ 3,290	15.0	\$ 4,091	16.4	\$ 3,006	12.5
Alcoholic beverages	275	1.3	331	1.3	305	1.3
Housing	6,674	30.4	7,753	31.1	8,497	35.4
Apparel and services	1,319	6.0	1,860	7.5	1,280	5.3
Transportation	4,304	19.6	3,924	15.8	4,637	19.3
Healthcare	1,049	4.8	1,029	4.1	1,013	4.2
Entertainment	1,055	4.8	1,121	4.5	1,252	5.2
Personal care products and services	289	1.3	315	1.3	227	.9
Reading and education	435	2.0	574	2.3	886	3.7
Tobacco	228	1.0	240	1.0	214	.9
Miscellaneous	451	2.1	503	2.0	514	2.1
Cash contributions	706	3.2	945	3.8	606	2.5
Personal insurance and pensions	1,897	8.6	2,220	8.9	1,567	6.5
Average income per family	23,464		29,339		27,318	
Average expenditures, all items	21,975		24,907		24,004	

NOTE: Itemized expenditures are not all-inclusive and may differ from total expenditures. Expenditure shares do not add to 100 due to rounding.

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

of their food budget for meals away from home than did New Yorkers (45.2 percent).

In terms of food preferences, Boston households allocated larger shares of their grocery spending for meat, poultry, fish, eggs, and dairy products

and less for fruits and vegetables than did New York City families. Of clothing expenditures, New York City households allocated larger shares for women's clothing and footwear and smaller shares for men's clothing than did Boston families.

In other expenditure categories, Boston families allocated greater expenditure shares for transportation, entertainment, and reading and education, while New York City families allotted more for personal care products. ■