

U.S. Department of Labor
Wage and Hour Division
Washington, D. C.

SURVEY OF COMPARATIVE LIVING COSTS

A survey of comparative living costs in five small Southern cities and five Northern cities of similar size, just completed by the U.S. Bureau of Labor Statistics for Administrator, Elmer F. Andrews of the Wage and Hour Division, U.S. Department of Labor, found the average was 3.1 per cent lower for the five Southern cities.

The study was undertaken by the Bureau of Labor Statistics at the request of Mr. Andrews, who wanted all pertinent information on questions that may come before him in conducting hearings and passing upon the minimum wage recommendations of the various Industry Committees. The questions of wage differentials in favor of the South and of living costs in the South, as compared with the North, have already come up before some of these committees.

The report of the Bureau of Labor Statistics showed that while, on the average, rents in the five Southern cities surveyed is 7.6 percent lower than for similar housing in the North and fuel costs are 34.2 percent lower, there was no essential difference in food costs. The cost of clothing was 2 percent higher in the five Southern cities surveyed; furniture, furnishings and equipment 3.8 percent higher, and miscellaneous items 3 percent higher.

Rents for company houses were not included in the survey of cities in either region because the Fair Labor Standards Act provides that the wages required under the Act may include "the reasonable cost, as determined by the Administrator, to the employer of furnishing such employee with board, lodging or other facilities." The rents tabulated were for houses of four, five and six rooms having, as a minimum, running water, inside flush toilets and electricity for lighting.

Families in both regions have adapted their expenditures to local prices, consuming more of the goods which are relatively cheap in the locality, and less of those goods and services which are relatively more expensive. Thus, based on the prices of goods consumed by an average family of an employed wage earner in the North, the Bureau of Labor Statistics finds that the cost of such a Northern budget is one percent less in the five Southern cities surveyed than in the Northern cities surveyed. In dollars, the cost is \$1,387 in the Northern cities and \$1,374 in the Southern cities.

Wage-earner families in the five Southern cities, on the average, would have to spend \$13 less annually than wage earners in the five Northern cities to live on the same standard.

On the other hand, it is pointed out, the cost of goods consumed by an average family of an employed wage-earner in the South was found to be 5.3 percent less in the five Southern cities than in the five Northern cities.

Since these differences reflect essentially contrasts in buying habits and tastes, rather than in the quality of the living involved, the Bureau of Labor Statistics presents an average of the two patterns of expenditure. The difference of buying habits and of costs was most pronounced in the case of food.

Looking through these regional differences which cause a Southern diet to be more expensive in Northern than in Southern cities, and a Northern diet to be more expensive in Southern than in Northern cities, the Bureau of Labor Statistics concluded there is no general difference in the cost of food as between the two regions and finds that the cost of living, as a whole, averages only 3.1 percent lower in the five Southern cities than in the Northern cities surveyed.

The data in the report submitted to Mr. Andrews are based upon an investigation of retail prices and rents conducted by the Bureau of Labor Statistics as of December 15, 1938, in the following ten cities of 10,000 to 20,000 population:

	Pop.		Pop.
Chillicothe, Ohio.....	18,340	Hattiesburg, Miss.....	18,601
Dover, N.H.....	13,573	Sherman, Texas.....	15,713
Hanover, Pa.....	11,805	Statesville, N.C.....	10,490
Holland, Mich.....	14,346	Sunter, S.C.....	11,780
Little Falls, N.Y.....	11,105	Thomasville, N.C.....	10,090

A summary of the report, prepared by the Bureau of Labor Statistics, follows: