

A STUDY OF THE COST OF LIVING.

By KATHERINE PHILIPS EDSON, Executive Officer, Industrial Welfare Commission, State of California.

April 19, 1919.

To the Industrial Welfare Commission

GENTLEMEN—After having studied the cost of living increases as reported by the United States Bureau of Labor Statistics, the study made of the Pacific Coast by the University of Washington for the Emergency Fleet Corporation, the study made by the National Industrial Conference Board, the studies made by Professor M. E. Jaffa of the University of California, used by the Oakland Arbitration Board in the adjustment of wages for the Key Route System and afterwards used by the National War Labor Board in the settlement of the disputes concerning wages coming before them, and also the studies made by our agents during the summer and fall of 1918 of San Francisco, Oakland and Los Angeles, I have the honor to report the following conclusions:

The United States Bureau of Labor shows that the index figure for all commodities in 1913 was 100 per cent; in 1914, 99 per cent; in December, 1918, 206 per cent, or 106 per cent increase. It also shows that in San Francisco it was 2 per cent higher in December, 1918, than in November, 1918.

The National Industrial Conference Board, in its study, "War-Time Changes in the Cost of Living" from July, 1914, to November, 1918, published in February, 1919, shows that the increase in the cost of living for a workman and his family of four, in the industrial cities of the United States, is 68.1 per cent since 1914. Their study shows that there has been the following increase:

Food	83 per cent
Shelter	20 per cent
Fuel, heat and light	55 per cent
Clothing	93 per cent
Sundries	55 per cent

The annual expenditure of the average workman's family is distributed approximately as follows:

Food	43 per cent
Shelter	18 per cent
Fuel, heat and light	6 per cent
—	24 per cent
Clothing	13 per cent
Sundries	20 per cent

Professor Jaffa shows that the increase in the price of food for a woman during moderately active work, since May, 1916, to February, 1919, is 75.8 per cent; that the cost per day for raw materials unprepared in any way is from \$0.2477 in May, 1916, to \$0.4354 in February, 1919, these prices being for the city of Berkeley.

The studies made by this department were begun in July, 1918, and were made partly by volunteer assistance of women attending the University Summer Session under our direction. These studies were made principally through cafeterias and lunch rooms of San Francisco, Oakland and Berkeley. They were made from several angles and showed that the cost ranged from 70 cents to 89 cents per day. Properly balanced meals might be purchased in cafeterias of these cities by a woman doing light work, if she had a knowledge of food values, for 70 cents a day. However, for a woman doing active work, the average cost would be 89 cents.

The San Francisco Y. W.-C. A. has kept the average amount of checks for various meals purchased in that institution for a long period. They average as follows:

Breakfast	\$0 20
Lunch	0 27
Dinner	0 37
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	\$0 84 per day

In discussing with hotel and cafeteria men both in San Francisco and Los Angeles, they all conceded that it costs from 75 cents to \$1 per day to feed their help.

Studies were made of cafeterias, lunch rooms and boarding homes in Los Angeles. In women's subsidized boarding homes prices for room and board have advanced from 20 per cent to 42 per cent—this is for a room for two and two meals.

Cafeteria owners said that checks ran from 28 per cent to 33 per cent higher than in the last few years. Drug store and soda fountain lunches showed an increase of 40 per cent. It must not be forgotten that portions are much smaller and cheaper varieties of food are being eaten by women workers; that is, with the same or larger expenditure of money less nutritious foods are being consumed because of the high cost of the more desirable articles.

The United States Bureau of Labor Statistics shows an increase in food prices between December, 1914, and June, 1918, in San Francisco and Oakland, of 44.87 per cent; in Los Angeles, a 40.02 per cent increase. There has been not less than 1.8 per cent increase per month since June, 1918, according to the estimate of Prof. William F. Ogburn, noted cost of living expert, with the National War Labor Board. This would mean an increase since June, 1918, through February, 1919, of 14.46 per cent, or 59.33 per cent for San Francisco and 54.48 per cent for Los Angeles, as against 83 per cent in the industrial cities of the country at large.

California cities have not felt the increase in cost of rent as have the cities of the Northwest and the Eastern states during the war times. Many reasons account for this, the principal one being the increase in industry was not as great here as in those communities having large orders for munitions, clothing and other war necessities. In our shipbuilding districts of San Francisco and Oakland, in June, 1918, it was found by a study made for the Wage Adjustment Board of the Emergency Fleet Corporation that rents had decreased 4.54 per cent since December, 1914, to June, 1918. In Los Angeles it was found that in the shipbuilding district they had increased by 8.28 per cent in the same time. However, in the fall of 1918, in all the cities of the state, a sharp increase was made in rents of apartment houses, lodging houses and hotels of from 15 per cent to 20 per cent; in some cases greater. This has been felt keenly by the woman living on a margin. It has meant moving farther out and frequently to less desirable quarters.

The secretary of the Los Angeles Apartment House Association told our agent that the increase would not be less than 15 per cent. The Secretary of the San Francisco Apartment House Association said the increase in San Francisco would be from 15 per cent to 20 per cent. Practically no building has been done in three years and all desirable quarters are at a premium. The National Industrial Conference Board states that an estimate of 20 per cent advance in rents is a conservative estimate for the country at large.

It is in clothing that the working woman, as well as all people, has felt the increased cost of living. The proportion of her budget that goes for clothes is necessarily larger than for a family or for a woman at home. She must be presentably dressed, and the standard demanded by the employer and the general public of neatness and cleanliness can not be attained except at a sacrifice of essential necessities on the present wages paid.

According to the study referred to, made for the Emergency Fleet Corporation, the increase in the cost of clothing for the *wife* of a shipyard worker was found to be 71.92 per cent in Oakland and San Francisco. In Los Angeles it was found to be 77.82 per cent.

The National Industrial Conference Board reports as follows the increase in articles of women's clothing from July 1, 1914, to November 1, 1918:

Hosiery -----	94.2 per cent
Knit vests -----	127.9 per cent
Muslin combinations -----	82.7 per cent
Coats -----	91.1 per cent
Women's blouses -----	64.2 per cent
Shoes -----	90.5 per cent
Gloves -----	100.2 per cent
Hats -----	86.1 per cent

Their trial budget for the wife of a working man shows a cost in 1914 of \$58.15, and in 1918 the same articles cost \$109.40, or an increase of 88.1 per cent.

Studies made by our agents in six stores in San Francisco, Oakland and Berkeley show an increase of 63.2 per cent for the same articles over the 1914 prices.

In Los Angeles a similar, but not strictly comparable, study was made and showed an average increase of 89 per cent.

Mrs. M. V. Greene made an independent study of Emporium employees for board and room and also clothing. This study showed an increase in clothing ranging from 33.33 $\frac{1}{3}$ per cent in certain articles to 60 per cent within the last *two* years.

This evidence has led me to prepare for your consideration the following budget:

Comparative Estimates of Minimum Cost of Living in 1914 and 1919.						
	1914, per year	1919, per year		1914, per year	1919, per year	% of in- crease.
Board and room-----	\$300 00	\$429 00	Board and room	\$300 00	\$429 00	43
Shoes (3) -----	10 50	18 00				
Corsets (2) -----	4 00	7 00				
Petticoats (3) -----	5 00	6 50				
Stockings (12) -----	3 00	6 50				
Nightgowns (3) -----	2 50	4 50				
Underwear -----	7 00	10 50				
Dresses -----	(2)18 00	(1)20 00				
Coat -----	12 50	24 00				
Suit -----	20 00	33 00				
Sweater -----	3 00	4 50	Clothing -----	112 25	170 75	52.1
Hats -----	12 50	15 00				
Gloves (2) -----	3 00	4 50				
Handkerchiefs (12) -----	1 50	2 00				
Kimona -----	1 50	2 00				
Waists-----						
1914: 3 at \$1; 1 at \$3		10 50				
1919: 3 at \$2; 1 at \$4.50	6 00	1 50				
Umbrella -----	1 50	75				
Rubbers -----		31 20				
Carfare -----	31 20	15 00				
Sundries (toilet) -----	10 00	25 00	Sundries -----	88 20	106 20	20.4
Medical and dental-----	20 00	20 00				
Vacation and amusement	15 00	20 00				
Laundry -----	12 00	15 00				
Total per year-----	\$500 45	\$705 95				41
Totals per week-----	9 63	13 57				41

Relative Weights of Items Forming Budgets.

	1914 (per cent)	1918 (per cent)
Board and room-----	60	61
Clothing -----	22	24
Sundries -----	18	15
	100	100

This being the evidence I draw from the best authoritative sources at my disposal, I present as my recommendation the following budget as the minimum cost of living for a self dependent woman in California:

Board, at \$5.25 per week-----	\$273 00
Room, at \$3 per week-----	156 00
Clothing -----	170 75
Sundries -----	106 20
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	\$705 95

or \$13.57 per week.

Whether it is desirable to fix a minimum wage on this figure is for the commission as a matter of policy to determine. The minimum wages fixed by the several states in the Union are as follows:

Washington—For 48-hour week, \$13.20. To exist until six months after peace is signed.

Oregon—For 50-hour week, \$11.10 for Portland.

Kansas—\$8.50, mercantile; \$9, telephone; (proposed—\$11, factories).

Massachusetts—\$9, factories; \$10, retail millinery; \$8.50, mercantile; \$11, wholesale millinery.

Manitoba (Canada)—\$12, factory.

Province of British Columbia—\$12.75, mercantile; \$13.50, laundry.

The National War Labor Board has been fixing in war industries a minimum wage of \$15 for a 48-hour week, and in some industries as high as 35 cents per hour. In Arkansas it set an increase of \$3.50 per week over the rate fixed by the Industrial Welfare Commission in the laundry industry, making a wage there of \$10.50 per week.

Respectfully submitted.

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NOTE:

June 10, 1919.

The Industrial Welfare Commission accepted the above study, and, on April 22, 1919, fixed a minimum wage of \$13.50 per week for the mercantile industries.

On May 12, 1919, the Commission fixed 28 cents per hour as the minimum rate in the fruit and vegetable canning industry, with a piece rate scale that will yield not less than 28 cents per hour, or \$13.50 per week.