

Ferdie J. Deering

JUL. 14 1977

Buying Power Weathers Inflation

MONEY comes in so fast and disappears so rapidly that some families wonder where it went so quickly.

Others might not be so concerned, expecting government to provide medical aid if they get sick, unemployment checks if they lose their jobs and Social Security when they get old.

Workers' pay scales have ridden the crest of inflation, which has been accelerated by government spending. Higher pay put more families in higher tax brackets, affecting net pay gains.

However, a private business research organization last year found that people have more real spending power than they had a year ago. The income after allowance for price increases and that they are spending smaller portions of incomes for food, clothing and other necessities.

A larger share is being devoted to luxury items and to services. Attendance at nearly all kinds of sports events is surging, despite generally higher ticket prices.

Latest government figures show that average personal income per capita (not per family) in Oklahoma for 1976 was \$5,657, a gain of 7.6 per cent over 1975. For the United States, it was \$6,441, up 9.1 per cent. National average family size is 3.4 persons.

From Bureau of Labor Statistics and Census Bureau surveys, New York's Citibank has worked up a table showing how families spend their incomes.

The compilation shows that families in all income categories spend more for housing and for transportation than they do for food. Food costs ranged from 10.6 per cent of incomes for families with \$25,000 or more to 12.9 per cent of incomes for those receiving from \$12,000 to \$15,000 a year.

USDA calculates that the average American family of four spends about \$2,700 a year for food and estimates that this could be reduced as much as 20 per cent by careful shopping.

Experts suggest checking news-

paper ads, using coupons provided and comparing prices on a cost-per-serving basis.

A youth magazine surveyed its readers and found that family food purchases by teenagers have increased sharply as more mothers enter the labor force. It is estimated that working women now outnumber full-time housewives.

Buying power might not always go up as much as supposed, due to a bigger tax bite when wife's income is added to husband's.

Virtually all federal departments and agencies have consumer sections or plans, but Congress is being urged to add more bureaus to "protect" consumers. Unless the lawmakers "shop carefully", they may pay more to support the bureaus than consumers risk or lose because of alleged hazards involved.

Whatever is done, consumers may expect buying power and tax paying ability to ride with inflation. It is to the advantage of government spenders to keep these items expanding.