

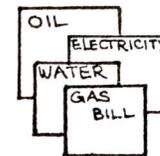
*Some of Your Answers to 1977 Questions**Utilities*

For the first time since 1972 we asked you what your utilities like oil, electricity, and gas are costing you. Your answers, as you can probably guess, were discouraging. In the last five years your combined cost for keeping warm, cooking, washing and drying clothes, lighting, heating water, and so on have nearly doubled.

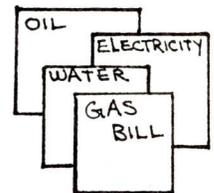
In 1972 you spent an average of \$333 a year on these utilities (about \$28 a month). Last year they cost you an average of \$620 (\$52 a month). Of course these are averages for the whole country. Those of you who are lucky enough to live in a warm climate probably pay much less, while it may cost some of you who live in the north more than \$52 a month in winter just for heat alone.

In the Last Five Years Your Combined Costs for Keeping Warm, Cooking, Washing and Drying Clothes, Lighting, Heating Water, and So On Have Nearly Doubled.

\$333

1972

\$620

1977

If any of you have found a way of getting around the high cost of utilities - either schemes for using less oil, electricity and gas, or substituting some other source of energy like burning wood (if you live where fire wood is reasonable) or using solar energy or wind power or whatever, write to us about it. We will print your ideas in next year's report.

Food Stamps

For several years we've been wondering why some of you who seem to us to be eligible for food stamps don't get them. So we asked you.

Six hundred and seventy families in the study who do not receive food stamps, thought that they were entitled to them and another 214 thought that they might be. Of the 670 families who felt sure that they qualified for stamps, 18 percent, believing that they were eligible, applied but were turned down. About another 7 percent could not afford to pay the amount of money required to buy the stamps.

Almost 20 percent of the 670 either did not try to get food stamps or gave up using them because they didn't think that it was a good enough deal. They decided that the stamps did not save them enough money to be worth putting up with the red tape, standing in lines and coping with local officials. For some others, especially old or disabled people, problems with transportation made picking up the stamps impossible, and a small number of families just did not know how to go about applying for stamps.

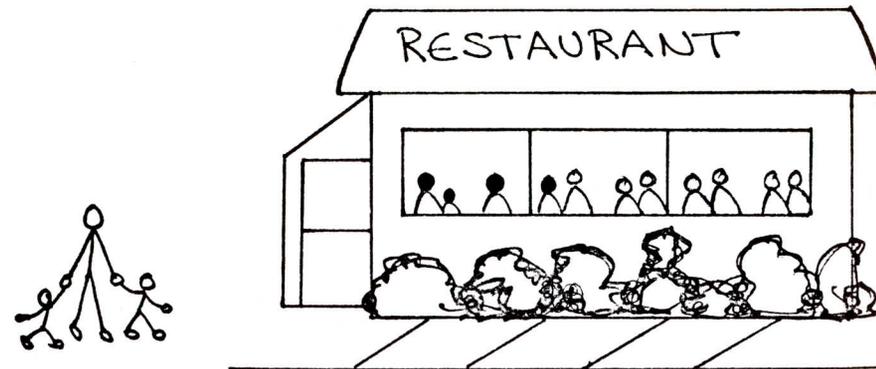
However about 40 percent of the families who thought that they qualified for stamps had not even considered applying for them. These were divided about 50/50 between families who found that they could get along without the stamps and it was easier not to bother with them, and families who did not like the idea of accepting help from the government.

Eating Out

In 1972 you spent an average of \$238 a year eating out, not counting the meals you bought at work or school. In 1977 you spent, on the average, \$456 on restaurant meals. This was up 15 percent from the \$398 that these meals cost you the year before.

Only part of the increased spending on meals bought away from home is due to higher prices. Restaurant food prices haven't gone up nearly 15 percent since last year. We think that people are just eating out much more often than they used to. Maybe the growing number of working wives like to go out for supper at the end of a hard day. Also the fast food places that have sprung up all over the country provide a relatively new kind of restaurant service-- a pleasant place for families to go where children are as welcome as grown-ups and the prices won't destroy your budget.

We Think People Are Eating Out Much More Often Than They Used To.



Working Wives Again

During the last few years there has been a great deal

of interest in this country about working wives. Do they work because they have to or because they enjoy it? Do their husbands want them to work? Who takes care of the children when their mother isn't home? and so on.

This is all very useful information but the questions are beginning to seem a little old fashioned. More than half of working-age wives do have jobs and for most of them these days it's no longer a question of whether or not they enjoy working. It's just something that has to be done if their families are going to get along financially. After all we don't ask husbands why they decided to go to work or if their wives approve of their having a job. Nor when we interviewed wives did we ask them what they thought about their husbands working outside the home.

However, in 1976 we did ask wives if their husbands approved of their having a job and this year we asked the husbands themselves if they wanted their wives to work. We didn't compare the answers of individual couples, but the overall percentages agreed quite well. Wives appear to have a pretty good idea of whether or not their husbands want them to have a job, though they may tend to think that husbands are slightly more in favor of wives working than the husbands say they are.

What Husbands Think About Their Wives Working

As Reported by Husbands
Themselves

As Reported by
Their Wives

27.6%	very much in favor	31.0%
20.5	somewhat in favor	24.0
19.8	nether for nor against	16.2
11.8	somewhat against	13.2
16.8	very much against	12.3
3.6	don't know, or not answered, etc.	3.4

Last year we found that three quarters of the wives whose husbands were very much in favor of their working had

jobs. The number dropped to 61 percent of the wives whose husbands were somewhat in favor. The percent of wives working went down as their husbands became more disapproving until only 15 percent of wives had jobs when their husbands were very much against it.

Whether or not wives work seems, understandably, to be a family decision. Even the relatively few wives who work in spite of their husbands being very opposed to it, may not be causing a family fight. Husbands who object strongly to the idea of their wives working may, as things are now, accept it as a necessity if the family is going to be able to meet its expenses.

Fame

Perhaps you noticed that in 1977 you became famous. The study of family economics - or to call it by its official name - the Panel Study of Income Dynamics has received a lot of publicity this year.

It all began with a front page article in the Sunday New York Times which was reprinted, or quoted, by wire services and newspapers all over this country and even by some in Canada. If you saw any of the articles we hope that you realized that they were about you. We had hundreds of inquiries from people who wanted to know more about the study. Many of the people we heard from were connected to federal, state and local government, but there has been alot of general interest too. In fact People Magazine is in the process of doing a story about the study. Their reporters have recently spent a couple of days with us gathering information and taking pictures of the study staff. Watch for the article in late February or early March.

This sudden widespread interest in a research project that has been going on for ten years may have been partly brought about by the Carter Administration's proposal to

reorganize welfare. With your help this study has made some surprising discoveries about low income families which should provide a somewhat new approach to solving a few of the welfare system's problems.

Who Gets Welfare

In order to decide who is eligible for help to low income families, the Government invents a poverty level based on how much income a year families of different sizes need to get by on. Any family with a yearly income of less than that amount should qualify for help, but for one reason or another they don't always get it. At present, according to government figures, \$5,815* a year is the average minimum income that a non-farm family of four will need.

The U.S. Census Bureau estimates that about 12 per cent of the United States population live in families with incomes below the poverty level each year (about 26 million people). It has generally been taken for granted, including by President Johnson when he declared war on poverty in 1965, that from year to year these were often the same families who had become trapped in poverty and had too much going against them to be able to get out.

Where You Came In

There are families in this study at all income levels and every year we bore you by asking you the same financial questions over and over. From your answers to the questions about your income we have discovered that there are often exceedingly large year to year variations in the amount of money families have to live on. For at least one year out of the ten years we've been talking to you, about a quarter of the individuals in the study lived in families whose incomes were below the government's poverty level (as you

*Current Population Reports. Money Income and Poverty of Families and Persons in the U.S.

are a national sample this means that a quarter of the population of the United States is in financial difficulty in at least one year out of ten).

We found that about one percent of the individuals in the sample were indeed trapped and were below the government's poverty line in every one of the 10 years but that the rest of the approximately 26 million people who were poor in any one year were a very changeable group. Your annual interviews showed that often people who were below the poverty level in one year were above it the next.

However, this line is imaginary and arbitrary. A few dollars one way or the other can put people over or under it. While some people are climbing out of poverty others are falling in. By the government's figures more or less the same number of people need help each year. What is new and encouraging is the discovery that from year to year most of them are not the same individuals.

From what you have told us, it is clear that many more people than was generally realized are in financial difficulty at some time over a period of a few years and that many fewer people than had been assumed are constantly poor.

Present programs to eliminate poverty may not distinguish very well between the long and short term variety. Of course people who are poor for either a long or short time need financial help. People who are in persistent financial trouble need stable support that they can count on without hassle or harassment. Many of them could also benefit from job training or more education to help them get back to work or to find a better paying job. Some quite different system, perhaps some kind of emergency insurance program, might be a more appropriate kind of help for people whose financial difficulties are probably temporary.

For all the high hopes it started with and the huge

sums of money that it costs to operate, the present welfare system has only been able to eliminate a small percentage of the poverty in the United States. Reorganization of the system, when and if it ever gets done, should certainly improve it. And, thanks in part to your kindness in putting up with ten years of questions, agencies working to eliminate poverty can now treat a large fraction of it as a relatively temporary situation that might happen to anyone — and often does, instead of assuming that a large section of the United States population is permanently poor.

Leftovers From 1976 Interviews

When the last respondent report was written, we hadn't had time to look at all the information from the 1976 questionnaires, so we include some additional short bits here.

Discrimination?

We told you last year that one of the reasons that most women earn less than men may be that employers think that women (especially mothers) will be absent from work much more often than men because of their family responsibilities. We found that very few people, either men or women, were, in fact, absent for such reasons. But, of those who were, women missed three times as many work hours as men.

However, we've discovered something unexpected and surprising. Although employers appear to discriminate against women in general because in theory they may have to stay home more often than men, when it comes to pay and promotion they do not seem to penalize individual workers who have high rates of absenteeism — even long term employees whom they have had plenty of time to check up on. As far as we can see, women who never miss a day of work are paid just as little and get ahead as slowly as women who are absent frequently.

It would eliminate undeserved discrimination and make more sense if an employer adjusted the pay of individual workers who have to miss a lot of work, for what ever reason, if their absences are costing him money. Since employers don't seem to be doing this, it is hard to justify the notion that because of possible family commitments all women are bound to make undependable workers who deserve to be paid less than men.

Jobs and Education

We compared the amount of education that you told us that you were required to have in order to get your jobs with the amount of education you actually have. We found that nearly half of the men and women in the work force had more education than they needed to qualify for their jobs.

About 20 percent of all jobs only demand a grade school education and about 7 percent more require less than high school. However, 97 percent of the working population have more than a grade school education and 78 percent have at least a high school diploma, so many people are bound to be overeducated for the work they do.

Even in jobs that require additional education many people have more than necessary. When they are hiring, employers tend to seek workers with diplomas from high school or college, so people who are high school or college graduates can usually find a job in line with their education. But the person who went to high school but didn't finish and has no diploma has to settle for a job that requires less than a high school education and people who went to college but didn't graduate may well end up in a job that only requires a high school diploma.

Workers with advanced degrees are also apt to be overeducated for their jobs. Probably there are not enough positions requiring an MA or a PhD. to accomodate the people

who have these degrees.

Education has many benefits besides financial ones, but even from a strictly business point of view, the person who takes a job that demands less education than he or she has, has not wasted the time and money spent on getting the extra schooling. Employers put great faith in exact diplomas and degrees when they are hiring new employees. That way they know what they've got and it's easier to follow the rule than to try to evaluate workers whose education falls somewhere in between--for instance, more than high school but less than a college degree.

However, after a while on the job surplus education seems to pay off. The workers who have extra education often end up earning more than the ones who have just the required amount.

Working Mothers and Fathers

ANNUAL HOURS OF HOUSEWORK AND CHILD CARE FOR WORKING MOTHERS AND FATHERS, BY FAMILY SIZE

(reported by wives who work for money and have children under 12)

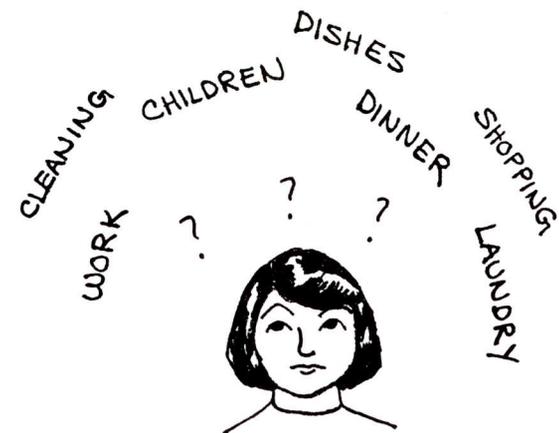
Number in Family	Housework Hours			Child Care Hours		Wife's Work Hours for Money (paid work hours)
	Wife	Husband	Others	Wife	Husband	
3	1145	349	33	937	497	1391
4	1455	346	158	894	494	1151
5	1440	295	576	634	424	1187
6	1665	442	759	534	412	1228
7	1326	333	988	819	460	1407
8 or more	1719	310	1319	731	418	1126
All	1387	344	320	812	468	1244

We thought that this table might interest you. It shows how working wives and husbands in various size families

divide their time between paid work, housework and child care. All of these families have at least one child under 12 years old. The housework listed under "others" is probably done by the children and, especially in large families, it is a sizable amount. These families also reported spending an average \$385.00 a year on additional child care.

We did not include a column for husbands work hours as they don't vary much according to family size. Most husbands work about 2000 hours a year, which is full time with two weeks vacation. Working wives average well over half time spent in paid jobs. When hours spent on housework and child care are added to their paid work hours the average total is a staggering 3,443 hours a year regardless of family size. That amounts to nearly 70 hours a week and is on the average around 700 hours more a year than their husbands spend on paid work, housework and child care combined. After spending some of the remaining hours sleeping, the working wife and mother doesn't have much time left over to go fishing, watch television, or whatever.

Working Wives Average 70 Hours Per Week on Paid Work, Housework and Child Care Combined.



New Questions

It looks as though this study has at least another year to go so we are busy planning the 1978 questionnaire.

In trying to account for differences in earnings between races and sexes we've found that people get ahead in their jobs not so much because of having steady work experience as by getting a job in the first place that provides on the job training and a chance for advancement.

We would like to find out how people manage to get these good jobs so we plan to ask those of you who are working and under 45 years old (people over 45 might have a hard time remembering so far back) how you heard about your first job or jobs, if you knew anyone who worked there and if you think that anyone put in a good word for you or helped you get the job. We will also ask if jobs like yours are very hard to get, with many people applying for every opening. We will ask husbands with working wives if they can answer some of these job questions about their wives' first jobs, so please compare notes.

Those of you from 45 to 65 will be asked if you have done any thinking about retirement and if you expect to have enough income to live comfortably when you decide to retire. Then there is a series of questions for those of you who are already retired asking why you retired when you did. Did you have to, or want to? This year 25 percent of the retirees in the study told us they retired because of poor health. We also would like to know if the financial provisions you made for retirement have turned out to be adequate and how it's all working out.

A Few Statistics

In 1968 there were 4802 families in the study. Because we interview members of the original families (mostly their children) when they leave home the number of households in

the study has grown to 6007. About 2500 of these families now have two generations in the survey which provides a unique opportunity for research on family economics. In some families who have lots of grown-up children we inter-view as many as seven related households.

You get around a great deal. More than a quarter of you move each year - many more than once. If you weren't so good about remembering to send in your change of address cards, we would never be able to find you. Thank you - keep it up.

The Future

The "After Ten Years What?" committee that the Department of Health, Education and Welfare got together to decide about the future of this study was very much in favor of having it continue. There is no question that it is enormously valuable research and that every added year of interviews increases its importance. It's a very expensive study though and efforts are now being made to share the cost with other government agencies. (Of course neither HEW nor any other government agency has access to your names, addresses, or any identifying information about you.) We don't know how it will work out but we've been told to plan on interviewing in 1978. So we look forward to talking to you in a few months.

As usual we are very grateful for your help and very proud of you. Have a happy 1978.