

# How High Do You Think the Cost of Living Has Gone?



How the Average American Spends His Dollar

Since the beginning of war in Europe, in August, 1914, the cost of living has risen 73 per cent in the United States.

Whether or not the final altitude record has been reached only the months ahead can tell.

The item showing the greatest increase is clothing; the second is food; next comes sundries; and the fourth is fuel, light and heat.

In eight major industries of the United States the rise in wages of men has exceeded the rise in the cost of living, their hourly earnings having gone up from 74 to 112 per cent.

In the following article the facts concerning these all-important matters are presented graphically and in complete form for the first time.

—Report of the National Industrial Conference Board.

9 per cent; sundries, third, with 5 per cent; shelter, a close fourth, with 4.9 per cent. The triplets—fuel, light and heat—showed no change.

The average man probably does not know just what percentage of his income goes normally for this and that daily necessity. The average family, consisting of husband, wife and three children, will spend about 43 per cent of the income for food; rent will take 18 per cent; clothes will figure out around 13 per cent; 6 per cent will go to warm the home, to light it and cook the food; theatres, fares, newspapers, magazines, savings, and a host of other sundries will use up the remaining 20 per cent. This division remains about the same, whether applied to an income in 1919 or back in the days before the war.

**Family Basis**

How much should a family have to live well? There is considerable talk about the American standard of living. There is no such standard. There are probably as many standards as there are incomes and families to spend them. The United States Bureau of Labor Statistics says that if a man is earning less than \$1,800 a year his family is suffering from underfeeding and undernourishment. "This does not mean," the report continues, "that the average family is slowly starving, but that it is being maintained at a lower than normal degree of health and efficiency."

On the face of it that is a pretty discouraging statement. But the report does not regard the situation as hopeless. It points a way out, maintaining that the most efficacious remedy is not higher wages, "but, rather, improved systems of distribution and marketing foodstuffs and the education of the housekeeper in the art of keeping house, with emphasis on diets." This does not mean that there are not as good housekeepers to-day as in grandmother's time. What it does mean is that there is a lot in this housekeeping business that the average housewife has never bothered with. She has never made a study of the number of calories the members of her family need in their daily food, how much protein, carbohydrates and fats. A properly balanced meal cuts out waste and provides the right sort of food in the right amounts. In these days of skyrocketing prices this is well worth looking into. This is a straight tip to the wise American housewife.

With all this increase in the out-

go, what has been the increase in the income? The wage earner can make the happiest reply. Not only has he continued to eat regularly and well, but he is the fellow who is buying player pianos and phonographs to take the place of the old guitar, and turning the woodshed into a garage.

Again it is the same authority which supplies the facts concerning the other side of the picture. The National Industrial Conference Board has made a country-wide investigation of the changes in the wage earner's income since the war began and prices commenced to soar. It tells exactly what it found in a report which is just out, called "War-Time Changes in Wages," showing what happened between July 1, 1914, and March 1, 1919.

This report is a broad sizing up of the whole situation. It deals with wages in the eight major industries of the United States, including metal, cotton, wool, silk, boots and shoes, paper, rubber and chemicals. It gives a true picture of the general wage situation.

**Wages**

From the beginning of the war to March 1, 1919, the period covered in the report, the increase in average hourly earnings of men in the eight industries mentioned runs all the way from 74 per cent to 112 per cent. For the same period the rise in the cost of living was 61 per cent.

In other words, the increase in wages of men was in every one of these industries greater than the increase in the cost of living.

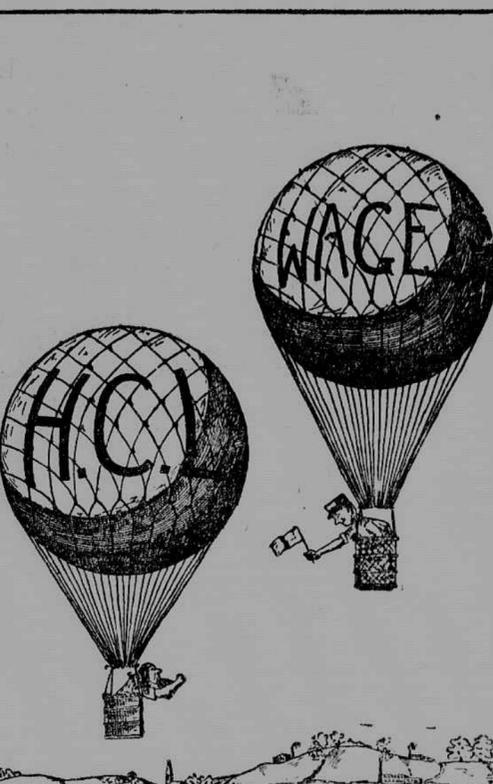
The question of whether wages were what they should have been in 1914 was not looked into. That was not the purpose of the investigation. The date of July 1, 1914, was taken simply as a starting point.

Women's wages also showed decided increases during the war. It is true the percentages of the rise in their average hourly earnings were sometimes less than those of males. But they, too, seem to have beaten the high cost of living in the scramble for the heights. In only one trade were women's hourly earnings beaten by H. C. of L. and here they were barely nosed out.

All this does not help out the middle American very much. His pay envelope does not suffer from obesity. It may be slightly plumper than in 1914, but it will not buy so much, and that is what counts.

So far the only satisfaction the middle American can get out of the situation is that he can roast some-

According to Industrial Conference Board, 73 Per Cent Since August, 1914



Wages: The One Thing That Has Risen Faster Than O. d. H. C. of L.

body. Or he can read about who should be roasted. That is the great national pastime to-day. But up to now it has not reduced the price of a square meal or a pair of shoes. And reduction is what he wants and wants without delay. How to get what he wants is another matter.

Food is the familiar offender in prices, though clothing has taken a bigger jump. You buy a new suit and wear it for months, while a steak or a chop or an egg must be replaced, as often as mealtime comes around, by a fresh one.

While the war was on a campaign opened to save the best cuts of meat for the army. Everybody was glad to comply. A lot of people found ways to cook cheap meats in a palatable way. The lesson has not been forgotten. Even now they are not buying the prime cuts.

But here is the point: A porterhouse steak before the war cost in Boston about 35 cents a pound; it sells for 63 cents to-day. Prices in other cities vary, but this will do for an illustration. The packers have been urging people, through advertisements, to eat more meat. Many will not; most will—when the price is lowered.

There are vast stores of food in the United States to-day. At the beginning of this year, according to the American Meat Packers' Association, there were over 1,000,000 more cattle, over 4,000,000 more hogs and almost 1,000,000 more sheep than at the beginning of 1918. The middle American is probably wondering what has hit the good old law of supply and demand. He has always been told that a big supply meant a drop in prices.

It is still fresh in the public mind how, in response to popular demand, the War Department sold at cost prices its surplus stores of foodstuffs, which were no longer needed for the armies fighting in Europe. These foods were quickly and gladly taken by the public, but their sale had no more than momentary effect on current market prices.

**From Overseas**

The high cost of what we wear is also blamed in part on the demands from across the sea. Many a man is going to dig out his cast-off suits, if he is lucky enough to have any, and have his tailor perform a magic rejuvenation. He will have reason to smile, too, for ready-made suits, even at \$60, will probably be of poorer quality than the \$30 suit of five years ago. As one dealer puts



How Purchasing Power of the Dollar Has Shrunk

it: "Even with prices more than 100 per cent higher than in 1914, quality of merchandise is in many cases inferior, especially in ready-to-wear goods."

In everything people wear there are large advances. Men's shoes have doubled in the last five years. Women's shoes have jumped 131 per cent; women's gloves, 125 per cent; women's knit underwear, 120 per cent; women's coats, 116 per cent, and women's cotton hosiery, 104 per cent. Many a man will find that he must part with double the amount for certain things in his wardrobe. And the end is not yet. Dealers all over the country do not hesitate to say that prices of clothing generally are still on the climb.

There are other things besides prices of food and clothing that are lining our faces to-day. A lot of men are having a hard time to keep a roof over their families. It is not entirely a question of whether they can pay or are willing to pay top prices for living quarters. In some cities is next to impossible to get something they can call home. In Cleveland, for example, over ten thousand families are forced to store their goods. They cannot find houses. They are scattered here and there, wherever they can find a place to sleep.

There has been little building since the war started. This is what one renting agent says: "Rents for people earning moderate salaries have increased alarmingly. It is nothing new for people to form in line at 7 a. m. to inspect a house advertised in the morning papers. Many people have been forced to buy a home in order to have a place to live."

The middle American thinks there is a great deal of profiteering. The landlord is getting an uncomfortable lot of attention. Property owners have for some time been getting lean pickings. They feel that the time is ripe to get a larger return.

There is another factor to be reckoned with. This is the wage-earner who drew undreamed-of pay during the war. Formerly he lived in cheap quarters; now he lives in quarters costing double what he used to pay. He adds his toll to the shortage of houses. In many places he is renting a better class

of home than the average salaried man.

The situation has no precedent. In some places, even wage-earners, attracted to manufacturing centers by good pay, are not always lucky enough to find homes. In Akron, Ohio, over 66,000 men have been forced to locate their families so far away that they can visit them only on Sunday.

**Theories**

Everybody is ready to explain the high cost of living. One man says it is the profiteers; another blames the demands of labor. Both may be right. The government is on the trail of the profiteers.

But profiteering is not at the bottom of the high cost of living. Underneath are at least two other causes which are usually overlooked. They are lack of production and monetary inflation.

Lack of production is easily understood. During the war manufacturing for civilian purposes was curtailed. A sharp cut was made in delivery of basic materials. The biggest part of industry devoted its facilities to war work. Normal conditions have not returned. There is a constant demand for shorter hours; lower output is the result. People want things that they denied themselves while the war was on. The demand is big; the supply is small. Many people want the smaller number of things that are being made. If many people want a few things the price climbs—and that is one of the direct causes of high prices. That is what makes profiteering possible.

Monetary inflation is the other half of the picture. What is inflation? It is decreased purchasing power of money arising from the increase of the facilities for purchasing faster than the increase of the facilities for production. In other words, there is a large amount of currency in circulation and a low production of the commodities required by the average family on which to spend it.

As an illustration, consider shoes. Owing to war demands leather for civilian shoes has been scarce. There is, naturally, a scarcity of shoes. People want shoes. Many persons have more money than they ever had before. There

is a competition for the limited supply; it is like a big auction. The people engaged possess great bidding capacity. What happens? The price goes up.

As the supply catches up with the demand, prices will come down. But not until then. Arbitrary fixing of prices is a makeshift; no lasting good can come out of it.

More goods must be turned out per worker. It means bucking down to the task. It means forgetting self and putting willing shoulders to the wheel. The economic fabric of the whole world has been torn. Its mending makes a demand on every producer, whether employer or wage earner, for devotion to the public need and the whole-souled practice of the Golden Rule, and on the middle American for patience, self-denial and thrift.

## Teachers Need \$1,800 a Year

AT LEAST \$1,800 a year should be paid a teacher, if she is to live reasonably, keep up her interest and efficiency in her work, and make a suitable provision for her old age. This was worked out by Miss Finrence Barnard, a teacher in the Brookline (Mass.) schools, at a meeting of the Massachusetts Teachers' Federation, described by "The Boston Evening Transcript."

To meet the cost of increased salaries, Ernest MacKechnie, secretary of the committee on salaries, suggested that investigation be made to see whether great corporations are paying proper taxes. The Chicago Teachers' Federation, he said, had brought suit against certain corporations there and recovered \$2,000,000.

The budget of the teacher's yearly needs which should be considered in determining her salary as worked out by Miss Barnard and the rest of the teachers is based upon the case of the unmarried teacher without dependents. The figures are as follows:

Board of Education	\$780
Clothing	200
Laundry	20
Transportation	40
Health (average)	20
Incidentals	100
Reading	20
Recreation	20
Spiritual uplift	20
Self or professional improvements	20
Savings	120
Pension payments	120
Giving	20
Total	\$1,820

As each item was worked out, explanations were made. Miss Barnard said that she had found last year in Brookline that an attic room in a decent—not luxurious—boarding house would cost her \$14, including board, and this was a discount of \$2 from the regular price. The teachers thereupon decided that \$15 a week was a suitable estimate. There was general agreement that \$250 a year for clothing was a conservative estimate, as was \$1 a week for laundry. Transportation covers streetcar fares going to and from school and on other necessary trips, the 10-cent fare being the basis.

Saving ten dollars a month until the teacher was sixty would result, if the money were prudently invested, in the accumulation of from \$11,000 to \$15,000. The teacher who began saving after passing thirty and before reaching forty years of age would need to lay aside between \$300 and \$400 a year to accumulate the same amount. After forty, \$600 would be needed.

SINCE the war began in 1914 the cost of living has gone up 73 per cent. It did not stop climbing when the war ended. There is no evidence that it has stopped climbing to-day. The man who calls statistics by their first name has no more assurance than the lowliest complainer. He can only hope.

The one certain thing about it is that old H. C. L. is trying to carry off all medals for altitude records.

Where have high prices hit the hardest? Most people can rattle off the answer: In what we eat and what we wear.

But most people would get the order wrong. So much is heard of the advance in food prices that the popular notion has it that food leads in the upward movement. This is not correct. What we eat has gone up 90 per cent, while what we wear has advanced an even 100. Third place, aside from sundries, in the contest goes to the three-part combination, fuel, heat and light, with an advance of 57 per cent.

The National Industrial Conference Board, the central body of American industry, by the use of its established research machinery has been getting at the facts for the benefit of the country. These have just been published in a report entitled, "Changes in the Cost of Living: July, 1914—July, 1919."

**Five Leaders**

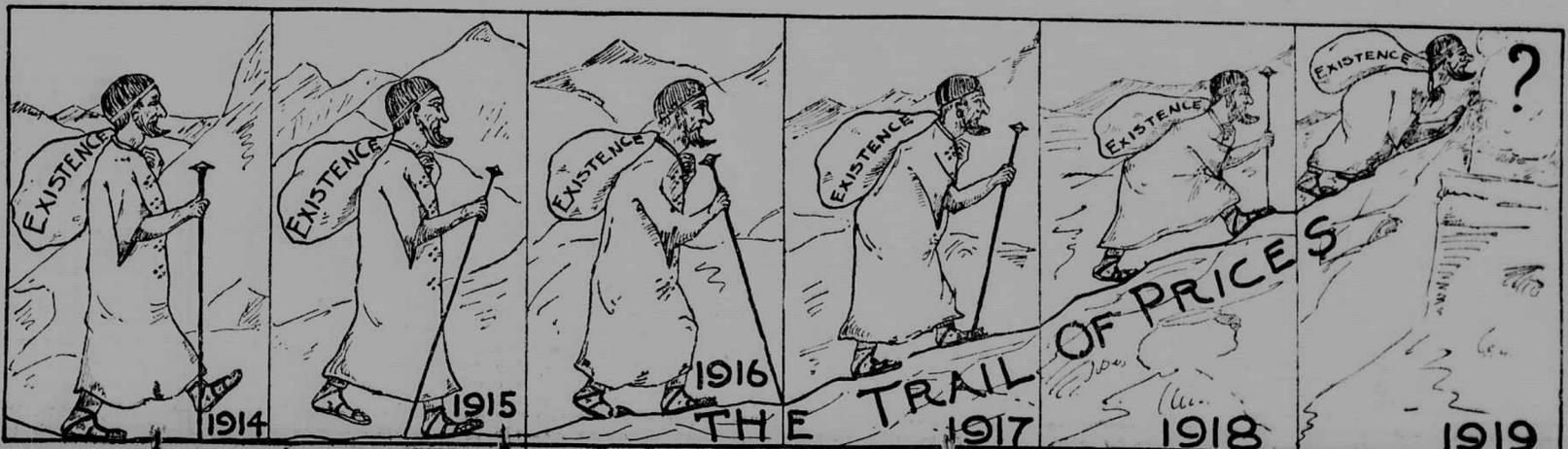
The report gives the people of the United States the satisfaction of knowing just where they stand. Take the five chief items of daily living. This is how they look in a table, showing the average increase that has come to each:

Item	Per cent
Clothing	100
Food	90
Fuel, heat and light	57
Shelter	28
Sundries	63
All items	73

The National Industrial Conference Board has checked up old H. C. L. through each year and month since the war began, and the report shows the periods of his flights.

The figure for all items—73 per cent—is the record up to July, 1919. It is higher by 7 per cent than last March; it has beaten the June, 1918, mark by 14 per cent. Take a different slant on the mounting prices. In four months, beginning last March, clothing crossed the line first with 10 per cent; food followed, with

## A Modern Version of Pilgrim's Progress



1914 1915 1916 1917 1918 1919

THE TRAIL OF PRICES