

other families in Arizona and in the U.S. The husbands were also more likely to express a positive attitude toward prospects for the next five years (Table 3a).

Table 3a. Mean Scores of Husbands and Wives on Common Measures of Subjective Economic Well-Being. Tucson Sample.

Subjective Measures	Mean Score Husbands	Mean Score Wives
Income Adequacy	2.29	2.34
Level of Living	2.84	2.99
Economic Status	2.59	2.58
Financial Situation Last Five Years	2.35	2.49
Financial Situation in Five Years	2.69	2.62
Income Compares to Arizona Families	2.49	2.34
Families' Ability to Purchase Goods as Compared to U.S. Families	2.53	2.37

Similar to the Tucson sample the group of husbands from the Bagdad sample were more likely to make positive comparisons between their family and other families than were the wives. In this sample, however, the wives were a bit more likely to express optimism for the future than were the husbands. As for their present economic situation husbands and wives varied on satisfaction depending on the situation being assessed (Table 3b).

There was considerable agreement between husbands and wives on perceptions of economic well-being as indicated by significant correlations in the medium to medium-high range. Correlations concerned with an individual's satisfaction with various amounts of money (income adequacy, level of living, level of income, level of savings, etc.) were similar for both the Tucson sample and the Bagdad sample. However, husbands and wives in the Bagdad sample were less likely than the Tucson sample to agree on their perceptions when asked to compare their financial situation to the past, the future, and to other families (Table 4).

Two additional indices were included in the survey given to the Tucson sample to assess satisfaction with resources. The first index was concerned with the extent to which individuals were satisfied with their ability to make purchases of specific items frequently owned or purchased by families. The second index was designed to assess satisfaction with various financial factors as well as other resources important to families.

Overall, significant positive correlations were found for the responses between husbands and wives on the first index (Table 5). Where financial issues (savings, ability to save, retirement, and insurance) were concerned moderated levels of correlations were found. Correlations were somewhat higher for the items concerned with the family's ability to acquire basic needs (food, clothing, home furnishings, housing space, medical care). Similar correlations were found for discretionary items such as travel and recreation. Low correlations resulted for education and transportation.

The second index was directed toward assessing perceptions that individuals have regarding the availability of various types of resources such as financial, knowledge, internal, external and housing resources (Table 6).

Correlations between husband's and wife's responses were moderate for the financial items concerned with unexpected expenses, income to cover regular expenses, ability to save and adequate credit, retirement, and insurance. Similar correlations were previously noted with the respondents' satisfaction with their ability to acquire these resources.

Correlations on those items identified as knowledge resources were low. While no

Table 3b. Means Scores of Husbands and Wives on Common Measures of Subjective Economic Well-Being. Bagdad Sample.

Subjective Measures	Mean Score Husbands	Mean Score Wives
Level of Income	2.11	2.07
Money for Necessities	2.14	2.18
Ability to Handle Financial Emergencies	2.25	2.36
Amount of Debt	2.34	2.55
Level of Savings	1.57	1.58
Money for Future	1.43	1.34
Financial Situation Last Five Years	2.07	1.61
Financial Situation in Five Years	2.80	2.98
Family Income Compared to Arizona Families	2.11	1.91
Ability to Make Purchases Compared to U.S. Families	1.81	1.74

significant correlation was found for the perception that knowledge was adequate for the work done, a low yet significant correlation was found for the perceived ability to perform repairs. There was low agreement in the adequacy of education to meet long term goals. Husbands and wives were in somewhat greater agreement on their knowledge to care for finances.

Table 4. Pearson Product Moment Correlations of Husband and Wife Responses to Subjective Economic Well-Being Measures. Tucson and Bagdad Samples.

Subjective Sample	Tucson Sample	Bagdad Sample
Income Adequacy	.7188*	---
Level of Living	.5595*	---
Economic Status	.6560*	---
Level of Income	---	.6225*
Money for Necessities	---	.6579*
Ability to Handle Financial Emergencies	---	.4329**
Amount of Debt	---	.5977*
Level of Savings	---	.6987*
Money for Future	---	.5992*
Financial Situation (last 5 years)	.6864*	.4138*
Financial Situation (next 5 years)	.5795*	.4580*
Financial Situation compared to Arizona	.8158*	.4454*
Ability to Purchase U.S.	.7563*	.3716***

* Significant p=.001
 ** Significant p=.002
 *** Significant p=.007

Responses of husbands and wives on items assessing the availability of internal resources such as time, energy, and health were low. Significant correlations were found for husbands and wives on their responses to time availability, health, and trust but not for the availability of personal energy.

When examining the correlations on the perceived availability of external resources, husbands and wives tended to have low, yet significant agreement on the availability of friends, neighbors and relatives to help. They also tended to agree on the desirability

of their community. Agreement was not significant between husbands and wives on the availability of professionals to help when needed.

The responses of husbands and wives to the perceived availability of housing resources resulted in significant correlations. Greater agreement existed on the issue of interior housing space than on exterior space, household equipment, and the house itself.

The second index includes several items similar to those on the first index. Similar correlations were found for husbands and wives on their responses to similar items on both indices (ability to save, retirement, insurance, housing space). In the instance of housing and education, correlations were somewhat less between husbands and wives on the second index. Interestingly, quite different correlations were found for the recreation item. Husbands and wives tended to show moderate agreement on their satisfaction with their ability to have and purchase recreation, whereas, there was an indirect relationship between their responses when asked to indicate their agreement or disagreement with having enough energy for recreation.

Table 5. Means Scores and Correlation of Husbands and Wives or Satisfaction with Ability to Own and Acquire Goods. Tucson Sample.

Satisfaction Measures	Mean Score		Correlation
	Male	Female	
Food	3.59	3.65	.8209*
Clothing	3.06	2.88	.7593*
Home Furnishings	2.80	2.52	.7741*
Housing	3.13	3.06	.7185*
Housing Space	3.22	3.00	.7045*
Recreation	2.80	2.82	.6383*
Medical Care	3.01	3.09	.6676*
Transportation	2.97	3.16	.4442*
Travel	2.45	2.43	.6368*
Education	3.22	3.11	.3496*
Savings	2.30	2.22	.6124*
Ability to Save	2.09	2.24	.6015*
Retirement	2.37	2.52	.5897*
Insurance	2.77	2.79	.5382*

* Significant p=.001
 ** Significant p=.002

Table 6. Means Scores and Correlation of Husbands and Wives on Satisfaction with Available Resources. Tucson sample.

Satisfaction Measures	Mean Score Husbands	Mean Score Wives	Correlation
Time for Leisure	2.55	5.45	.4608*
Financial Resources to Meet Unexpected Needs	2.49	2.41	.6412*
Adequate Space in Home For Family Needs	3.23	3.25	.7423*
Adequate Knowledge for Work Done	3.61	3.60	.1457
Friends Who Can Help	2.28	2.60	.3881*
Adequate Community Facilities for Family Needs	3.04	3.01	.3665*
Income Covers Expenses	3.19	3.10	.4824*
Enough Time To Do What Is Desired	2.35	2.28	.4692*
Adequate Energy for Activities	2.96	2.88	.1862
Community Professions Are Helpful	2.50	2.44	.0624
Health Allows Me to Work	3.48	3.42	.3127**
Relatives Are Helpful	2.44	2.34	.3168***
Adequate Equipment in Our Home to Meet Needs	3.43	3.52	.3812*
House Meets Needs	3.30	3.25	.4877*
Neighbors Help	2.73	2.87	.5422*
Education to Meet Long Term Goals	3.12	2.82	.2199***
Know How to Care of Finances	3.35	3.46	.5012*
Adequate Credit	3.51	3.58	.7544*
Time for Housework	3.01	2.83	.3552*
Community Good Place to Live	3.18	3.03	.3912*
Knowledge to Perform Repairs	3.32	3.10	.3295**
Time to Help Others	2.96	2.85	.2857**
Know and Trust Judgements of Others	3.29	3.39	.3042**

Table 6. (continued)

Satisfaction Measures	Mean Score Husbands	Mean Score Wives	Correlation
Energy for Recreation	3.19	2.91	-.1383
Can Save Money	2.32	2.39	.6637*
Outdoor Space Meets Needs	3.15	3.12	.3999*
Health to do What I Want	3.35	3.29	.3920*
Adequate Retirement	1.86	1.99	.6630*
Adequate Insurance	2.84	2.80	.5520*

* Significant $p < .001$
 ** Significant $p < .01$
 *** Significant $p < .05$

CONCLUSION

The purpose of this paper was to explore the agreement between husbands and wives on various measures of economic well-being. The findings indicated that overall the responses of husbands and wives to various measures of economic well-being were significantly similar.

The correlation of husband and wife responses to objective measures, or hard data, tended to be higher than those for subjective measures, or soft data. These findings basically support those of other studies which suggest a higher spousal agreement on hard data rather than soft data measures.

The correlations of husband and wife responses to subjective measures varied depending on the personal versus family orientation of the measure. Stronger agreement was usually found on perceived satisfaction measures which had a family orientations such as adequacy of income. Lesser agreement was noted on the perceptions of other more personal resources such as time and energy.

The results are fairly consistent across two different samples. It appears that when family economic resources are concerned either the husband or the wife may be a reliable source of information. One cannot disregard, however, that the responses were not perfectly correlated indicating that there were indeed differences in the responses of husbands and wives.

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This series of financial management papers explores several consumer needs: the need for funds to meet emergencies and the need for various financial services to handle not only emergencies but everyday financial matters. A somewhat different need was addressed in the third paper--the need of researchers to assess what is meant by family research and whether one respondent can speak for the family on measures of economic well-being.

Each paper builds on previous research or utilizes data collected for study of broader research questions not reported here. This approach is commendable in building a knowledge base in any discipline. Mullis and Pedro report on data from the third year of a project addressing financial services' availability and use in Wisconsin. Widdows and Johnson move from a paper given at last year's ACCI conference showing the relation of socio-demographic characteristics to emergency fund levels of families to a more sophisticated statistical treatment of their data. Their recursive least squares model allows the estimation of a desired or equilibrium level of emergency funds based on the household's normal (permanent) income. Wilhelm and Iams successfully bring together data from two separate research studies to address a question of interest to family researchers over a number of years: who speaks for the family? Issues and questions raised in two of the papers are now addressed in more detail.

Mullis and Pedro: Meeting Consumers' Needs: Commercial Enterprises Offering Assistance with Financial Concerns.

This ambitious, comprehensive survey of the availability of financial services for urban and rural Wisconsin consumers must have produced a wealth of information addressing the current status of these services. With ten objectives for the study of the ten financial service providers, a challenge for the researchers will be to package the results for the most effective use by end users: the providers of services, consumers, consumer advocates and educators, and public policy developers or evaluators.

The researchers found support for the "charge of prevalent piecemeal financial services" and asked "Is this in the consumers' best interest?" An underlying assumption appears to be that multiple service financial institutions are better for consumers than single service institutions--in fact, that all of the products and services studied might conceivably be found in one location. Is the ideal situation, then, a one-stop financial service marketplace where we purchase an annuity,

obtain a credit card and refinance a loan, buy medical insurance, get estate planning advice, make a will, have a tax-return prepared, and the list goes on? Is there a place for the single professional--lawyer, tax accountant, financial planner--or should these professionals all be connected with a financial conglomerate? In this connection, it is unclear whether the findings were somewhat limited by the specific institutions studied; e.g., were Sears and other companies having multiple services included? If so, was the respondent (manager or president) instructed to reply based on a particular service or total services offered? Even if one-place financial marketplaces were available, whether consumers could assume that the best advice and products could be found together is debatable.

The researchers concluded that different types of firms do differ significantly in the types of services offered. An unanswered question is to what extent this is a function of the types of agencies included? Would anyone going to an adjustment agency or an accountancy firm, for example, be disappointed if they could not obtain a credit card there? Perhaps a better question is what percentage of the reasonably logical products or types of services that could be offered by a given firm or agency was offered? This approach could give a more accurate picture of whether consumers' needs and expectations were being met.

Wilhelm and Iams: Measures of Economic Well-Being: Husband and Wife Consensus.

Wilhelm and Iams used data from two separate studies to deal with the issue of consensus between husband and wife when asked the same question. The two studies allowed consensus to be studied on hard (objective) and soft (subjective) data relating to the families' economic well-being. Care was taken not to make generalizations across the samples, but rather to compare husbands' and wives' responses within the same sample.

For at least several decades, researchers have questioned whether family research does indeed represent families or instead the perception of one individual (usually the wife until she too joined the out-of-home work force) about the way the family thought, felt, or acted. Nevertheless, one person has frequently been questioned because of the costs in dollars and researcher's time to do otherwise. Broader issues are raised by this and other research dealing with consensus.

One is whether family research in which two or more members are questioned is worth the extra cost. Obtaining complete data from two or more family members becomes difficult as possibilities of refusals, absences, incapacitation, etc., multiply. Even if two members do respond, the chances for

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their collaboration cannot be ignored unless each is interviewed in the absence of the other.

A second concern is whether family research is not still limited if the population of a study is limited to, for example, an intact couple or a couple with at least one child capable of responding to a questionnaire or interviewer. The "family" data collected may be relevant or generalized to only a small percentage of the total U.S. population.

A third issue is how to analyze the data collected from two or more family members so that it is representative of the family unit, a task somewhat more challenging than working with one response per household.

Wilhelm and Iams conclude that either the husband or the wife may be a reliable source of information about family economic resource matters but that spousal agreement is higher on hard/objective than on soft/subjective data. Perhaps we should not expect complete agreement on subjective data. Persons can legitimately have different perceptions, attitudes, and opinions about the adequacy of savings or the family's ability to handle emergencies. Complete agreement on hard data, e.g., where specific dollar amounts are involved as in total salary or mortgage outstanding, can only be reached if both parties have complete and accurate information. For these data, ideally the most knowledgeable spouse would be questioned.

IMPROVING FINANCIAL MANAGEMENT IN
THE GAMBIA, AFRICA

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ABSTRACT

The author served for two years in The Gambia, Africa as Chief of Party and Team Leader for the Sahel Regional Financial Management Project (SRFMP). Several incremental steps were taken to help improve financial management.

BACKGROUND

In the late 1970's, numerous negative audits were reported by the U.S. General Accounting Office of development projects funded by the U.S. Agency for International Development (USAID) in the Sahel region of Africa. The SRFMP project was designed to help improve financial management of USAID projects in eight countries. In The Gambia, few financial problems existed on USAID projects so SRFMP focused on improving financial management for the entire government. Virginia Tech served as the contractor.

PROCEDURES

- (1) "Action training" methodology was utilized throughout the project. This term means a planned approach to development, including a training component, that brings together all potential factors that might bear upon the success of the plan, thus permitting the efforts to focus upon developing both competence and confidence in order to get results and provide the capacity to sustain efforts.
- (2) Indepth focused interviews were held with 24 permanent secretaries, the highest level professional bureaucrat in government.
- (3) The needs expressed by the top officials in Government were compiled into several documents, including "Problems and Bottlenecks in Financial Management in The Gambia," "What Should a Good Financial Manager Be Able to Do?", and a 529-page Financial Management Handbook. Chapters were: Management/Supervision, Government Budgeting, Government Financial Regulations and Accounting Procedures, Auditing, and Financial Management Consulting Closure Project.

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(4) A 12-week course of instruction called "Financial Management" was designed which met 3½ hours each weekday morning to serve mid-level government accountants and auditors who were managers or supervisors. On-the-job training was done in the afternoons. The teaching emphasized experiential and student-centered learning activities rather than lecturing. Commonly used techniques included role playing, panels, case problems, debates, contests, and variations of small group work. Numerous small projects were completed throughout each course, such as constructing an organizational chart or preparing a procedures sheet on how to reduce errors in a cash book.

(5) Other SRFMP instructional efforts included two two-week "Auditing Professional Development Seminars," designed strictly for auditors, and a one-week workshop on "Responsibilities in Financial Management" designed to assist senior government officials.

RESULTS

Three "Financial Management" courses were taught with 51 students graduating; this represented about forty percent of all potential government employees. Fifty eight participants (virtually all Government auditors) completed the "Auditing Professional Development Seminar." Nineteen senior Government officials (about fifty percent of the total) also completed the workshop on "Responsibilities in Financial Management."

Fifteen comprehensive Financial Management Consulting Reports were written by course participants who analyzed government ministries and departments; numerous improvements in procedures were then implemented. A viable professional organization, the Association of Financial Managers, was formed and over eighty people attended the first annual conference in July, 1985.

The SRFMP project has been extended by USAID to 1991 and a trained Gambian is now directing subsequent Financial Management courses.

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DEVELOPMENT OF A CONSUMER ISSUES ATTITUDE INVENTORY BASED ON A
DESCRIPTIVE FRAMEWORK OF THE CONSUMER INTEREST

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PURPOSE AND OBJECTIVES

The purpose of this study was to develop a Consumer Issues Attitude Inventory based on a Descriptive Framework of the Consumer Interest. Development and evaluation of the Consumer Issues Attitude Inventory was designed to establish the internal consistency reliability and criterion related validity of the scores on the sub-scales. The specific objectives of this study were:

1. to develop a consumer issues attitude scale,
2. to establish the internal consistency reliability and the criterion related validity of the scores on the scale, and
3. to determine whether consumer advocates, business representatives and consumers expressed differing views on these issues.

PROCEDURES

A review of literature aided in the identification of enduring consumer issues. The framework was based on consumer rights and consisted of seven categories: Safety and Protection, Choice, Consumer Voice, Information, Redress, Consumer Education, and Public Policy. Content validity of the Descriptive Framework was affirmed by a jury of nine university faculty in consumer related fields.

Initially 150 issue statements were developed; some statements had been used in previous studies. To avoid response bias, approximately half of the statements were pro-consumer; agreement would reflect a consumer advocate's attitude; the remaining statements were negatively worded. The statements were evaluated and reduced to 73 for the pilot study. A jury of state consumer education association members ranked the 73 statements according to importance and commented on wording. The pro or con direction of each statement was verified. Next the statements were pretested with a sample of 25 consumer advocates, 55 business representatives, and 100 consumers who ranked the statements according to importance and agreement on two 5-point Likert scales. The instrument for final data collection consisted of a 5-point Likert-type scale for strength of agreement with the 51 issue statements which were categorized into seven subscales of the consumer interest. The sample consisted of 101 consumer advocates representing consumer action organizations in each of the 50 states and the District of Columbia, 150 business executives representing Fortune Fifty companies, and 250 consumers whose names were drawn in a random sample of telephone listings in a northeastern state. The usable response rate was 61.1%.

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DATA ANALYSIS

Group membership was the criterion used to evaluate the validity of the scores. Cross-tabulation of responses to the agreement scale with group membership and the chi square test of independence were used to evaluate the criterion related validity of the scores on the subscales. Data were analyzed using Pearson product moment correlation coefficients, one way analysis of variance, Scheffe' multiple range test, plotting of the item reliability indexes, and Cronbach's alpha. Items that were not contributing to internal consistency reliability and criterion related validity or that had low importance ratings were eliminated.

RESULTS AND DISCUSSION

The internal consistency reliability of the scores on six of the seven subscales (with the exception of Consumer Education) and the criterion related validity of the scores was confirmed. Pearson subscale-to-total score correlations for the subscales were: Safety and Protection .93, Choice .88, Consumer Voice .94, Information .87, Redress .88, Consumer Education .72 and Public Policy .90. Cronbach's alpha coefficients were as follows: Safety and Protection .90, Choice .80, Consumer Voice .93, Information .85, Redress .85, Consumer Education .45 and Public Policy .86. The Cronbach's Alpha estimate for the 51 issue statements as a whole was .97. One way ANOVA and the Scheffe' test revealed significant differences (.05 level) between pairs of group means for the consumer advocates (3.91), business representatives (2.51) and consumers (3.70) on all subscales. Based on these data, the criterion related validity of the scores the subscales was confirmed, indicating that the Consumer Issues Attitude Inventory effectively differentiated among the attitudes expressed by consumer advocates, business representatives, and consumers toward enduring consumer issues. The final version of the Consumer Issues Attitude Inventory consisted of 44 statements in six categories.

RECOMMENDATIONS

- The scale might be used in the following ways:
1. to introduce students to consumer issues and to generate class discussion.
 2. as a model for students to follow in conducting their own study.
 3. to compare students responses to the three groups in this study.
 4. to measure pre- and post-test attitudes.
 5. to compare research subject's attitudes with the mean scores established by this study.

MAKING SENSE OF HEALTH CARE PLANS:
THE CONSUMER'S GUIDE TO HEALTH CARE COVERAGE

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ABSTRACT

Described is a leader training packet designed to assist consumers to assess their health care needs; to use appropriate guidelines to select and purchase health care coverage in order to get the most protection for dollars spent; and to utilize their plan in order to maximize benefits.

INTRODUCTION

The Cooperative Extension in Cleveland was funded to conduct a special year-long project which culminated with the development of a leader training packet entitled "Making Sense of Health Care Plans: The Consumer's Guide to Health Care Coverage." Leader training workshops using a pilot edition were conducted in January 1986.

NEED FOR THE PROJECT

Consumers today are faced with more options on where and how to receive their health care than ever before. At the same time, the health care system is changing in significant ways. Most of these changes relate to the increasing emphasis on containing health care costs. In short, there is a new emphasis on "managed" health care where the payer of the services often dictates how and when services will qualify for reimbursement and how much will be paid. The consumer must be aware of the new rules or runs the risk of not receiving maximum benefits.

A recent Louis Harris survey found that more than 70% of employers surveyed had significantly changed their health plans in the last three years. The Ohio State Medical Association, in a recent poll of 500 Ohioans, found that when respondents were asked what types of health care plans were available to them the last time they selected a plan, half were unable to respond. Nearly 40% of those who did change plans did not know if their plan required them to change doctors. Overall, 76% felt unaware of the changes occurring in health care financing and delivery. Other studies also show that consumers are often unaware of what services their health insurance actually covers or are confused about benefits. This can lead to purchasing more or less coverage than is optimal or not receiving full value or benefit from their plan.

PACKET DESCRIPTION

Each of five leader teaching guides contain objectives, lesson outlines and suggested learning activities; fact sheets and supplementary materials. The guides are:

Overview

Highlights the impact and major trends caused by the problem of rising health care costs.

Matching Health Care Needs With Options For Coverage

Assists consumers in assessing their health care needs while providing examples of several types and sources of health care coverage.

Evaluating and Selecting Health Care Plans and Policies

Helps consumers evaluate, compare and select the best health care available to them.

Using Your Plan to Maximize Benefits

Helps consumers to follow correct procedures for filing health insurance claims and complaints. Also provides information on how to utilize plans in order to receive full value and benefits.

Senior Citizens and Health Care Coverage

Assists consumers 65 years and older in selecting coverage to supplement Medicare.

RESULTS

The majority of participants in two pilot leader training felt that they gained new knowledge. The majority felt that the information in the packet was both valuable and helpful. Just over half felt that they learned a new skill and three quarters felt they would be able to apply some of the information. About half said they felt that they would be able to convey the information to others.

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ABSTRACT

Differences in food and nutrition-related attitudes and food habits between employed and non-employed women, determined through responses to a mailed questionnaire, are described. Relationships were found between the variables, household size, education, family income, number of grocery stores shopped, nutrition knowledge and concern scores, with one or more of six attitude factors.

INTRODUCTION

The increasing number of employed women has resulted in a number of studies on the differences in attitudinal and behavioral patterns exhibited in the marketplace between working women and housewives. Psychographic and food behavior differences were found between working wives and housewives, but conflicting results from similar studies indicate employment did not have a significant effect. The objectives of this study were: (1) to identify underlying structures in food and nutrition-related attitudes of women, 24 to 64 years old, (2) to determine differences in responses of employed and non-employed women to food and nutrition-related attitudinal items and questions on food habits, through a mailed questionnaire, and (3) to find relationships between selected demographic and food habit variables, and food and nutrition-related attitudes of women.

METHODS

Consumers who visited 7 shopping areas located in the Metro-Atlanta Statistical Area (MSA) were invited to participate in various food-related surveys. A mobile research facility parked at the site was used as a base for recruiting and screening of participants to one person per household. A questionnaire was given to each participant to fill and mail back. Respondents answered attitudinal items concerning food preparation, food and nutrition, grocery shopping, meal planning and eating habits using a seven-point Likert scale ranging from 'strongly disagree' (1) to 'strongly agree' (7). Also included was a section on demographic characteristics such as age, race, marital status, education and family income, and questions on nutrition, shopping and eating habits. Differences between groups were determined by a MANOVA procedure. Attitude items were analyzed by using principal component factor analysis.

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RESULTS

A return of 685 questionnaires resulted in a response rate of 63%. The 427 respondents who met age and sex requirements for this study were grouped as follows, 151 (35%) employed full-time (FT) to Group I, 87 (20%) employed part-time (PT) to Group II and 189 (44%) non-employed (NE) to Group III. Group means indicate that FT women were younger and had more years of education compared to the NE. Family income was not significantly different. While no differences were found in the frequency of shopping and meals eaten outside the home, the number of grocery stores shopped at, the number of eating occasions per day and "take-out" meals per week were different.

Factor analysis of 30 attitudinal items indicated that 21 items defined at least one of the first six factors. These 21 items were used in another factor analysis to find underlying structures. Six factors were generated which explain 58% of the variance in the data and were named according to factor defining items as follows:

- Factor 1: Enjoys cooking/grocery shopping
- Factor 2: Efficient meal planner
- Factor 3: Likes new foods
- Factor 4: Uses convenience foods
- Factor 5: Eats more meals away from home
- Factor 6: Likes variety in food

Mean responses to the attitudinal items indicated that while FT women enjoy grocery shopping and cooking, and agree on the importance of meal planning, they tended to do so less than NE women. All groups agreed on their interest in new foods. Women in the FT group agreed on their use of convenience foods to save time while NE women disagreed. There was disagreement among all groups about the increased frequency of meals away from home but NE women disagreed more than those employed.

Factor 1 scores correlated positively with household size. Factor 2 scores were correlated with education, family income, nutrition knowledge and concern scores. Factor 3 scores correlated positively with nutrition concern and negatively with education. Factor 4 was negatively correlated with family income and nutrition knowledge. Factor 5 was related to education, family income and the reported number of meals away from home per week. Factor 6 scores were related to nutrition concern scores. These results were significant at the 0.05 level or lower.

CONCLUSIONS

A number of differences in food related attitudes and food habits were found between women employed full-time and those non-employed.

LIFELINE FINANCIAL SERVICES: REREGULATION OR A
GUARANTEE OF BASIC SERVICES?

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Major changes have taken place at financial institutions (FI). This has been both good and bad news for consumers. The good news has been higher interest rates paid on shorter maturity, lower minimum balance accounts. The bad news, many times for a different group of consumers, has been lower accessibility and higher service charges. The House Banking committee estimated that the cost of basic banking services for the average household in the period from 1979 to 1983 increased 104 percent from \$91.94 to \$187.59 [4].

Financial institution executives defend these increases by citing higher costs. Again the most prominent higher cost was the paying of higher interest rates on savings accounts. Prior to the early 1980s, low cost, and low paying, savings accounts financed "free" services, such as checking account reconciliation, and perhaps the most expensive of all, branch banks. Because of the higher costs associated with attracting deposits, FIs started to charge for services that were free, increased fees or minimum balances for checking and passbook accounts, and started to close branches. The FIs also began to aggressively court higher income and higher balance customers. The net affect of these actions was increased services with small or no increase in consumer costs for high balance customers. But the low to moderate income customer saw a reduction or elimination of services and increases in charges. The impact of these changes on the poor was most noticeable. Between 1977 and 1983 the percentage of low income households with checking accounts dropped from 56 to 44 percent [5]. Part of the reason for this reduction in account holdings may be due to typical minimum deposits of \$500 or more. Also, the monthly service charge of 3 to 5 dollars if the account is below the minimum may be equivalent to a low income household's daily food budget [3].

As a result of this situation, consumer advocates are calling for legislation requiring "lifeline" financial services for consumers who are being denied access to FIs. The intent is to require the provision of basic checking and savings accounts with reduced fees or low minimum balances to low income consumers. A number of financial institutions have been addressing the need for low cost checking. For example, Security Pacific National Bank in Los Angeles has an account with a \$100 minimum balance; ten free checks a month; two deposits to a human teller each month; and unlimited use of the ATMs. If the depositor doesn't meet these conditions there is \$3.50 per month and \$.25 per check charge. Sears Savings

in Glendale, California has a more liberal plan: no minimum balance, unlimited free checks, and free use of automated teller machines (ATMs) [7].

However, even with some institutions responding there are still a number of issues to be addressed.

1. What services should be under the lifeline umbrella? Generally lifeline has been applied to checking accounts. But, consumer groups also want to include service charges, especially overdraft charges, cashing of government checks, check hold policies, and access to human tellers versus ATMs [8].
2. Should lifeline services be limited to certain groups? Income level is frequently cited as a determining factor in the need for subsidized services. But a \$10,000 annual income in Chicago is much different from \$10,000 in rural Alabama. Because of this disparity some see the issue, especially in terms of income, one of urban versus rural. Namely, urban institutions will have much greater pressure to respond to low income consumer demands [7].

The elderly are also frequently cited as another group that has been disenfranchised. However, a recent study found that consumers over 60 were much less likely than younger depositors to pay service charges [2]. Also, while some older consumers may be poor, many can afford to meet the current requirements.

3. Will financial institutions need a subsidy if they provide reduced cost services? Interestingly, some researchers have found more profitable banks tended to charge lower fees than the less-profitable banks [6]. Another survey found that over half of the banks that offered low or no fee transactions accounts broke even or made money on these accounts. Also, for many of the institutions that lost money, the losses were minimal [1]. But will this be the case if more services are required at a reduced cost?
4. Which institutions should provide lifetime services? Currently traditional financial institutions, banks, thrifts, and credit unions are involved. But should such non-bank companies as Sears, Merrill Lynch, and Beneficial Finance also be included? [8].

This session will address these issues.

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Today's discussion has focused on the problems of providing financial services to consumers. To some extent the problem has been addressed as a new one arising out of deregulation. In reality the problem has perhaps worsened with deregulation. But for many low income families the problem was very real prior to "fee for services banking." Certainly the climate for addressing the issue is better today when middle income families see that they too may no longer be able to afford services they assumed were free and theirs by right.

Generally, our speakers have agreed that the data base we have for making decisions in relation to the magnitude of the problem is poor. At the core of the problem is the question of what are the purposes of the banking system in relation to consumers. Historically consumers have looked to banks to meet their needs as savers, borrowers and payers of funds. They deposited funds for safety as well as for economic gain in savings accounts. They borrowed funds to improve or change cash flow so that they might meet today's consumption needs with tomorrow's income. They used their checking accounts for convenient, safe transfer of payments.

The advantaged customer today is melting many of the functions of several accounts into one account. Credit cards may be used not only for obtaining immediate credit but alternatively as a convenient method of payment. At the same time advantaged consumers may be earning interest on funds they previously held idle in their checking account. Those persons not bundling accounts thus become comparatively disadvantaged. Unitary product users with lower asset accumulation or lower income are likely to find the costs of services beyond their means.

This raises the issue of identifying what groups are in need of checking accounts as well as other banking services. It has been suggested that we might answer the question from the perspective of who were the former users. There is one group of individuals who because of lifestyle may be classified as never using banking services. Traditionally those with economic problems, recipients of transfer payments, and the chronically unemployed have not used bank services. Some of these individuals, while not traditional users, needed payor services. Many individuals receiving transfer payments need a deposit account from which they might make payments. Evidence of this need may be found in any large city where money exchange offices abound. Banks perhaps have not met this need in the past because their personnel are as much intimi-

dated by the client as the client is by them. It is questionable if this group should be ignored however.

A group that has more heavily used bank services are those residents of small rural towns that have depended on their bank for economic existence. To the extent that these small operations may not be viable in a world of giants, many small businesses, and farmers as well as consumers, may be disenfranchised from personal contact with a local bank. These are consumers who have had close personal contact with bank personnel, and have supported all the services of the bank. Not unlike the traditional nonuser, however, with farm income and general economic depravity the small town stands to lose many or all of the services it has traditionally received from a local bank.

The issue of cost of the service is most frequently used to justify the failure of banks to provide services. There are two sides to this issue. One states that the service should be provided only when the benefits exceed the costs. The second states that any cost is too great and that banks should not be providing social welfare. Is this a social issue with political implications? If banking holds a monopoly over the payment system and does not provide services for potential customers, then two potential alternatives exist. Either the marketplace will respond by providing an alternative or government will respond with regulation requiring banking to meet the need. The solution may or may not be in the best interest of the consumer. It is not uncommon to find the money exchange offices charging fees in excess of 100 percent for cashing checks or making utility payments for customers.

ALTERNATIVE SOLUTIONS

Where the marketplace does not meet a need in a socially responsible way local, state, and/or federal legislation is a usual result. Massachusetts as well as other states now regulate low cost fees for bank services. The provision of low cost accounts will of course mean that some consumers will pay more for other accounts.

Another alternative would be the use of institutionally shared access points. These may be generic store front institutions operating in much the manner as assigned risk insurance. To the extent that these access points provide

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sufficient contact with the system they may be the most viable and economic solution.

CONCLUSION

The issue of lifeline financial services is of particular importance in large metropolitan areas containing many disenfranchised consumers. The problem is not limited to this group, however, and many small rural communities also face the difficulty of accessing basic financial services in the future. As a result the problem may require uniform national action as opposed to local solutions.

Consumer groups are focusing on the issue, exploring the extent of the problem and the alternatives that will ensure that all persons have minimal services available.

REMARKS: LIFELINE FINANCIAL SERVICES

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The issue of disenfranchisement of certain consumers from the traditional payments system is one which has engendered great emotion, but very little reliable data as to the identity of those consumers who are being excluded. Federal Reserve Board data, for example, has found that 21% or 14% of American households function without a traditional transaction account, depending on whether the figure is measured by personal interview or telephone interview. Accordingly, I would caution to approach quantitative descriptions of the problem with suspicion. Nonetheless, it is intuitively obvious that some consumers have stopped using traditional transaction accounts at depository institutions given the dramatic changes which have recently occurred in the pricing and availability of banking services.

Some form of account relationship is virtually a necessity to the consumer. This can be in the form of an account with a traditional depository or a hybrid form of account with one of the many new players interested in providing consumer financial services (at least, to certain segments of the consumer population), such as Merrill Lynch, American Express, etc. It can also be in the form of a relationship with a facility which enables conversion of paper in some form into cash, such as a check cashing service. This broad interpretation of an 'account relationship' suggests that basic financial services are much more expansive than simply a low-cost, low-fee transaction account. It would also include, for example, the utilization of new technologies for the delivery of fundamental financial services. One widely used example would be the direct deposit of various governmental benefits electronically into traditional accounts with financial institutions, especially social security benefits. Many institutions, of course, have coupled the availability of low fee transaction accounts with the direct deposit of such governmental benefits, especially to the elderly. The important point is that much more is involved than simply a low-cost transactional account.

The generic issue can, I believe, be most accurately cast as the breadth and quality of access to the payment and depository systems. To this end, it is advisable to recall that historically consumers have functioned in a variety of heretofore discreet roles as they relate to depository financial institutions (hereinafter, 'banks'). Generally, consumers have performed the roles of savers, borrowers and payors. While savers have clearly benefited from the relaxation of various regulatory constraints over the past several years, it is less clear that consumers qua borrowers or payors have similarly benefited. Borrowers are paying both generally higher interest rates and increased associated loan fees

(to pay the more generous rates concomitantly given to savers) and assuming increasing amounts of interest rate volatility risk in the form of variable rate loan instruments.

Similarly, the higher rates paid savers have depressed interest rate spreads which banks had previously enjoyed, thus driving banks to recoup some of these lost spreads in the form of more explicit price structures for transaction accounts. Thus, payors, who had enjoyed nominally 'free' transaction accounts, are now confronted with explicit (and higher) prices, which not surprisingly, have engendered resentment. Note that to the extent the traditional functions are blended, consumers have generally benefited. As technologies have made such products economically feasible for consumer-sized accounts, those new products combining traditionally discreet functions have been widely accepted as reflecting a proverbial 'better mousetrap.' For example, consider open-end lines of credit, typically offered through credit cards--this product combines the paying function and the borrowing function; or, the Super NOW, which melds the paying function and the saving function. But, while some consumers have benefited from these blended products, those whose needs are more pedestrian have not similarly reaped gains. It is generally with regard to the traditional, unitary financial products of paying, and to a lesser extent, borrowing, where consumers are not so favorably treated as they once were.

With this background in place, it is, not surprisingly, the lowest-income or lowest-asset consumers who have suffered most from the changes, as they are most likely to have needs for the services that were offered in the formerly single role mode, i.e., transaction accounts and small savings accounts.

It is worth noting that in certain areas, marketplace forces have generated substitute products for the traditional ones increasingly beyond the reach of lower-income consumers. For example, the so-called 'rent-to-own' industry has evolved (and has been marketed aggressively) as a credit substitute, to appeal to that portion of the consumer population which has historically had (or perceived themselves as having had) difficulty gaining access to the traditional sources of consumer credit. This substitute comes, again at no surprise, at some considerable cost; here, for example, in the form of effective APRs potentially in excess of 100%, depending on the assumptions underlying the cost allocations of this product, and in the form of often sharp collection practices. Accordingly, this substitution process clearly reveals the social welfare nature of the access problem. Are the social costs, as opposed to the purely economic costs, justified to society given the social utility (and perhaps even the necessity) of the product or service involved? The parallel to transaction

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accounts is found in the allegation that the tendency toward explicit charges for basic banking services will result (or already has resulted) in the same kind of substantial substitute cost imposition on the recipients or users of the services.

Accordingly, the debate over basic banking services might be recharacterized as whether, as a political and social matter, the government will permit the same kinds and amounts of cost in the form of user fees to be assessed directly to certain necessitous consumers who arguably have very real social needs to such basic services. Several states, Massachusetts, Rhode Island and New York among them, have answered this question in the negative. Numerous efforts by individual banks to provide some form of basic services can also be fairly seen as an effort to forestall governmentally-required services in other jurisdictions.

It is also pertinent to note that banks have always been creatures of explicit or limited powers; i.e., they can do only what they are expressly authorized by law to do, rather than being permitted anything so long as it is not contrary to law. While this limitation is undeniably historically driven by safety and soundness considerations, it also suggests that banks cannot simply operate in an unfettered manner. Put somewhat differently, associated with the granting of a bank charter is something akin to a social responsibility to the citizens and the communities surrounding the bank. Legislation recognizes this duty--for example, consider the Federal Community Reinvestment Act, or the recently-enacted New York regulations tying expanded bank powers to a bank's performance record under that state's community reinvestment requirements. Considering this duty, it is then permissible to put the basic banking question, not in terms necessarily of how to provide services on a break even basis, as the industry would like to cast the question, but rather in terms of how to provide the services on a broad basis while, as an important but secondary matter, minimizing the express costs or losses attendant to such services.

Another important factor in this entire equation is the resentment deriving from the necessity of overcoming consumer inertia. Put less pretentiously, this means that consumers generally resent having to change the manner in which they do basic routine things. A major portion of this resentment stems from the practices of many banks in changing their marketing focuses, often withdrawing from certain neighborhoods or altering their means of delivering routine services to those areas and target audiences from 'live' delivery means such as branches to electronic means such as ATMs. Consumer resentment at facing the sole option of dealing with a machine is not ameliorated by the economic fact that the option may well be more economically feasible than paying the explicit costs associated with retaining a live presence in the neighborhood. This resistance is likely to be intensified given the purported benefit of

'deregulation' generically, which is supposed to enhance consumer 'choice.' Similarly, consumer resistance to the exclusivity of dealing with more cost-efficient service delivery through electronic technologies is not likely to be overcome with the 'benefits' of increases in service accessibility enabled by such technologies which enable institutions to surmount the limitations of time and distance. Being able to access a transaction account at 11 p.m. is of little solace to the consumer who has difficulty paying for the explicit costs of having such an account.

To address banking availability problems, it is of course necessary to determine what kinds and levels of services are essential as a matter of social policy. Seemingly, consumers have potentially unmet needs as payors first, and then, as savers. Consumers as investors will likely be provided with adequate affordable options, given the necessity of banks to attract deposits. As noted earlier, a transactional capacity is critical to virtually any level of modern financial functioning. The simple ability to pay one's bills, whether by check, money order, or whatever is fundamental. A significant number of persons probably continue to perform all their payment functions by cash, but even those persons need some vehicle by which to obtain that cash. That typically involves either a depository account, or the high-cost alternative of big city check cashing services. Similarly, most customers have need of some form of safekeeping vehicle, i.e., a depository account, either for the purpose of having a temporary place in which to safely retain funds, or for cash conversion purposes.

The optimal account would have characteristics which would serve these functions, although I confess to being unable to quantify the precise number of instruments periodically available, the charges therefor, and other limitations on and charges for account activity. Equally important, however, are the qualitative characteristics of such accounts--not only the fee structure, but also the terms and timing by which funds in such an account are available, the means of access, and the general level and quality of the consumer-bank interaction. This last notion is critical as there exist distinct technological and cultural ramifications to the utilization of differing means through which basic services are provided.

Serious concerns have been posed about whether the population at whom these services are aimed is comfortable or familiar enough with the electronic means that many programs envision using for providing the services. Lower-income consumers might be expected to be less educated and less familiar with electronic technologies. Similarly, there can be expected to be sociological concerns about the placidity of the interaction between bank personnel who have little, if any, experience with lower-income consumers and consumers who have no experience with bankers or banking procedures. Regardless of these concerns, the economics of using

electronic delivery means seem to be such that the acculturation process must be pushed forward to familiarize those consumers with these delivery vehicles.

Some instructive pilot projects which may facilitate this educational process have already taken place. For example, New York City has developed and is engaging in an extensive project involving some 460,000 recipients of various public benefits wherein benefits are processed electronically to various distribution points throughout the city, and which involve the consumer in participation with the process to authenticate identity. It seems hopeful that such involvement may serve the intermediate function of increasing comfort levels on the part of these consumers, that is to say, in educating them. New York is also scheduled to begin a pilot project for distribution of benefits through ATMs in early 1987. As the city expects to realize substantial savings from reduced fraud and theft losses, it seems only appropriate to expect some portion of the cost of this project to be assessed against the municipality.

Many consumer representatives have decried the practice of some financials of limiting service to certain population segments primarily or solely to electronic delivery means. This is certainly understandable, as the multiple changes occurring in the banking industry due to technology and altered regulatory structures have led to much greater complexity generally for consumers and have increased the need of consumers for assistance in evaluating the dramatically expanded menu of financial products offered. Obviously, the ability to provide individualized counseling or education to consumers is qualitatively different when it is to be provided via electronic vehicles. At the same time, however, the use of electronic telecommunications technologies, such as ATMs, has enabled financials to provide services over vastly expanded times and distances, certainly more than otherwise would have been economically possible. Thus, consumer representatives are faced with a fundamental dilemma. On the one hand, they decry the dehumanizing treatment whereby the consumer-bank relationship takes place primarily (and increasingly) through electronic means; on the other hand, it is difficult to ignore the economic efficiencies inherent in using such means.

Deregulation generally will result in increased economic efficiency. Economic efficiency will generally entail the result that more substantial account relationships will enjoy preferential terms. The provision of basic banking services represents a classic example of the trade-off between equalitarianism and efficiency. At some point the trade-off between these two ceases to be an imperative and becomes a rationalization for privilege. Hopefully, these comments have shed some light on some of the factors we ought to consider in optimizing this balance. To the extent we view this question in the social welfare terms by which it can be best addressed, our progress toward this goal is enhanced.

OVERVIEW OF THE CONSUMER EXPENDITURE SURVEY PROGRAM

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ABSTRACT

The Consumer Expenditure Survey (CE) Program serves two purposes. It supplies a wealth of data on personal consumption of different kinds of consumer units for economic analysis and planning for a wide range of public and private organizations. It also provides a profile of consumer spending for use in revising the market basket and item selection of the Consumer Price Index (CPI). This paper describes the CE survey, reviews activities of the divisions within the Bureau of Labor Statistics which are responsible for the CE Program, and presents results and comparisons of CE data with other sources.

Approximately 95 percent of all consumer expenditures are covered in the Interview. Excluded are nonprescription drugs, household supplies, and personal care items.

The Diary survey is designed to obtain data on frequently purchased items, such as food and beverages, both at home and in eating places; tobacco; housekeeping supplies; nonprescription drugs; and personal care products and services. These items are less likely to be recalled accurately by respondents over longer periods of time. Expenditures incurred while away from home overnight or longer are excluded from the diary.

The Interview survey must be integrated with the Diary survey to provide a complete picture of expenditures. Several years of data from both the Diary and Interview components are also required to construct the complete picture of consumer spending needed to update the market basket for the Consumer Price Index.

THE CONTINUING CONSUMER EXPENDITURE SURVEY

The continuing Consumer Expenditure Survey consists of two separate components, each with its own questionnaire and sample: 1) A Quarterly Interview survey in which 5,000 consumer units are visited by an interviewer every 3 months over a 12-month period, and 2) a Diary survey in which 5,000 consumer units are asked to complete a diary of expenses for two consecutive 1-week periods.

Detailed income and expenditure data from both the Interview and Diary components of the new, ongoing Consumer Expenditure Survey are now available through 1983. Data published to date represent the urban population. 1984 data for urban consumer units will be released this June. Starting this Fall, data will be released for 1984 for the total population.

Data collection for both components of the survey is carried out by the Bureau of the Census under contract to the Bureau of Labor Statistics. The data are collected in 85 urban areas of the country that are representative of the U.S. urban population.

The Interview survey obtains data on the types of expenditures respondents can be expected to recall for a period of 3 months or longer. These include relatively large expenditures, such as those for property, automobiles, and major appliances, and those which occur on a regular basis, such as rent, insurance premiums, and apparel. The Interview survey also obtains data on expenditures incurred on trips.

ORGANIZATIONAL STRUCTURE OF THE CONSUMER EXPENDITURE SURVEY

There are 12 offices in the Bureau of Labor Statistics. The Consumer Expenditure Survey program is part of the Office of Prices and Living Conditions (OPLC). There are five divisions in OPLC that are responsible for the CE surveys. The Division of Consumer Expenditure Surveys is responsible for the management of the CE activities of the four other divisions.

The Division of Consumer Expenditure Surveys is divided into two branches: (1) Production and Control, and (2) Information and Analysis. The Production and Control Branch receives the data from the Census Bureau, edits the data and processes it. They produce a database of monthly expenditures which is then used by the Information and Analysis Branch for publication purposes and by the Consumer Price Index Division for cost weights. The Information and Analysis Branch analyzes and aggregates the data for publication. The current publication program calls for the release of news releases, bulletins, and articles. The program also includes the release of micro data on public use tapes. Both branches prepare the specifications for processing and publication.

The Price Statistical Methods Division provides statistical support--from sample design, to data imputation, forms design, calculation of reliability measures, and analysis of the data. The Price and Index Number Research Division provides support for analytical projects. The Division of Consumer Prices and Consumption Studies provides computer and systems analysis

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support and carries out the actual production of data and publication tabulations. The Consumer Price Index Division participates in all production phases of the CE data since it is a major user.

USES OF THE CONSUMER EXPENDITURE SURVEYS

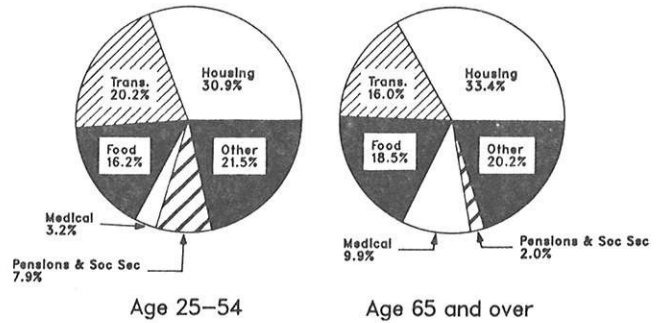
As in the past, revision of the Consumer Price Index remains a primary reason for undertaking such an extensive survey. Results of Consumer Expenditure Surveys have been used to select new market baskets of goods and services for the index, to determine the relative importance of the items selected, and to derive new cost weights for the baskets.

The survey data are of value to government and private agencies interested in studying the welfare of particular segments of the population, such as the aged, low-income families, urban families, and those receiving food stamps. The Internal Revenue Service has used the data as the basis for revising the average State sales tax tables which taxpayers may use in filing Federal income tax returns. The survey data are used by economic policymakers interested in the effects of policy changes on levels of living among diverse socioeconomic groups such as the impact of various tax proposals. Econometricians find the data useful in constructing economic models. Market researchers find them valuable in analyzing the demand for groups of goods and services. The Department of Commerce uses the survey data as a source of information for revising its benchmark estimates of some of the personal consumption expenditure components of the gross national product.

RESULTS

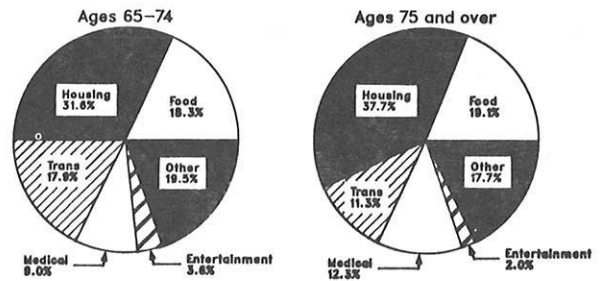
Now that the CE is ongoing, expenditure patterns can be examined over time as well as by characteristic. Expenditure patterns for housing, transportation, and other items can be examined from Interview data. A comparison of expenditures for the working age groups, 25-54, and the 65 and over age group, show differences in spending patterns. The younger group spent a higher share of their expenditures on transportation and pension and social security payments. The older group spent a greater share of their expenditures for housing, food, and medical care.

Percent Distribution of Total Expenditures by Age, Interview Survey, 1982-83



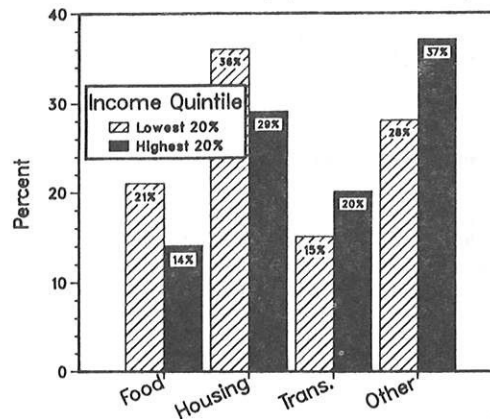
Another comparison by age shows that there are different expenditure patterns among the elderly. When the age group 65 and over is further broken into two age groups, ages 65-74 and age 75 and over, differences emerge. In the older age group, the share of expenditures spent for housing, food, and medical care exceed those of the younger group.

Percent Distribution of Total Expenditures for the Elderly, Interview Survey, 1982-83



A comparison of the lowest and highest income quintile groups shows that the lowest income group spent a large share of their expenditures for food and housing. The highest group meanwhile spent a larger share for transportation and other discretionary items.

Percent Distribution of Total Expenditures for Selected Income Groups, Interview Survey, 1982-83



The effect women, as second earners, have on spending patterns can also be examined. Consumer units where both husband and wife are earners are on the average younger and smaller, have a higher average income before taxes, a lower rate of home ownership and a higher level of education. Expenditures are higher when both husband and wife are earners, except for health care and other miscellaneous items. When grouped by income class, however, the differences in spending patterns of these two types of CU's are not significant. The same conclusion is reached when relative expenditure shares are examined. The only categories that reflect slight differences in expenditure shares among the two types of CU's are transportation and personal insurance and pensions.

The examples above show how the data can be used to analyze consumer behavior by characteristics and/or for policy evaluation. Another use of the data is for marketing research. As noted earlier, consumer expenditure data is useful because expenditure trends and patterns can be examined over time as well as for different groups.

The CE survey allows for keeping track of the speed with which new products are disseminated. Such data are available on public use tapes. Examples of how the data can be used for marketing are given below.

Expenditures for cable TV have increased dramatically between 1980 through 1984. Mean expenditures have almost tripled. The percent of people reporting expenditures for cable TV has doubled. Expenditures for VCR's have also increased even as prices have been declining.

Expenditures for daycare and babysitting have increased tremendously over this same time period--over 40 percent for consumer units in the 25-34 age group. (See Table 1.)

Table 1. Mean expenditures, Interview survey, 1980-83

Item	1980	1981	1982	1983
VCR	\$ 8	\$ 10	\$ 23	\$ 21
Cable TV	31	43	59	79
Child care and babysitting (age group 25-34)	189	208	218	270

EXPENDITURE CHANGES OVER TIME

Consumer Expenditure Survey data are used to document changes in the expenditure patterns of American consumers over a period of time. Changes in expenditure patterns can be attributed to such factors as shifts in relative prices and wage rates, changes in tastes and habits, changes in lifestyles, and the availability of new products. Demographic changes such as changes in average family size, age, and earner composition can also affect

expenditures. The current, ongoing CE provides a continuous flow of data that allows users to recognize trends more quickly than was possible in the past, and to identify trends that may have been missed altogether using data that were only infrequently available.

Tables 2 and 3 show Interview and Diary survey results from 1972-73 and 1982-83 and percent changes over that period. Also shown are CPI changes over the period. The Interview data show that gasoline and motor oil expenditures increased 166 percent from 1972-73 to 1982-83, while total expenditures rose 103 percent. This reflects the large increases in energy costs in the 1970's resulting from oil price increases. While the increase in gasoline and motor oil expenditures was somewhat higher than the increase in total expenditures, it was still well below the 232 percent price rise measured by the CPI. That was the result of consumers modifying their behavior in response to price increases by reducing their gasoline and motor oil consumption, and adjusting their longer term buying habits such as purchasing more fuel-efficient automobiles.

Table 2. Characteristics and average annual expenditures of urban consumer units, and percent change in consumer expenditures (CE), Interview survey, and Consumer Price Index (CPI), 1980-81 and 1982-83^{1/}

Item	1972-73	1982-83	Percent change	
			CE	CPI-U
Number of consumer units (in thousands)..	58,948	70,329	19	
Consumer unit characteristics:				
Income before taxes ^{2/}	\$12,388	\$23,027	86	
Size of consumer unit.....	2.8	2.6		
Age of reference person.....	47.1	46.6		
Number in consumer unit:				
Earners.....	1.3	1.4		
Vehicles.....	1.8	1.8		
Children under 18.....	1.0	.7		
Persons 65 and over.....	.3	.3		
Total expenditures.....	\$9,421	\$19,128	103	
Food.....	1,675	3,175	90	3/ 118
Food at home.....	1,313	2,238	70	113
Food away from home.....	362	937	159	130
Alcoholic beverages.....	89	286	221	76
Housing.....	2,638	5,869	122	3/
Shelter.....	1,507	3,309	120	
Owned dwellings.....	746	1,947	161	
Rented dwellings.....	644	1,065	65	4/ 89
Other lodging.....	117	296	153	4/ 164
Fuels, utilities, and public services	581	1,512	160	4/ 192
Household operations.....	138	275	99	127
Housefurnishings and equipment.....	411	773	88	71
Apparel and services.....	732	1,039	42	56
Transportation.....	1,762	3,766	114	142
Vehicles.....	709	1,425	101	4/ 130
Gasoline and motor oil.....	404	1,076	166	232
Other vehicle expenses.....	540	1,034	91	4/ 102
Public transportation.....	110	231	110	146
Health care.....	432	834	93	154
Entertainment.....	389	879	126	88
Personal care services.....	106	178	68	103
Reading.....	50	128	156	4/ 119
Education.....	126	257	104	4/ 126
Tobacco.....	131	208	59	98
Miscellaneous.....	102	274	169	
Cash contributions.....	372	586	58	
Personal insurance and pensions.....	818	1,651	104	
Life and other personal insurance....	367	262	-29	
Retirement, pensions, Social Security	451	1,388	208	

^{1/} 1972-73 expenditure categories were adjusted to correspond with 1982-83 definitions. 1982-83 estimates exclude students.

^{2/} Income before taxes is calculated using complete income reporters.

^{3/} Not comparable because of different concepts of homeownership.

^{4/} Estimated.

Table 3. Characteristics and average weekly expenditures of urban consumer units, and percent change in consumer expenditures (CE), Diary survey, and Consumer Price Index (CPI), 1980-81 and 1982-83

Item	1972-73	1982-83 ^{1/}	CE Percent Change	CPI Percent Change
Number of consumer units (in thousands).....	59,159	71,356		
Consumer unit characteristics:				
Income before taxes ^{2/}	\$187.46	\$427.21	128	
Size of consumer unit.....	2.8	2.6		
Age of reference person.....	47.1	46.4		
Number in consumer unit:				
Earners.....	1.3	1.3		
Children under 18.....	.9	.7		
Persons 65 and over.....	.3	.3		
Average weekly expenditures:				
Food, total.....	33.11	56.16	70	104
Food at home, total.....	23.79	36.32	53	99
Cereals and bakery products.....	2.79	4.82	73	118
Meats, poultry, fish, and eggs.....	9.35	11.55	24	70
Dairy products.....	3.23	4.90	52	89
Fruits and vegetables.....	3.48	5.99	72	102
Other food at home.....	4.93	9.06	84	160
Food away from home.....	9.32	19.83	113	120
Alcoholic beverages.....	2.32	5.51	138	72
Tobacco products and smoking supplies..	2.19	3.30	51	95
Personal care products and service....	2.92	4.53	55	102
Nonprescription drugs and supplies....	1.19	1.89	59	103
Housekeeping supplies.....	2.99	5.55	86	144

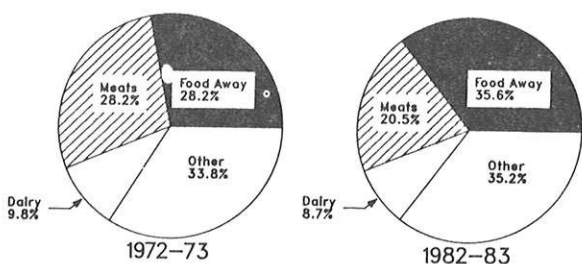
1/ Excludes students.

2/ Income before taxes is calculated using complete income reporters.

Although gasoline and motor oil expenditures rose sharply over the decade from 1972-73 to 1982-83, they actually decreased by 10 percent from 1980-81 to 1982-83. This recent decline can be attributed to falling prices and conservation measures over that period.

Diary survey data show that average weekly expenditures for food increased 70 percent between 1972-73 and 1982-83, well below the 104 percent price rise for food measured by the CPI. Food away from home expenditures increased 113 percent over the period, compared with a more modest increase of 53 percent for food at home expenditures. The changes in the CE data and the CPI for food away from home were quite similar, 113 percent compared to 120 percent, while there was a sharp difference in the changes for food at home, 53 percent compared to 99 percent.

Diary Comparison The family food dollar



Between 1972-73 and 1982-83, CPI-measured prices increased more than average expenditures for all food at home categories. Food categories with the largest price increases tended to have the largest expenditure increases. However, prices

for meats, poultry, fish and eggs, rose 70 percent, while expenditures for the component rose only 24 percent.

COMPARISON WITH PCE

As part of the evaluation of the survey results, BLS compared aggregate expenditure estimates obtained from the Interview survey with alternative, independent sources of data.

Historically, the principal source of independent estimates used for these comparisons has been the personal consumption expenditures (PCE) component of the National Income and Product Accounts, prepared by the Bureau of Economic Analysis, U.S. Department of Commerce. Since Commerce estimates cover the total population, comparisons are made on that basis and on the basis of aggregates rather than averages.

The PCE estimates represent the market value of goods and services purchased by the entire personal sector in the United States. The series is derived by complex methods which trace the flow of goods and services through the economy. While the data are not directly subject to the quantifiable sampling errors found in household surveys, they are subject to errors in the source data and to difficulties in applying complex procedures for allocating these data among the final demand sectors.

Differences in concept and coverage require adjustments to both CE and PCE data to permit a comparison. With these adjustments, comparisons can be made for many categories of consumer spending. The degree of concordance varies by component, as noted in the PCE table. Where differences in concept are so great as to make the comparison meaningless, such as for health care or education, the data are not shown.

Table 4 shows aggregates for selected expenditure categories in the 1980-81 and 1982-83 Interview surveys, adjusted for comparability with Commerce data, and the resulting ratios. The ratios indicate that the Interview survey, with some exceptions, produced lower estimates of consumer expenditures for the major categories of consumption than those recorded in the Commerce series. However, the relationship between the two series over time has remained generally constant.

Table 4. Ratios of consumption: Interview survey compared to Personal Consumption Expenditures (PCE) in National Income and Product Accounts, 1980-81 and 1982-83

Item	Ratio of Interview survey aggregate to personal consumption expenditures (PCE)	
	1980-81	1982-83
Food	0.85	0.77
Food at home	.86	.74
Food away from home	.80	.83
Alcoholic beverages	.48	.47
Housing		
Rented dwellings ¹	.89	.89
Other lodging	1.14	1.17
Fuel, utilities, and public services ²	.87	.87
Household operations ³	.74	.82
Housefurnishings and equipment ³	.67	.66
Apparel and services	.58	.60
Transportation	.95	.98
Vehicles ⁴	1.02	1.05
Gasoline, motor oil	1.11	1.05
Other vehicle expenses	.63	.68
Public transportation	.87	.83
Entertainment	.71	.70
Personal care services	1.42	1.50
Reading	.70	.73
Tobacco	.67	.68
Miscellaneous	.55	.50

¹Total rent in the Interview survey is contract rent, which includes utilities for some renters. In PCE, data are for space rent, excluding any charges for utilities.

²The Interview survey concept covers direct costs of utilities and fuels by homeowners and renters. PCE data cover total expenditures for utilities and fuels even if paid by landlords.

³Various subcategories were combined to approximate equivalent content.

⁴PCE concept of dealer margin as the purchase value of used cars could not be matched. Vehicle purchases, trade-ins, and sales from Interview survey data were combined to obtain an approximate total for new and used cars.

NOTE: Estimates are for the total population, urban and rural.

PUBLICATION PLANS

BLS plans on releasing data for the urban population for the 1984 Interview and Diary surveys this summer. This release will include data for the urban population. Data for the total population, urban and rural, for 1984 will be released later this fall.

Publication of quarterly data is scheduled to start in 1987. There will be a delay in releasing the data in order to improve the timeliness of the availability of annual publications and tapes. Data for quarter 1 of 1986 will be released next spring.

As the speed and efficiency in processing the data improve, the uses of the data and the number of users are expected to multiply. The timeliness of the ongoing survey enhances the CE as a valuable information source for public and private analysts examining the relationships of family characteristics, income and expenditures.

CONSUMER EXPENDITURE SURVEYS DIVISION: DEVELOPMENTS OF INTEREST TO USERS

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ABSTRACT

Users of Consumer Expenditure Survey (CES) data are familiar with the press releases, bulletins, and public use tapes issued by the Division of Consumer Expenditure Surveys (DCES) at the Bureau of Labor Statistics (BLS). However, other projects are underway in the Division which are of particular interest to data users. This paper will give an overview of these projects which include data comparisons, questionnaire redesign, a durables public use tape, integration of Diary and Interview survey data, and availability of data on diskette.

CONSUMER EXPENDITURE SURVEYS DIVISION: DEVELOPMENTS OF INTEREST TO USERS

Aside from their internal use in revision of the Consumer Price Index, data from the CES attract the widespread interest of a broad spectrum of professionals both public and private. Yet the exposure of these assorted economists, marketers, professors, and researchers to the work of the DCES at the BLS is limited to information presented in the series of press releases, bulletins, and public use tapes periodically issued from the CES. This paper intends to widen the perspective of CES data users by detailing ongoing developments of particular interest. These include data comparisons, questionnaire redesign, a durables public use tape, integration of Diary and Interview survey data, and availability of data on diskette.

DATA COMPARISONS

While it is a relatively straightforward process to produce expenditure estimates from the CES data base, the quality of those estimates can be evaluated in various ways. One approach is to compare expenditure estimates from the Diary and Interview surveys with estimates derived from alternative, independent sources of data. There are no truly comparable data by household characteristic. (If there were, the CES would not be necessary.) However, there are other sources of similar aggregate data which can be examined.

At its inception, the CES Data Comparison Team, within the Division of Consumer Expenditure Surveys, was organized to perform just this function. At the same time, and quite apart from these internal validation aspects,

information requests from the public indicated an interest in these comparisons in and of themselves. As such, the work of the team has expanded to become an integral part of both Diary and Interview bulletin publications.

Inasmuch as the CES covers all types of expenditures, it is not surprising to discover many other sources of expenditure components. The major source of alternative consumption data is the Personal Consumption Expenditures (PCE) component of the National Income and Product Accounts produced by the U.S. Department of Commerce. The universe of categories represented in PCE is as comprehensive as the CES and provides many useful matches.

Smaller, more specialized data sources, which generally focus on limited categories of expenditures, constitute the remaining candidates for comparison. Detailed food expenditures from the Diary survey are examined against three sources of food data--the Food Consumption Survey of the U.S. Department of Agriculture, the Consumer Expenditure Study of Supermarket Business magazine, and the Supermarket Sales Manual of Progressive Grocer magazine. All other specialized comparisons involve using Interview survey estimates. Selected median shelter and utilities expenses are compared with data from the Annual Housing Survey of the U.S. Department of Commerce. The U.S. Department of Energy's Residential Energy Consumption Survey provides estimates of consumption of natural gas, electricity, and other household fuels; that same department's Residential Transportation Energy Consumption Survey supplies motor fuel estimates. Aggregate and per capita medical care expenses are measured against reports from the National Health Accounts of the U.S. Department of Health and Human Services. In addition to expenditures, the CES collects detailed household income data, estimates of which are compared to data from the Current Population Survey (CPS) of the U.S. Department of Commerce.

The process of creating comparable estimates from the CES and alternative sources requires an intimate knowledge of the differences in survey characteristics, which arise from the different purposes for which each survey is conducted. The reporting unit may differ between surveys. For example, the CES is a household survey, while PCE is mainly estimated from data such as the Census of Manufactures. Even when comparisons are made with other household surveys, care must be taken. The CES consumer unit corresponds to the combination of CPS families and unrelated individuals. The types of processing applied to raw survey data must be considered, as imputation, allocation, and other adjustment routines can clearly affect the estimates

¹Economist, Branch of Information and Analysis, Division of Consumer Expenditure Surveys.

produced. More critical than reporting unit and processing differences in deriving comparable estimates are the disparities in item coverage and classification. It is the exception, not the rule, when the CES and an independent data source define an expenditure category identically. Component items normally must be aggregated in unique ways to permit comparison. Even then complete consistency may not be achievable.

In sum, comparison of CES data with other sources insures that estimates are both reasonable and relevant. It also points out areas where the performance of the survey vehicles requires special attention. In addition, these comparisons provide material for CES dissemination activities and are an additional resource available to CES data users.

QUESTIONNAIRE REDESIGN

Since data from the CES are only as good as the Diary and Interview questionnaires used to collect them, a constant effort is maintained to insure that the collection instruments are clear and up-to-date. The CES Forms Redesign Team is charged with the responsibility for coordinating the introduction of questionnaire changes as they affect data collection and processing.

Two forces provide the impetus for revision of the questionnaires--one external, one internal. Externally, the universe of goods and services is constantly changing. Attractive new items appear that establish themselves through purchases by a significant number of consumers; existing items vanish as they become obsolete or change in response to outside factors. Internally, actual use of the questionnaires by interviewers and respondents discloses areas where confusion or misinterpretation is occurring.

In general, the CES questionnaires undergo changes about every 2 years, alternating between a minor 'housekeeping' cycle and a major 'restructuring' cycle. Changes characterizing the 'housekeeping' cycle do not affect the basic structure of sections in the questionnaires. Typical revisions include the correction of typographical errors, rewording of individual questions and interviewer's instructions to improve clarity, and additions or deletions to item lists enumerating specific classes of expenditures. During a 'restructuring' cycle, the fundamental format of sections in the questionnaires is revamped. Candidates for this type of revision are sections where major problems in data collection or processing appear that cannot be resolved by rewording, adding, omitting a question, or reordering some existing questions. In addition to these wholesale structural changes, any revisions of a 'housekeeping' nature, as described above, are made. It should be noted that most redesign changes apply specifically to the Interview survey questionnaire; normally, the Diary questionnaire is only marginally affected. The

1986 questionnaires represent an example of a minor revision compared to the 1985 questionnaires. No changes will be made in the 1987 questionnaires, awaiting a more comprehensive, major revision that will take effect in 1988.

What's new for 1986? Questions have been added to obtain information on purchases of telephone equipment and payments of alimony and child support. Eliminated is a housing characteristic question on the presence of complete kitchen facilities in the consumer unit. This brings the household characteristics questionnaire of the CES in line with similar questionnaires for other household surveys which the Bureau of the Census conducts.

The scope of some questions has been refined or expanded. The query for the amount of taxes contained in telephone bills has been enlarged to include miscellaneous charges. The question ascertaining contributions to IRA's drops a reference to only self-employed IRA's. Expenditure reports on stereo sound components will now include compact disc systems. Similarly, purchases of compact discs will be added to phonograph record and tape expenses. Changes have been made to questions concerning footwear and general sports equipment to distinguish athletic footwear bought specifically for sports-related use from such footwear purchased for general use. Another revision which takes effect in 1986, but does not affect the questionnaires, is the change in geographic areas sampled in the CES. Population shifts documented in the 1980 Census necessitate this change, which only impacts on metropolitan statistical areas of under 1 million persons.

The major questionnaire redesign planned for 1988 is likely to center on sections devoted to trips and vacations, and the construction, repairs, alterations, and maintenance of property. Trips and vacations data have traditionally raised collection problems, primarily due to the multitude of goods and services--food, gas, lodging, transportation, entertainment--that can be acquired. Add to that the existence of package deals where many of these expenses are combined and one can see the obstacles which can arise in collecting these expenditure data. The section on property construction and upkeep leads to similar problems given the number of jobs that exist--painting, electrical work, landscaping, insulation, masonry, etc. Possible underreporting by respondents, administration problems reported by interviewers, and computer processing difficulties issuing from the complexity of the section, make it a prime candidate for redesign.

1984 DURABLES PUBLIC USE TAPE

The primary focus of the Consumer Expenditure Survey is, as its title states, expenditure data. All output available from the current survey presents expenditures in either tabular or public use tape formats. However, in the process

of collecting expenditure data, the Interview survey also gathers non-expenditure information such as ownership of major household appliances, and details on home and vehicle purchases. While other sources exist for this kind of non-expenditure information, the CES alone can make this data available by household characteristic.

In the mid-1970's, interest surfaced in making the nonexpenditure information available to the public from the 1972-73 CES. To meet this demand, BLS Report 455-5 was released, highlighting inventories of vehicles and selected household equipment for 1973. In addition, a public use tape containing an inventory of consumer durables was compiled. Items covered in this tape included major and minor household equipment, selected housefurnishings, motorized vehicles and selected trailers and boats.

Recognizing that interest in consumer durable information exists today, the CES staff has begun work on a durables public use tape for 1984 data from the continuing CES. The tape will cover three categories of items: major household appliances, vehicles, and trips and vacations. Unlike the 1972-73 durables tape, minor household equipment and housefurnishings data will not be on this tape, as the redesigned Interview survey questionnaire no longer collects inventory information on these items. Detailed trip and vacation data will be a new feature on the tape. While certainly not durables, they were added in response to requests from other government and private data users.

Users of the tape will be able to access data on an inventory of major appliances, such as refrigerators, cooking stoves, and clothes washers. Information on how these appliances were acquired will be present. Purchase, rental, and installation expenses for new appliances will also be available.

Data on the acquisition and disposal of vehicles will closely resemble that found on the 1972-73 durables public use tape. Users will be able to examine many characteristics of purchased vehicles, such as make, model, and the presence of options, like automatic transmission and air conditioning. Details on facets of the purchase transaction including trade-in allowance, down payment, and source of financing will be available. Added to the vehicle disposal information on the tape will be amounts of reimbursement for theft, damage or other loss.

Much of the trips and vacations data on this tape has never been released to the public before. All-expense paid package trips will be present, divided into their food, lodging, transportation, and other expense components, when respondents reported the breakdown. All methods of transportation used on each trip will be highlighted, and information on the length and main purpose of each trip will be accessible. Users will also be able to

calculate the amount of a trip's expenses to be deducted as a business expense, or to be reimbursed by an employer or other person outside the household.

The current timetable calls for the release of the 1984 Durables Public Use Tape in February 1987. The 1984 Interview Survey Public Use Tape will be released about 4 months sooner. In tandem, these tapes will enable users to perform more extensive analyses of consumer spending.

INTEGRATION OF DIARY AND INTERVIEW SURVEY DATA

While the CES collects a wealth of data on the spending habits of American consumers, two features of the Diary/Interview collection methodology complicate the task of organizing this information to obtain a complete profile of expenditures. First, neither component of the survey is totally comprehensive. Important segments of consumption are ignored by each instrument. The Diary survey does not obtain expenses on overnight trips and vacations, while the Interview survey omits outlays on detailed food items, housekeeping supplies, postage, and non-prescription drugs. Second, the Diary and Interview were not designed to be mutually exclusive. In fact, a preponderance of expenditure items are covered in both components. As dual estimates can be calculated for these items, the question arises as to which estimate, Diary or Interview, should be included in a profile of expenditures.

The CES Integration Team of the Division of Consumer Expenditure Surveys addresses these issues with the goal of producing publications with a more comprehensive picture of spending than is available from either Diary or Interview survey publications alone. After estimating the level of item detail to be presented in expenditure tabulations, a method must be devised to evaluate the estimates for these items from each survey to determine which data source to select. In the 1972-73 CES, data source selection for integration of data followed a simple rule: expenditure estimates would be taken from the Interview survey for all items except detailed food and those items uniquely collected by the Diary survey. Adjusting for the difference in time periods covered by each survey posed a more pressing concern than selecting between data sources in 1972-73.

Inasmuch as differing time periods were no longer a concern in the continuing CES, since the Diary and Interview components went into the field at the same time, attention could be focused on devising a suitable method of source selection. Starting in April 1984, investigation by the CES Integration Team has culminated in the choice of computing mean square errors for each estimate as a tool for data source selection. The mean square error is based on the coefficient of variation for each component's mean estimate and a bias term relating that estimate to one derived from PCE. A confidence level is factored into this bias term depending on how well the PCE